

# SYSTEMWIDE POLICY

## Paid Time Off (PTO)

**This Policy is Applicable to the following Corewell Health sites:**

**SYSTEMWIDE**

Beaumont Pharmacy Solutions, Beaumont Post Acute Care, Continuing Care (CHW), Corewell Health Beaumont Grosse Pointe Hospital, Corewell Health Beaumont Troy Hospital, Corewell Health Big Rapids Hospital, Corewell Health Dearborn Hospital, Corewell Health Farmington Hills Hospital, Corewell Health Gerber Hospital, Corewell Health Grand Rapids Hospitals (Blodgett Hospital, Butterworth Hospital, Helen DeVos Children's Hospital), Corewell Health Greenville Hospital, Corewell Health Ludington Hospital, Corewell Health Medical Group East, Corewell Health Medical Group West, Corewell Health Pennock Hospital, Corewell Health Reed City Hospital, Corewell Health South (Niles, St. Joseph, and Watervliet Hospitals; Corewell Health Medical Group South; Applicable Corewell Health South Regional Sites), Corewell Health Taylor Hospital, Corewell Health Trenton Hospital, Corewell Health Wayne Hospital, Corewell Health William Beaumont University Hospital (Royal Oak), Corewell Health Zeeland Hospital, Corporate (Corewell Health East), Corporate (Corewell Health West, South and Priority Health), Outpatient/Physician Practices (CHW), Priority Health

<b>Applicability Limited to:</b>	N/A
<b>Reference #:</b>	7192
<b>Version#:</b>	13
<b>Effective Date:</b>	03/10/2025
<b>Functional Area:</b>	Benefits
<b>Department Area:</b>	Human Resources

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### 1. Purpose

Paid Time Off (PTO) is available for eligible team members to be compensated when they take time off for rest, relaxation, a planned vacation, illness, to attend to personal affairs, volunteering in the community or for reasons covered under the Michigan Earned Sick Time Act. Team members must use their PTO for any absences with the exception of designated holidays, military leave, short-term disability (STD), workers' compensation, parental leave, or any other absences protected by law from policy application. Refer to the [Employment Status and Classifications](#) policy for PTO eligibility. Executives and Physicians should refer to their respective time off policies.

### 2. Definitions

- 2.1.** Years of service: Years of service are based on your continuous service date in Workday.
- 2.2.** Accrual PTO plan: team member gradually accrues PTO based on hours worked.
- 2.3.** Maximum annual accrual: the maximum amount of PTO hours a team member can accrue in a calendar year. Once the maximum bank is reached, PTO hours will not accrue until the PTO bank balance is reduced below the maximum bank.
- 2.4.** Maximum bank: the total amount of PTO a team member can have in their bank and when this maximum bank is reached, PTO hours will not accrue until the PTO bank balance is reduced below the maximum bank.
- 2.5.** Allotment PTO plan: team member receives their entire allotment of PTO annually on January 1 or as of their hire/transfer date and must use their PTO by December 31 of that year or it is forfeited.

Entities will reference associated Documentation contained within this document as applicable  
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### 3. Responsibilities

#### 3.1. Team Member:

- 3.1.1. Team member is responsible for monitoring the usage of their PTO hours to ensure that they maintain a PTO bank that does not result in unpaid time off. If a team member's PTO bank becomes depleted and an absence occurs, the team member will not receive pay for missed work time and may be subject to the [Attendance and Reliability](#) policy if the time is not protected.
- 3.1.2. Team member is responsible for ensuring that their PTO bank does not reach bank and annual accrual maximums and thereby stop accruing.
- 3.1.3. Team member must use PTO for all scheduled and unscheduled time off.
- 3.1.4. Team member is required to record PTO in the timekeeping system.
- 3.1.5. It is recommended, but not required, that team members maintain at least 40 PTO hours in their bank at all times. When scheduling time off, it is the team member's responsibility to provide sufficient notice to their leader and to work within the guidelines of the department's scheduling time off policy.

#### 3.2. Leader:

- 3.2.1. PTO is intended to provide team members with flexibility in scheduling paid time away from the workplace. Leaders have a responsibility to plan schedules that meet the operational needs of the department and to ensure that team members have the opportunity to use available PTO.

### 4. Compliance

- 4.1. Team Members should take time to read and become familiar with the details of any policies that apply to them and to follow any expectations outlined. Seek clarification from your leader or from HR if you need it. When policies aren't followed, there may be coaching or performance correction that results.
- 4.2. Team members who are represented by a union may not be eligible for these benefits because application of this policy: (i) is subject to the terms of an existing collective bargaining agreement, or (ii) if a collective bargaining agreement has not been reached, is subject to legal requirements that restrict Corewell Health's ability to implement changes for team members in a bargaining unit.
- 4.3. When a team member is covered by a collective bargaining agreement (CBA) and the terms of the CBA are different, the team member should follow the CBA instead of the policy.

### 5. Policy

- 5.1. Team members accrue or will have paid time off frontloaded based upon their status and years of service (using the appropriate table below). Executives eligible for Flexible Time Off are not eligible for PTO.
- 5.2. PTO is accrued bi-weekly and available for use by the team member the pay period after accrual for team members on an accrual PTO plan. For team members on an allotment PTO plan, PTO is available January 1 or the pay period of date of hire/transfer.
- 5.3. Team members will move to the higher level of accrual based on years of service and will receive the increased accrual in the first full pay period following their service anniversary date. Team members on an allotment PTO plan will receive the increased allotment at the beginning of the calendar year following their service anniversary date.
- 5.4. PTO accrues on all non-overtime hours worked, PTO, bereavement, jury duty call-in, orientation, approved meeting or seminar hours, and holiday up to 80 hours in a pay period.
- 5.5. PTO does not accrue on overtime, short-term or long-term disability, worker's compensation, unpaid leaves of absence or hours not worked other than those listed here.

## 5.6. PTO Accrual Schedule for Non-Exempt Team Member\*

Years of Service Based on Continuous Service Date	Accrual Per Eligible Hour Paid	Maximum Annual Accrual	Bank Maximum
Less than 4 years	0.08077	168	252 hours
4 to 8 years	0.09615	200	300 hours
9 to 15 years	0.11538	240	360 hours
16 to 19 years	0.11923	248	372 hours
20 or more years	0.12308	256	384 hours

\*Refer to the [Employment Status and Classifications](#) policy for PTO eligibility

## 5.7. PTO Accrual Schedules for Exempt Team Members (Excluding Directors, Sr. Directors, Principals, APPs and Advanced Clinicians)\*

Years of Service Based on Continuous Service Date	Accrual Per Eligible Hour Paid	Maximum Annual Accrual	Bank Maximum
Less than 5 years	0.10385	216	324 hours
5 to 19 years	0.11923	248	372 hours
20 or more years	0.12308	256	384 hours

\*Although exempt team members are paid on a salary basis, PTO accrues in hourly increments on a bi-weekly basis.

## 5.8. PTO Allotment Schedule for Directors, Sr. Directors, Principals, APPs and Advanced Clinicians

Years of Service	Annual Allotment
Less than 5 years	216 hours
5 to 19 years	248 hours
20 or more years	256 hours

**5.8.1.** Team members that are less than 1.0 FTE will receive pro-rated annual allocation based upon FTE.

**5.8.2.** New hires and transfers will receive a pro-rated allocation of hours based on their hire date or transfer date and remaining pay periods in the calendar year.

**5.8.3.** Separating team members will only be eligible to use a prorated amount of the annual allocation.

## 5.9. Requesting PTO

**5.9.1.** Team members must request PTO in advance and in writing, unless unable to do so because of illness or an emergency. If advance notice is not possible, notice must be provided as soon as practicable. In addition, team members must follow all call-in and reporting requirements in the [Attendance and Reliability](#) policy and department rules.

- 5.9.2. Team members must obtain approval in advance for planned use of PTO and in accordance with departmental standards, Family Medical Leave Act (FMLA), or Michigan Earned Sick Time Act (MESTA) regulations, if more lenient.
- 5.9.3. Exempt team members may request PTO (for non-MESTA reasons) in half-day or full day increments. Exempt team members must use the paid sick time under MESTA in 1-hour increments
- 5.9.4. Non-exempt team members may request PTO in 1/10th hour increments. Non-exempt team members must use the paid sick time under MESTA in at least a 1-hour increment. Beyond 1-hour team members can use the paid sick time under MESTA in 1/10th of an hour increments.
- 5.9.5. Available PTO hours will be used for all unscheduled absences.
- 5.9.6. Available PTO hours will be used for all MESTA related absences.

#### **5.10. Approval of PTO Requests**

- 5.10.1. Leaders may deny PTO requests to maintain adequate staffing, unless prohibited by FMLA, MESTA, or other law.
- 5.10.2. PTO eligible and non-eligible team members will be treated consistently for staffing/scheduling and granting time off, unless required by FMLA, MESTA or other law.

#### **5.11. Processing PTO Requests**

- 5.11.1. All PTO transactions must be added/edited in the appropriate time and attendance system or in accordance with current payroll processing requirements.
- 5.11.2. For team members using the API time and attendance system, non-exempt team members classified as full-time will be charged available PTO for the balance of hours not worked up to their FTE during the calculation of payroll.

#### **5.12. Payment of PTO**

- 5.12.1. PTO time will be paid at the team member's base hourly rate of pay for their primary job and does not include shift differential or other premiums, unless required by law.
- 5.12.2. PTO hours are paid as non-work time and will not be considered in calculating overtime hours. For example, if a team member took 8 hours of PTO and worked 80 hours in that same pay period, there would be no overtime paid in that pay period since the 8 hours of PTO is considered non-work hours.

#### **5.13. Bank Maximums**

- 5.13.1. Team members will not receive retroactive credit for time worked while at the maximum bank.

#### **5.14. Negative PTO Balances**

- 5.14.1. Corewell Health does not allow non-exempt or exempt team members to accrue negative PTO balances.
- 5.14.2. Corewell Health will pay exempt team members to comply with Fair Labor Standards Act (FLSA) rules. If an exempt team member does not have sufficient PTO to cover a partial day absence caused by illness or the team member's personal circumstances, Corewell Health will pay the exempt team member for the full day. Corewell Health may make salary deductions if the time off is also FMLA.

#### **5.15. Status Changes**

- 5.15.1. Team members in the accrual PTO plan who transfer to a role with a different accrual rate will retain any accrued and unused PTO if the maximum bank is not exceeded.

- 5.15.2. Team members in accrual PTO plans who move to a non-benefit or PTO eligible position will be paid for their accrued PTO hours at their primary position's base hourly rate.
- 5.15.3. If a team member transfers from a position with a higher PTO accrual rate to a position with a lower PTO accrual rate, the team member will not lose any PTO hours earned at the higher accrual rate. The team member will be paid at the previous primary position's base hourly rate for any PTO hours in excess of 75% of the team member's maximum bank for the new position, which would relieve the bank in order for the team member to begin accruing at the new accrual rate. Example: If a team member with 10 years of service and 340 banked PTO hours transfers from an exempt to a non-exempt status, team member will be paid out 160 hours [340 hours - (0.75 x 240 hours)] leaving 180 hours in their PTO bank.
- 5.15.4. Team members who change their status and become PTO eligible will be allowed to take PTO as it is available.
- 5.15.5. A team member who transfers from an accrual PTO plan to an allotment PTO plan will be paid out all earned but unused PTO at the primary position's base hourly rate prior to the transfer. Team members will receive a pro-rated allotment of PTO hours based on their transfer date and remaining months in the calendar year.
- 5.15.6. A team member in an allotment PTO plan who transfers from an allotment to an accrual PTO plan will begin to accrue PTO hours based upon the accrual rate designated in the accrual schedule in conjunction with the team member's length of service and status. Their accrual PTO bank will be advanced 40 hours if less than 5 years of service and 80 hours if 5 or more years of service.
- 5.15.7. A team member in an allotment PTO plan that changes FTE status will have their allotted time appropriately adjusted at the time of status change. For example, a team member with a change in FTE status from .5 FTE (20 hours per work week) to 1.0 FTE (40 hours per work week) will have their allotted time increased. A team member with a change in FTE status from 1.0 FTE (40 hours per work week) to .5 FTE (20 hours per work week) will have their allotted time decreased.

#### **5.16. PTO Sell-Back Program**

- 5.16.1. PTO Sell-Back will be offered two times each year.
- 5.16.2. Team members who are classified as 0.5 FTE or higher who are in a benefits-eligible position and in an accrual PTO plan may elect to voluntarily sell back up to 80 hours of PTO per year. Team members covered by a collective bargaining agreement should refer to their agreement.
- 5.16.3. Team members will not be allowed to reduce their PTO bank to below 40 hours. If the elected sell-back hours would decrease a team member's PTO bank to less than the 40 hours, Corewell Health will reduce the team member's election as necessary to maintain 40 PTO hours in the team member's PTO bank.
- 5.16.4. To comply with IRS regulations, team members will be paid 90% of the value of the PTO hours sold. All sell back hours will be paid at the team member's base hourly rate.
- 5.16.5. Team members in an allotment plan are not eligible to sell back PTO.

#### **5.17. PTO Sell-Back in Financial Hardship Situations**

- 5.17.1. In rare situations involving financial hardship, a team member may be allowed to sell additional PTO hours outside of the PTO Sell-Back Program.
- 5.17.2. A team member will be considered to have a hardship if the individual has one or more of the following financial needs:
  - 5.17.2.1. Significant uninsured medical expenses previously incurred by the team member, the team member's spouse, or the team member's

dependents, or expenses necessary for these persons to obtain medical care.

- 5.17.2.2.** Payments necessary to prevent eviction from the team member's primary personal residence or foreclosure on the mortgage of the team member's primary personal residence.
- 5.17.2.3.** Burial or funeral expenses that a team member must pay because of the death of a parent, spouse, child or dependent.
- 5.17.2.4.** The cost to repair damage to the team member's personal residence caused by a "casualty" (as defined in the Internal Revenue Code), such as a flood or tornado.
- 5.17.2.5.** A financial need due to circumstances comparable to one of the above situations. This circumstance will be reviewed by a committee established by Corewell Health for verification that it is comparable to one of the above financial need situations. Even if a team member has one of these financial needs, the team member may only be considered for mid -year PTO sell-back if the individual has first obtained all available distributions and loans from the Corewell Health retirement plan(s) in which he/she participates. Further, the amount of PTO the team member may sell can be no more than the maximum normally available under the PTO sell-back program (40 hours of PTO must remain in staff member's PTO account) or, if less, the amount necessary to meet the team member's immediate qualifying financial need. Team members cannot sell back more than a total of 80 PTO hours in a year across both the Sell Back and Hardship programs.
- 5.17.2.6.** To comply with IRS regulations, team members will be paid 90% of the value of the PTO hours sold.

## **5.18. Termination of Employment**

- 5.18.1.** Corewell Health will pay team members for all earned (accrued) and unused PTO upon termination of employment. Team members in an allotment PTO plan are not eligible for PTO payout at termination.
- 5.18.2.** Corewell Health will make this payout within two pay periods following termination to allow the final PTO accrual to be appropriately calculated.
- 5.18.3.** PTO will be paid at the team member's base hourly rate of their primary job, exclusive of all differentials and premiums.
- 5.18.4.** Team members cannot use PTO as the final day of employment unless they have a right to do so under the FMLA, MESTA or other law.
- 5.18.5.** Corewell Health may deduct prior overpayments or other amounts owed and authorized by the team member from any PTO balance prior to payout.

## **5.19. PTO Donation to Corewell Health Foundation**

- 5.19.1.** Team members in an accrual PTO plan can donate PTO hours to the Foundation during the annual giving campaign.
- 5.19.2.** Donating team member must leave 40 hours in their PTO bank after this donation.
- 5.19.3.** The 10% penalty will not apply to this donation. PTO donations to the Foundation are considered taxable donations.
- 5.19.4.** Team members in an allotment PTO plan are not eligible to donate PTO hours to the Foundation.

## **5.20. Compassionate PTO Program**

- 5.20.1.** The Compassionate Paid Time Off (CPTO) Program is a PTO donation program designed to help meet a team member's emergency need for paid time off when they or a family member experience an extreme, unforeseen medical hardship.



- 5.20.2.** The Compassionate PTO program is run solely on PTO donations from the team members' coworkers at the time of need; Corewell Health does not maintain a PTO donation bank.
- 5.20.3.** Corewell Health team members who are PTO eligible and not in an allotment PTO plan and not on long-term disability are eligible to receive PTO through the CPTO program. Team members eligible for a PTO accrual plan can donate PTO. Team members in an allotment PTO plan are not eligible to donate or receive PTO through the CPTO program. The team member's PTO balance must be less than the total hours of their FTE (for example, a team member that is classified as a 1.0 FTE, must have fewer than 80 PTO hours for eligibility to receive PTO under this program.)
- 5.20.4.** Examples of qualifying medical hardships:
- 5.20.4.1.** Illness that requires inpatient care or hospice
  - 5.20.4.2.** Injury preventing you from performing your job duties
  - 5.20.4.3.** Unexpected hospitalization or surgery
- 5.20.5.** The program is not intended for:
- 5.20.5.1.** Bereavement
  - 5.20.5.2.** Life events such as a wedding or vacation
  - 5.20.5.3.** Replenishing your PTO bank after the medical hardship has passed

## **6. Revisions**

Corewell Health reserves the right to alter, amend, modify or eliminate this document at any time without prior written notice.

- 7. Policies Superseded and Replaced:** This policy replaces the following policy as of the effective date of this policy: Lakeland Health, Paid Time Off, #20.12; Spectrum Health Paid Time Off (PTO), #7192; Beaumont Health Paid Time Off (PTO), #11004951

## **8. References**

- [Attendance and Reliability](#)
- [Employment Status and Classifications](#)
- [Flexible Time Off](#)
- [Jury Duty and Witness Pay](#)
- [Physician Time Off \(PTO\)](#)

## **9. Policy Development and Approval**

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## **10. Keywords:**

paid time off, time off, vacation, sell back, pto, involuntary leave of absence, iLOA, low volume

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