City of Centennial

CITY OF CENTENNIAL, COLORADO
13133 East Arapahoe Road, Centennial, Colorado 80112

ADMINISTRATIVE POLICY
No. 2012-AP-04
Revised
First Amendment July 8, 2013
PAID TIME OFF (PTO) PROGRAM

I. AUTHORITY:

Article 2 of Chapter 2 of the City's Municipal Code provides the City Manager with the authority to carry out the administrative affairs of the City, including promulgating administrative policies consistent with federal, state and local laws.

This Administrative Policy repeals and replaces any previous sick and vacation leave policies.

II. PURPOSE OF POLICY:

The purpose of this Policy is to establish City policies related to employee paid time off (PTO).

III. SCOPE:

This Policy applies to all employees of the City of Centennial. Employees hired through contract are excluded from this Policy, unless otherwise provided by contract. City Council is excluded from this Policy, unless otherwise provided by City Council Policy or law.

IV. POLICY:

A. Paid Time Off Program

Paid time off (PTO) is a single pool of paid hours to be used at an employee's discretion for personal days, vacations, medical absences, unexpected emergencies, or any other reason the employee may need scheduled or unscheduled time off. Employees are expected to maintain an appropriate PTO balance for use in unexpected emergencies.

1. Eligibility

Eligibility to accrue PTO is subject to the Employee Status and Benefit Eligibility Policy (2012-AP-03).

2. PTO Accruals

PTO will accrue for each full pay period that a regular employee is designated as active. PTO will accrue on the pay date for each pay period. There will be no full or prorated accruals for partial pay periods worked.

3. PTO Accrual Rates

The accrual rates in the following table apply to Regular Full-Time Employees. These accrual rates will be prorated in accordance with the Employee Status and Benefit Eligibility Policy (2012-AP-03) for Regular Part-Time Employees.

Years of Service	Per Pay Period Accrual (Hours)	Annual Accrual (Hours)
Hire Year – 3	6.154	160
4 – 6	7.077	184
7+	8.000	208

Years of service is calculated based upon employees' date of hire. Increases to accrual rates will be effective in full for the entire pay period in which the employee's anniversary date occurs. The anniversary date for rehired employees shall be the date of rehire.

4. PTO Use

PTO shall not be taken in advance of time earned. If there is no PTO available, employees may use unpaid leave. Employees are responsible for knowing the amount of PTO available for their use. An employee will be paid at their regular rate of pay at the time PTO is used, and the appropriate number of hours will be deducted from the employee's PTO balance.

a. Planned Use

Employees are required to request to use PTO in advance for planned uses (vacations, anticipated events, etc.). Employees are expected to provide requests as far in advance as possible. All requests must be approved by the employee's manager. Requests to use PTO and the subsequent approval should be made through the City's time off request system.

Managers may, on behalf of the City, accept or reject requests to use PTO based upon the staffing needs of the department. Managers will balance the needs of their department with employee PTO requests.

b. Unplanned Use

There may be occasions where employees are unable to provide advance notice to their manager to use PTO (illnesses, emergencies, etc.). In these situations, employees shall notify their manager of the circumstances of the absence as soon as possible.

c. Family and Medical Leave Act (FMLA)

Employees may utilize PTO for absences that qualify under the FMLA. The City will require certification by a licensed medical physician for FMLA leave, in accordance with the City's FMLA policy.

d. Short- and Long-Term Disability Benefits

PTO may not be used concurrently with short- or long-term disability benefits. Short- and long-term disability benefits may require PTO to be exhausted prior to use, depending upon plan requirements which are subject to change.

e. Recording Time

Employees are responsible for accurately recording PTO use on their timecard. PTO may be used in quarter-hour increments. PTO will be charged in full for PTO leave, even if there is an unexpected closure of City buildings.

f. Holidays

When a City-paid holiday occurs during an employee's scheduled PTO leave, the holiday will be charged as holiday hours not as PTO hours.

g. Overtime Calculation

PTO hours taken do not qualify as hours worked for the calculation of overtime pay.

5. Cash Conversion or Pay in Lieu of Time

The City shall not allow the conversion of any PTO time to cash during the course of employment, except upon termination. The City shall not provide PTO pay in lieu of PTO Time.

6. PTO Carryover

PTO shall be earned and used on a calendar year basis, except for the following acceptable carryover. On the first pay period in January of each year, employees may carry over a maximum of their annual accrual in the preceding year (160 hours, 184 hours, or 208 hours depending on employees' accrual rates). Any hours remaining above an employee's annual accrual rate will be forfeited and will not be paid by the City.

The City Manager may, in extenuating circumstances, authorize an employee to carryover additional PTO beyond the annual carryover limit. Typically, extenuating circumstances are situations beyond the control of an employee which prohibit an employee from utilizing scheduled time off.

7. **Termination of Employment**

An employee shall be paid any PTO accrued but not used by the date of termination at the employee's current regular rate of pay, in accordance with state law and the City's payroll schedule.

B. Conversion to PTO Program

1. **Vacation Time Conversion**

On January 6, 2013, vacation time balances (accrued but not used vacation hours) will be converted to PTO at a rate of 100 percent up to a maximum of the employee's annual PTO accrual rate. Any vacation hours in excess of the maximum conversion will be forfeited and will not be paid by the City. The resulting PTO balance will be available for immediate use.

The final vacation accrual (for time worked from December 1, 2012 through January 1, 2013) will occur on January 11, 2013. The vacation accrual will immediately be converted at a rate of 100 percent to PTO.

2. **Sick Time Conversion**

Sick time will not be converted to PTO. On January 6, 2013, sick time balances (accrued but not used sick hours) will be converted at a rate of 100 percent into a Serious Illness Bank for each employee.

The final sick accrual (for time worked from December 1, 2012 through January 1, 2013) will occur on January 11, 2013. The sick accrual will be converted at a rate of 100 percent into employees' Catastrophic Illness Banks ("CIB"), formerly known as Serious Illness Banks.

C. Catastrophic Illness Bank

The CIB provides additional Paid Time Off for a qualified employee who is approved for leave from employment under Section C.2, below.

1. Catastrophic Illness Bank Accruals

Balances up to 480 hours in an employee's Serious Illness Bank will be converted to that employee's CIB, effective August 1, 2013.

Additionally, employees may carry over any excess above the maximum PTO carryover of their previous year's annual accrual for deposit into their CIB. The maximum accrual in the CIB is 480 hours. Any hours above accrued above this maximum will be forfeited and will not be paid by the City.

2. Catastrophic Illness Bank Use

a. Time from an employee's CIB may only be used for a qualifying serious health condition under the Family and Medical Leave Act ("FMLA"). The City will adhere to the FMLA's definition of a serious health condition.

b. The primary criteria for a serious health condition are (1) a period of incapacity lasting three or more consecutive days; (2) inpatient care; (3) restorative surgery or treatment; (4) chronic serious health conditions; or (5) pregnancy/prenatal care. For the full definition of a serious health condition, consult 29 CFR § 825.100 *et seq.*

c. Substantiation from a licensed physician is required to use time from the CIB. Substantiation must be provided to the Human Resources Department.

d. Time from an employee's CIB may be used for the employee's serious health condition or to care for the serious health condition of a member of the employee's immediate family. For purposes of using the CIB, immediate family member means a parent, child, or spouse.

e. Time from the CIB may only be used when an employee's accrued Paid Time Off benefits have been completely exhausted.

f. Time from the CIB shall be used in increments of a minimum of four (4) hours.

g. The Human Resources Department will review all requests to use time from CIB to ensure compliance with this policy, in advance if possible.

The City will not pay an employee for any time accrued in their CIB upon termination of employment.

C. Holidays

The PTO program does not replace or change the City's official paid holidays, as designated in the Employee Handbook.

The PTO program does eliminate the Floating Holiday previously provided to employees. Employees will not receive a Floating Holiday for 2013 or any subsequent year.

D. Other Types of Leave

The PTO program does not replace or change the City's policies regarding other types of leave, including jury duty, bereavement leave, unpaid leave, comp time, and court time.

V. EFFECTIVE DATE:

This Policy shall be effective on July 8, 2013.

VI. APPROVAL:

Wayne Best, Acting CM

John Danielson, City Manager

7.9.2013

Date

VII. RATIFICATION: **Resolution No.** 2013-R-42

Cathy A. Noon

Cathy A. Noon, Mayor

7/10/13

Date

ATTEST:

Brenda J. Madison

City Clerk or Deputy City Clerk