

Paid Time Off Cash-Out Program

All regular employees are eligible to participate in the Paid Time Off – Cash-Out Program. This program allows all employees to receive compensation (minus applicable taxes, reductions, and withholdings) in lieu of taking paid time off from work. This program is designed to give employees flexibility in the use of their PTO benefit. SCFHP encourages employees to take paid time off to maintain a healthy work/life balance.

In order for an employee to cash out PTO under this program, the employee must make a choice, in the calendar year before the calendar year when the PTO that may be cashed out will be earned, between either (i) accruing the PTO in the following calendar year and using it for PTO, or (ii) receiving cash in lieu of using the PTO that is earned in the following calendar year. It is not possible to make a cash-out election with respect to PTO that has already been earned or with respect to PTO that will be earned in the calendar year when the election is made. The election must be made between December 1 and December 31 of the calendar year before the calendar year when the PTO will be earned.

The PTO Cash Out form is available to all employees on the Resources Page of the HR Portal. The Cash Out form will allow the employee to determine how much, if any, of the PTO the employee will earn in the following calendar year will be received in cash. In order for the employee's cash-out election to be valid for the following calendar year, the election form must be returned to SCFHP during the month of December, but no later than December 31 of the calendar year before the calendar year when the PTO will be earned. If an employee fails to turn in an election form or turns it in late, no amount of the PTO earned in the following calendar year will be paid in cash (unless employment is terminated when the employee has unused PTO). Once made, any such election becomes irrevocable as of December 31.

The following additional conditions apply to employees who wish to make a cash-out election:

- A minimum of 40 hours of PTO must remain after the cash-out election.
- No more than 80 hours of PTO may be cashed out during a calendar year.
- No less than 16 hours of PTO may be cashed out during a calendar year.

PTO cash-outs will be paid in the calendar year when the PTO to be cashed out is earned (or upon the employee's termination of employment if earlier). Note that an employee's PTO cash-out amount will be reduced, or possibly eliminated altogether, if the employee either does not earn enough PTO during the calendar year to support the cash-out (e.g., the employee terminates employment with SCFHP early in the calendar year) or has unscheduled time off that uses up some (or all) of the PTO that would have been cashed out.

For more specific details, please contact Human Resources.



PAID TIME OFF CASH-OUT ELECTION FORM

Print Name: _____

The number of PTO hours I am requesting to cash out is: _____.

By signing below, I acknowledge and understand the following:

- I am restricted to one PTO Cash-Out per calendar year.
- A minimum of 40 hours of PTO must remain in my bank after this PTO Cash-Out Election.
- No more than 80 hours of PTO may be cashed out during a calendar year.
- No less than 16 hours of PTO may be cashed out during a calendar year.
- My PTO Cash-Out Election form must be submitted to the Accounting Manager between December 1 and December 31 of the calendar year before the calendar year when my PTO will be earned. Once made, any such election becomes irrevocable as of December 31.
- My PTO Cash-Out will be paid in the calendar year when the PTO to be cashed out is earned or upon my termination of employment, if earlier. All PTO hours cashed out will be subject to required payroll taxes, regular withholdings and 401A contributions. PERS contributions will not be included.
- My PTO Cash-Out amount will be reduced, or possibly eliminated, if I do not earn enough PTO during the calendar year to support the cash-out, if I terminate my employment with SCFHP early in the calendar year, or if I have unscheduled time off that uses up some or all of the PTO that would have been cashed out.
- If I do not turn in a PTO Cash-Out Election form or turn it in late, no amount of PTO earned in the following calendar year will be paid in cash unless my employment is terminated.

Employee's Signature: _____

Date: _____

Approved by Manager, Payroll: _____

Date: _____

Approved by the CFO: _____

Date: _____