

## Paid Time Off (PTO) Payout

### 1012.1 PURPOSE AND SCOPE

The purpose of this procedure is to establish a process for Paid Time Off (PTO) payout options for all eligible regular full-time District employees.

### 1012.2 PROCEDURE

Eligibility to participate in any PTO Payout process requires an employee to be at or exceed the Short Term Disability (STD) benchmark of hours in their PTO Bank. Please see Policy 1040, section 1040.5.

The Annual PTO Payout process occurs at the end of the fiscal year (June) and will be paid out up to one half (1/2) of the employees current fiscal year PTO accrual as long as the remaining PTO bank balance is at or above the STD benchmark.

- PTO hours paid out that are not in excess of the PTO Bank Cap are not considered pensionable in the Arizona State Retirement System (ASRS) and Public Safety Personnel Pension System (PSPRS).

If an employee's PTO bank exceeds the PTO Bank Cap of hours allowed per Policy 1040, the hours in excess of the PTO Bank Cap shall be paid out to the employee at their current rate of pay during the Annual PTO Payout process in June of each year.

- Employees in ASRS who have pto hours in excess of the PTO Bank Cap paid out, those hours are considered mandatory PTO payouts and are pensionable.
- Employee in PSPRS who have hours in excess of the PTO Bank Cap paid out, those hours are not considered pensionable.

The Optional PTO Payout process may occur once in a twelve (12) month period, and an employee has the option to be paid out at fifty percent (50%) of their current rate of pay for hours in their PTO bank as long as the employee maintains the STD benchmark of hours in their PTO bank.

#### 1012.2.1 RESPONSIBILITIES

Employees (Optional PTO Payout):

- E-mail to the Human Resource Services Manager requesting the number of hours to be paid out from their PTO Bank and date the payout is needed.
- To qualify, the employee must have an established STD benchmark of hours, and may not go below the STD benchmark.

Employees (Annual PTO Payout):

- Finance will e-mail employees to confirm their eligibility to participate in the Annual PTO Payout.

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- Finance will provide an authorization form to eligible employees to review their options in the Annual PTO Payout process and indicate a deadline in which authorization from are due in order to process for payroll.
- Employees must complete the authorization form and submit to payroll for processing.
- Employees have the available options for payout to include one or a combination of the the following: direct deposit, rollover to the employees 457(b) deferred compensation plan, or into the employees Health Savings Account (HSA).