



## Paid Time Off Cash Out Policy

### 1. Purpose and Scope

- 1.1. The purpose of this policy is to outline the conditions under which employees of the Utica Water and Power Authority (Authority) can cash out a limited amount of accrued paid time off (PTO). This policy is intended to provide additional tools to help employees use and benefit from earned PTO while ensuring the Authority manages its financial and operational responsibilities effectively.

### 2. Eligibility

- 2.1. This policy only applies to full-time employees of the Authority who are eligible for paid time off benefits.
- 2.2. Employees must have a minimum of 80 hours of accrued vacation or PTO remaining after exercising the cash-out option.
- 2.3. Employees must be in good standing with no disciplinary actions in the past 12 months.

### 3. Cash Out Availability

- ~~3.1.~~ Employees may request to cash out up to a maximum of 40 hours of accrued PTO per fiscal year.

~~Cash-out requests can only be made during the designated cash-out periods, typically at the end of each fiscal quarter.~~

### 4. Application Process

- 4.1. Employees must submit a Time Off Cash Out Request Form (Exhibit A) to the Administration Department (Admin) at least 15 days prior to the end of the fiscal quarter the requested pay date.
- 4.2. Employees must use one day of PTO for every day that is cashed out within the same pay period or the period directly after the cash-out request.
- 4.3. The request form must specify the number of hours to be cashed out and confirm that the employee will retain the minimum required

balance after the cash-out.

## **5. Approval Process**

- 5.1. The General Manager will review all requests to ensure eligibility criteria are met and respond in a timely manner.
- 5.2. Approved requests will be acknowledged in writing and forwarded to Admin for processing.

## **6. Payment**

- 6.1. Approved cash-out payments will be included in the employee's next regular paycheck following the approval.
- 6.2. Cash-out payments will be subject to all applicable taxes and withholdings.

## **7. Limitations**

- 7.1. The Authority management and Board of Directors reserve the right to deny cash-out requests at any time and for any reason, including during periods of financial constraint or if it impacts operational needs.
- 7.2. Employees on leave (e.g., medical leave, family leave) are not eligible to participate in the cash-out program during their leave period.

## **8. Exceptions**

- 8.1. Exceptions to this policy may be considered on a case-by-case basis and must be approved by the General Manager or designee.

## **9. Record Keeping**

- 9.1. The Administration Department will maintain records of all cash-out requests and approvals.
- 9.2. Employees are responsible for tracking their accrued PTO balances and ensuring compliance with the minimum balance requirement before initiating a cashout request.

## **10. Policy Review**

- 10.1. This policy will be reviewed annually and may be updated as necessary to ensure it meets the needs of the Authority and its employees.

# Exhibit A



## PTO Cash out Request Form

Employee: \_\_\_\_\_ Emp. # \_\_\_\_\_

### Criteria for PTO Cash Out:

- PTO cash out is limited to no more than 40 hours per year.
- Employee must maintain a minimum of 80 hours in their PTO bank.
- Employee must use the same number of hours of PTO during the same pay period as the cash-out request.
- Hours cashed out must be in whole number increments.
- Cash outs will be processed in conjunction with regularly scheduled payroll cycles.

PLEASE NOTE: PTO cash-out wages are subject to federal tax, social security, Medicare, and applicable state tax withholding. PTO cash-out wages can be applied to PEPRA 457 accounts, but will not be subject to CalPERS company-matched pension.

Current PTO Balance: \_\_\_\_\_ Number of hours to be cashed out: \_\_\_\_\_

Employee signature: \_\_\_\_\_ Date: \_\_\_\_\_

General Manager signature: \_\_\_\_\_ Date: \_\_\_\_\_

Administration Department/Payroll: \_\_\_\_\_ Date: \_\_\_\_\_

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