

MECHANICAL SYSTEMS OF DAYTON BIWEEKLY NON-EXEMPT EMPLOYEE PAID TIME OFF POLICY

Effective July 1, 2022

This policy is for employees who are paid biweekly and are not exempt from overtime regulations.

Employees are encouraged to take days off to get away, relax and re-energize the mind and body. The Paid Time Off (PTO) policy has been established to provide employees with the flexibility to use time off to meet personal needs (vacation, personal business, school activities, doctor's appointments, emergencies, and illnesses).

The amount of PTO earned each pay period is based on the employee's length of service. Employees earn PTO for each pay period worked, according to the schedule below. Hours will accumulate in a PTO bank as received and will be removed as used.

Employees are limited to a balance of 120 hours in their PTO bank at any time, during their first 15 years of employment. After 15 years of employment, employees are limited to a balance of 160 hours in their PTO bank at any time. Additional accruals will not happen once an employee reaches the limit in their PTO bank until hours are used.

Employees will not accrue PTO hours while off work due to a short-term disability or workers' compensation claim, leave of absence, or disciplinary suspension. Special provision will be made for employees on mandatory military leave.

Length of Service	PTO Deposit per pay Period	Approx. Annual Hours
Upon Hire	40 hours (1 time deposit)	
91 days – 1 years	2.00	80 hours
1 Year – 5 years	3.08	80 hours
5 Years – 6 Years	3.39	88 hours
6 Years – 7 Years	3.70	96 hours
7 Years – 8 Years	4.00	104 hours
8 Years – 9 Years	4.31	112 hours
9 Years – 15 years	4.62	120 hours
15 Years +	6.16	160 hours

Please Note: Overtime is based on actual hours worked and does not apply when PTO is used or when there is a company paid holiday.

Notice and Scheduling:

The company is required to track employee absences for legal compliance reasons; therefore, employees are required to submit "Paid Time Off" forms to their supervisors in the event of an absence.

Paid time off requests require supervisor approval. Employees must provide their supervisors with reasonable advance notice prior to using PTO. All PTO requests should be submitted to the respective supervisor two weeks prior to the requested time off. This allows the supervisor to prepare for the employee's time off and assure all staffing needs are met. There may be occasions, such as a sudden illness, when an employee is unable to provide advance notice. In such instances, an employee must inform his/her supervisor of the circumstance as soon as possible.

Employees are requested to be away no more than 1 week at a time, except in exceptional circumstances. Employees should schedule 40 consecutive hours off (Monday through Friday) at least one time per year.

The amount of PTO available will appear on the employee's direct deposition notification/paycheck stub.

The company reserves the right to refuse a PTO request based on a number of factors, including business needs and staffing requirements. No more than 2 employees in a similar position should be away at the same time. A request for PTO does not guarantee an employee will be able to take the time off.

PTO Upon Separation:

Upon voluntary separation from MSD, with at least a 2-week advanced written notice to the Human Resources Department, PTO hours, up to 40 hours, may be paid out to the employee, only if the employee has been employed by MSD for a minimum of 36 months. Any PTO hours in excess of 40, will be forfeited and will not be paid out. Employees who provide less than a 2-week advanced written notice to the Human Resources Department or who have been employed by MSD for less than 36 months, will forfeit all PTO hours.

Once a resignation has been submitted, no PTO may be used during this time. Exceptions may be made when notice is given more than 30 days in advance.

Paid Holidays:

New Year's Day (January 1 st)	Labor Day (First Monday in September)
Memorial Day (Last Monday in May)	Thanksgiving Day (Fourth Thursday in November)
Independence Day (July 4 th)	Christmas Day (December 25 th)

Note 1: If the office chooses to close for any day except the holidays listed above, employees will be given the option to use a PTO day or take an unpaid day off. This includes days off for inclement weather.

Note 2: In the event a holiday is on a Saturday, the company will observe the holiday on a Friday. In the event a holiday is on a Sunday, the company will observe the holiday on a Monday.