

Institutional Handbook of Operating Procedures Policy 03.06.00	
Section: Human Resources	Responsible Vice President: Vice President and Chief Human Resources Officer
Subject: Leave Administration	Responsible Entity: Human Resources

I. Title

Paid Time Off (PTO)

II. Policy

Paid Time Off (PTO) provides employees a bank of hours that may be used for vacation, short-term personal or an immediate family member's illness/injury and other situations that require time away from work without loss of pay or benefits.

The University of Texas Medical Branch, in compliance with applicable federal laws and regulations, strives to maintain an environment free from discrimination against individuals on the basis of race, color, national origin, sex, age, religion, disability, sexual orientation, gender identity or expression, genetic information, or veteran status.

III. Eligibility

All benefits-eligible employees who are appointed to work at least 20 hours per week (0.5 – 1.0 FTE) in a position that does not require student status as a condition of employment are eligible for PTO.

IV. Accruals

Upon implementation of UTMB's myPTO program, all vacation leave hours previously earned by employees under the state-sponsored vacation leave plan will be deposited into the employee's myVacation Carry Forward bank. These hours are not subject donation under the myPTO program.

Eligible employees accrue and are entitled to be credited for one month's PTO leave for each month of employment beginning on the first day of employment and on the first calendar day of each succeeding month provided they have at least one paid day in that month and ending on the last day of employment.

New employees will begin accruing PTO hours on their date of hire. Hours are available for use on the first calendar day of the following month.

Accruals are based on total years of state service and credited on a proportionate basis depending on the employee's appointed hours/FTE status. The proportionate rate is calculated by the percentage of the employee's appointed hours multiplied by the applicable full-time accrual rate. Certain employees who are appointed 36 hours per week and placed in the "36/FT Ben" employment class will receive PTO accruals at the full-time rate.

Total years of state service	Hours accrued per month for full-time employee*	Hours accrued per year for full-time employee*	Days accrued per year for full-time employee**
0 up to 4	14.667	176.0	22.0
4 up to 9	16.334	196.0	24.5
9 up to 14	17.334	208.0	26.0

14 up to 20	19.334	232.0	29.0
20 up to 25	21.334	256.0	32.0
25 up to 30	23.334	280.0	35.0
30 up to 35	25.334	304.0	38.0
35+	27.334	328.0	41.0

*Hours are prorated based on FTE status.

**Days reflect an 8-hour work shift and are prorated based on FTE status.

PTO balances are maintained in the timekeeping system and are visible to employees, timekeepers, and supervisors.

Employees do not earn PTO when they are in a non-benefits-eligible status or when they are on unpaid leave of absence (LOA) or reduced paid leave for a full calendar month or more.

If an employee's state employment anniversary date occurs on the first calendar day of a month, the employee begins to accrue and is credited with PTO at the applicable higher rate on the first calendar day of the appropriate month. Otherwise, the employee is credited PTO leave at the higher rate on the first calendar day of the month following the anniversary.

For purposes of computing PTO accrual for state employees who retired from state employment on or after June 1, 2005, and who receive an annuity based wholly or partly on service as a state employee in a public retirement system that was credited to the state employee, years of total state employment includes only the length of state employment after the date the state employees retired.

PTO Accrual Profile for New Residents and Fellows

This special accrual schedule applies only to benefits-eligible medical residents and fellows newly hired in the School of Medicine (SOM) at UTMB or transferring to the School of Medicine without PTO or vacation accruals. This schedule provides them with a sufficient PTO balance upon employment to accommodate the SOM's unique vacation scheduling needs. Otherwise, benefits-eligible medical residents and fellows are assigned the applicable accrual profile for full-time or part-time employees.

Applicable Job Codes

Resident PGL-1	N0824
Resident PGL-2	N0825
Resident PGL-3	N0826
Resident PGL-4	N0827
Resident PGL-5	N0828
Resident PGL-6	N0829
Resident PGL-7	N0830

Three months of applicable PTO accrual rate, based on years of state service and appointed hours/FTE status, is provided upon hire. Accruals are not provided in the two months following the hire month and resume upon the third month.

V. Maximum Carryforward Limits

PTO carryforward limits are administered on a fiscal year basis (Sept. 1 – Aug. 31). With limitations, PTO accrued in one calendar year may be carried forward into the next calendar year up to a maximum of 300 hours, proportionate to the employee's appointed hours/FTE status. Employees with 25 or more

total years of state service as of March 28, 2022, will be given an expanded carryforward limit of 398 hours. This expanded carryforward limit applies **ONLY** to these employees. All other employees, including those who later achieve 25 or more years of state service, will be subject to the 300 hours carryforward limit.

Employees who have more than 300 hours of accrued PTO on March 28, 2022, will be granted a period of transition (March 28, 2022 – Aug. 31, 2025) to comply with the new *myPTO* carryforward limits.

During this period of transition, employees will continue to accrue PTO and will be subject to carryforward limits based on their total state service years as of March 28, 2022. These limits will be frozen throughout the transition phase and will remain in effect through Aug. 31, 2025.

New carryforward limits will go into effect upon full program implementation on Sept. 1, 2025.

All unused accumulated PTO hours above the *myPTO* maximum carryforward limits at the end of the fiscal year will be credited to the employee's Extended Illness Bank (EIB) balance as of the first day of the next fiscal year.

Employees with myVacation Carry Forward balance of less than 300 hours on March 28, 2022

myVacation Carry Forward balance of less than 300 hours on March 28, 2022	
Total years of state service	Maximum carryforward hours per fiscal year
0 up to 4	300
4 up to 9	
9 up to 15	
15 up to 20	
20 up to 25	
25 up to 30	398
30 up to 35	
35+	

Employees with myVacation Carry Forward balance equal to or greater than 300 hours on March 28, 2022

myVacation Carry Forward balance equal to or greater than 300 hours on March 28, 2022		
Total years of state service	Maximum carryforward hours through transition period of March 28, 2022–Aug. 31, 2025	Permanent maximum carryforward hours per fiscal year as of Sept. 1, 2025*
0 up to 4	300	300
4 up to 9	300	300
9 up to 15	300	300
15 up to 20	340	300
20 up to 25	388	350
25 up to 30	436	398
30 up to 35	484	446
35+	532	494

*Maximum carryforward limits to be applied as of Aug. 31, 2026.

Transferring employees with accruals above the maximum at the time of hire

Employees transferring directly from another state agency with PTO/vacation leave accruals above the applicable full program carryforward limits, will have the remaining fiscal year and the next two (2) fiscal years to comply with the new carryforward limits. Otherwise, applicable carryforward limits will be applied at the end of the first fiscal year following the date of hire.

VI. Employee Eligibility Change

PTO accrual rates are based on an employee's FTE status at the beginning of the month.

- Employees who move from a part-time to a full-time benefits-eligible position will begin receiving the higher PTO accrual rate on the first calendar day of the month following the change.
- Employees who move from a full-time to a part-time benefits-eligible position will begin receiving the prorated PTO accrual rate on the first calendar day of the month following the change.
- Employees who move from a non-benefits eligible position to a benefits-eligible position will begin accruing PTO on the date of the status change. Hours will be prorated based on FTE status and will be available for use on the first calendar day of the month following the change.
- Employees who move from a benefits-eligible position to a non-benefits eligible position will no longer be able to accrue or use PTO. They will receive a lump sum payment for the total number of PTO hours accrued but not used as of the date of the change.

VII. Using PTO Hours

Employees are eligible to use accrued PTO hours immediately after the hours are deposited into the accrual balance, subject to supervisor approval based on business needs.

The use of PTO hours should be requested and approved in advance whenever possible, according to departmental procedures. Time off that is requested and approved in advance is considered a scheduled absence. Time off that is not requested or approved in advance is considered an unscheduled absence, subject to UTMB's Attendance Policy (IHOP 03.01.05) and departmental call-in procedures. PTO hours may be used to replace missed time for lateness or unscheduled absence from work.

Leave requests are submitted through the timekeeping system using the Global Time Off Request (GTOR) and appropriate pay code for the request. Leave requests should be made with a reasonable advance notice to ensure ongoing operations and staffing requirements.

As employees utilize earned PTO hours, a First-In, First-Out methodology will be applied. PTO hours will be decremented from the myVacation Carry Forward balance first until hours are exhausted. Upon exhausting the myVacation Carry Forward balances, hours will be decremented from the employee's remaining PTO bank.

Once an employee is away from work on a scheduled PTO, the employee may not change PTO to any other type of paid leave except for an employee who is confined to an overnight stay in a hospital due to an accident or illness. In this instance, the employee may request that PTO be changed to EIB (direct access provision for hospitalization) if proper documentation is provided.

An official holiday occurring while an employee is on PTO is regarded as a holiday and is not charged against the employee's PTO balance.

An employee who is on paid leave on the first workday of a month may not take PTO accrued for that month until the employee has returned to duty.

VIII. Use of PTO for Illness/Injury

Accrued PTO hours (or other applicable leave accruals such as holiday compensatory time, compensatory time or personal holidays), are used for the first 16 hours of absence due to the employee's or immediate family member's illness or injury, prorated for appointed hours/FTE status. For an employee's absence due to illness/injury that extends beyond 16 hours, the employee's EIB is utilized beginning on the 17th hour of illness. Certain exceptions that allow for direct access to the employee's EIB are outlined in the EIB UTMB IHOP policy.

If the employee is away from work for five (5) or more workdays due to an unscheduled illness/injury, the employee or their supervisor, if the employee is unable, should contact HR Leave Management to assess eligibility for Family and Medical Leave (FML).

Prior to the employee returning to work from an illness related absence of three (3) or more consecutive workdays, the supervisor must request a physician's report documenting the employee's ability to return to work.

If an employee does not have sufficient accrued PTO hours and requires time away due to personal or an immediate family member's illness/injury, they may:

- Use other accrued leave such as personal leave, compensatory time or holiday compensatory time to account for the remaining portion of the first 16 hours of leave required before accessing EIB; or
- Use an available applicable EIB direct access provision. See EIB UTMB IHOP policy.
- Use leave without pay (LWP).

IX. Donation of PTO Hours

Benefits-eligible employees may deposit accrued PTO leave in a temporary Major Disaster Recovery Bank (MDRB) for use by other benefits-eligible employees who have been adversely affected by a major disaster (as declared by the U.S. President), require time away from work, and do not have applicable accrual balances to afford them income protection during the needed absence period. See Major Disaster Recovery Bank (MDRB) UTMB IHOP policy.

At the inactivation of a temporary MDRB, unused MDRB hours will be returned in the same proportion as the number of hours an employee donated relative to the total hours donated for the disaster event, unless the remaining amount is so small that accounting for it is unreasonable or administratively impractical.

X. Change of Status

PTO accrual rates are based on an employee's status (appointed hours) at the beginning of the month.

- Employees who move from a part-time (minimum 0.5 FTE) benefits-eligible position to a full-time benefits-eligible position will begin receiving the higher PTO accrual rate on first calendar day of the month following the change.
- Employees who move from a full-time benefits-eligible position to a part-time benefits-eligible position will begin receiving the prorated PTO accrual rate on first calendar day of the month following the change.

- Employees who move from a non-benefits eligible position to benefits-eligible position will begin accruing PTO on the date of the status change. Hours will be prorated based on FTE status and will be credited to the employee's PTO balance on the first calendar day of the month following the change.
- Employees who move from a benefits-eligible position to a non-benefits eligible position will no longer be able to accrue or use PTO. They will receive a lump sum payment for the total number of PTO hours accrued but not used as of the date of the status change. Payment is calculated at the employee's monthly or hourly base pay rate at the time of change.

XI. Separation of Employment

Employees who separate from UTMB for any reason, including retirement, are entitled to a lump sum payment for the total number of PTO hours accrued but not used as of the last day of employment. Payment is calculated at the employee's monthly or hourly base pay rate at the time of separation.

Employees also have the option to defer any portion of their unused PTO hours (up to the IRS limits) to a 403(b) tax sheltered annuity and/or 457(b) deferred compensation account. To defer unused PTO hours, employees must have an account established with an approved provider prior to separation.

Transfers Between State Agencies

UTMB employees transferring directly from UTMB to another state agency within thirty (30) calendar days from the date of separation from UTMB, may have their PTO balance transferred to the new agency instead of receiving a lump sum. If the state agency has the traditional state-sponsored leave program in place, their unused PTO will transfer as vacation leave accruals. If the state agency has a comprehensive leave program (PTO), their PTO will be deposited into the applicable PTO account.

Employees transferring directly to another state agency that does not have a PTO program will have their unused PTO transfer as vacation leave accruals.

Employees transferring to UTMB from another state agency that has the state-sponsored leave program will have their available unused vacation leave deposited in the employee's myVacation Carry Forward account. Otherwise, PTO/vacation hours will be deposited into the employee's PTO account. There is no limit to the amount of PTO or vacation leave that may be transferred to UTMB. The employee will be given a period of transition as specified above to comply with myPTO carryforward limits.

Retirement

Eligible employees may be able to use their PTO and/or EIB accruals to purchase or receive one year of service credit during the fiscal year of their planned retirement through the Teacher Retirement System of Texas (TRS) or the Employees Retirement System of Texas (ERS).

Death benefits

Upon the death of an active employee, UTMB will pay the estate of the deceased for all PTO hours accrued as of the last day of employment.

XII. Definitions

Immediate Family Member - for the purposes of the myPTO program, an employee's immediate family members are limited to:

- Parent (includes biological parent or individual who acted in the capacity of a parent)
- Spouse (includes opposite-sex or same-sex spouse)

- Child who is either under 18 years of age or is 18 years of age or older and is incapable of self-care (includes biological, adopted, foster, or stepchildren, legal wards and other individuals for whom the employee acts in or acted in the capacity of a parent)

XIII. Relevant Federal and State Statutes

IRS regulations (Treas. Reg. 1.451-2, Treas. Reg. 1.451 -2(a), Treas. Reg. 1.441-1(b)(4));
Treas. Reg. 1-457-4(d)

XIV. Related UTMB Policies and Procedures

IHOP – 03.06.00 – Extended Illness Bank (EIB)
IHOP – 03.06.12 - Major Disaster Recovery Bank
IHOP - 03.01.05 – Attendance
IHOP - 03.06.09 – Family and Medical Leave

XV. Additional References

UTSaver Deferred Compensation Plan Section 1.25.
[Paid Time Off \(PTO\) Fact Sheet](#)
[Direct Access to Extended Illness Bank Fact Sheet](#)
[State Agency Transfers Fact Sheet](#)
[Employees Separating from UTMB Fact Sheet](#)
[Employees with PTO Balance Equal to or Greater Than 300 Hours at Transition Fact Sheet](#)
[Major Disaster Recovery Bank \(MDRB\) Fact Sheet](#)

XVI. Dates Approved or Amended

<i>Originated: 04/19/2022</i>	
<i>Reviewed with Changes</i>	<i>Reviewed without Changes</i>

XVII. Contact Information

Human Resources Employee Relations
(409) 772-8696