

## **302 PTO Benefits**

*Effective Date: 1/1/1997*

*Revision Date: 6/1/2011*

Time off with pay (PTO) is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. PTO includes time off for injury or illness (sick leave). Employees in the following employment classification(s) are eligible to earn and use PTO time as described in this policy:

Regular full-time employees

The amount of paid time off employees receive each year increases with the length of their employment as shown in the following schedule.

### PTO EARNING SCHEDULE FOR REGULAR FULL-TIME EMPLOYEES (FT)

<u>YEARS OF ELIGIBLE SERVICE</u>	<u>PTO WEEKLY</u>	<u>PTO ANNUALLY</u>
During Year 1	2.30 hours	120 hours (15 days/3 weeks)
During Year 2	2.30 hours	120 hours (15 days/3 weeks)
During Year 3	2.30 hours	120 hours (15 days/3 weeks)
During Year 4	2.46 hours	128 hours (16 days)
During Year 5	2.62 hours	136 hours (17 days)
During Year 6	2.77 hours	144 hours (18 days)
During Year 7	2.92 hours	152 hours (19 days)
During Year 8	3.08 hours	160 hours (20 days/4 weeks)
During Year 9	3.08 hours	160 hours (20 days/4 weeks)
During year 10	3.23 hours	168 hours (21 days)
During Year 11	3.23 hours	168 hours (21 days)
During Year 12	3.39 hours	176 hours (22 days)
During Year 13	3.39 hours	176 hours (22 days)
During Year 14+	3.54 hours	184 hours (23 days)

**For FIELDER'S CHOICE EMPLOYEES classified as (FT1) hired after March 1, 2009, the following earnings schedule will apply:**

<u>YEARS OF ELIGIBLE SERVICE</u>	<u>PTO WEEKLY</u>	<u>PTO ANNUALLY</u>
During Year 1-3	.769 hours	40 hours (5 days/1 week)
During Year 4+	1.54 hours	80 hours (10 days/2 weeks)

**For FIELDER'S CHOICE EMPLOYEES classified as (FT1C) hired before March 1, 2009, the following earnings schedule will apply:**

<u>YEARS OF ELIGIBLE SERVICE</u>	<u>PTO WEEKLY</u>	<u>PTO ANNUALLY</u>
During Year 1 and after	1.54 hours	80 hours (10 days/2 weeks)

Weekly PTO amounts shown above are fixed and are not reduced by a less than full week worked.

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when the employee starts to earn PTO time. An employee's benefit year may be extended for any significant leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Once employees enter an eligible employment classification, they begin to earn paid time off according to the above schedule. Exceptions to this schedule occur when a regular full-time employee, earning PTO benefits, changes their employment classification. When a regular full-time employee changes to regular part-time, PTO earnings stop. The employee may still take any unused PTO balances. If an employee returns to regular full-time status, and the employee has remained active since their full-time start date, the employee will resume earning PTO benefits at the level they had reached when last classified full-time.

Employees with a break in service (i.e., termination or resignation) greater than two years are considered new employees upon rehire. A returning employee's date of hire is the date which the employee returns to work, not the employee's original date of hire unless otherwise agreed upon by the hiring manager. Such employees begin to earn PTO benefits at the starting rate according to the above schedule.

See Policy 390 regarding reinstatement of benefits for employees who voluntarily resign and have a break in service of less than two years.

PTO is paid at the employee's base pay rate at the time leave is taken. It does not include overtime or any special forms of compensation such as incentives, commissions, or bonuses. The Caton Companies do not recognize, maintain or support an employee "comp time" policy for hours worked and not recorded on a time sheet. All hours worked by an employee, except Officers of The Caton Companies, regardless of employee type (Salary Nonexempt, Salary Exempt or Hourly) must be recorded on a time sheet. Officers are required to notify Human Resources of any time that is taken.

As stated above, employees are encouraged to use available PTO for rest, relaxation, and personal pursuits. **The maximum amount of PTO hours that may be earned is 360 hours. For FCE employees who are classified as (FT1) and (FT1C), the maximum amount of PTO hours that may be earned is 200 hours.** If the total amount of PTO reaches the maximum cap, further accruals will stop. When the employee takes PTO and brings the available amount below the cap, accruals will resume.

#### **A. UTILIZATION OF PTO**

Employees may request use of PTO once it has been earned.

1. To take PTO, employees should request advance approval using a PTO Request form (available from supervisors or the Human Resources Department). Requests will be reviewed based on a number of factors, including business needs and staffing requirements. Please also note the following:
  - a. **Two weeks' advance notice must be given when requesting planned time off of three or more days at one time** (see "b" below for exception to this). When requesting planned time off of one to two days, the employee must provide their supervisor with *at least* one day of advance notice, when the circumstances permit.
  - b. The maximum PTO allowed at any one time is two weeks, unless otherwise approved by the President of The Caton Companies. For any planned time off of two or more weeks, **one month's advance notice** will be required.
2. PTO request forms must be approved by the employee's supervisor(s). PTO allowed must always be compatible with the seasonal workload of the employee's department.
3. For **exempt** salaried employees only, who have used all of their available PTO balance:
  - a. any full day not worked, employees will not be paid
  - b. any partial day worked, employees will receive a full day of pay
4. If an employee receives a PTO payout, exhausts all time and is absent from work, the employee will still be subject to disciplinary action for absence without leave, up to and including termination.

#### **B. REQUEST FOR PTO PAYOUT**

1. Employees may receive a payout of their PTO time under two conditions:
  - a. If an employee has reached the maximum cap of 360 hours or 200 hours for FCE (FT1) and (FT1C) employees, a manager may, upon approval by the President of The Caton Companies, pay the employee up to 80 hours of PTO time to bring their balance below the maximum cap.
  - b. Financial Hardship - If an employee is facing financial hardship and has exhausted all other avenues (401k loan, etc.), employees who have more than 80 PTO hours may request a payout of the hours that are greater than the 80 hours. All requests must be approved by the President of The Caton Companies. **Requests can only be made once every twelve months.**

**C. CONVERSION TO PTO**

As of May 31, 2011, all available vacation balances (per Policy 303 Vacation Benefits) and sick balances (per Policy 307 Sick Leave Benefits) were converted to a PTO balance.

1. Upon termination of employment, employees who are *voluntarily* terminated (resignation, death, or layoff) will receive payment for PTO balances according to the following guidelines:

- a. Employees hired *after* June 1, 2011 and who are not FCE employees classified as (FT1) or (FT1C) will receive 55% of their remaining PTO balance.
- b. Employees hired before June 1, 2011 and who are not FCE employees classified as (FT1) or (FT1C) will receive payment for PTO as follows:

	Voluntary Termination PTO Balance Breakdown		Payable %	=	PTO Payable
Vacation Balance @ 5/31/11	0 Hrs	x	100.00%	=	0 Hrs
Sick Balance @ 5/31/11	0 Hrs	x	0.00%	=	0 Hrs
PTO Accrued since 5/31/11	0 Hrs	x	55.00%	=	0 Hrs
subtotal	0				0
Less:					
PTO taken since 5/31/11	(0) Hrs				(0) Hrs
Total	0 Hrs				0 Hrs

c. FCE employees who are classified as (FT1) and (FT1C) will be paid 100% of their PTO balance.

2. Below are some examples of PTO payout under option 1b listed above:

- a. Vacation balance as of 5/31/11 = 200 hours; sick balance as of 5/31/11 = 160 hours; PTO accrued since 5/31/11 = 80 hours; PTO taken since 5/31/11 = 100 hours. The PTO payout would be 144 hours and is calculated as follows:

	Voluntary Termination PTO Balance Breakdown		Payable %	=	PTO Payable
Vacation Balance @ 5/31/11	200 Hrs	x	100.00%	=	200 Hrs
Sick Balance @ 5/31/11	160 Hrs	x	0.00%	=	0 Hrs
PTO Accrued since 5/31/11	80 Hrs	x	55.00%	=	44 Hrs
subtotal	440				244
Less:					
PTO taken since 5/31/11	(100) Hrs				(100) Hrs
Total	340 Hrs				144 Hrs

- b. Vacation balance as of 5/31/11 = 140 hours; sick balance as of 5/31/11 = 60 hours; PTO accrued since 5/31/11 = 120 hours; PTO taken since 5/31/11 = 140 hours. The PTO payout would be 66 hours and is calculated as follows:

	Voluntary Termination PTO Balance Breakdown		Payable %	=	PTO Payable
Vacation Balance @ 5/31/11	140 Hrs	x	100.00%	=	140 Hrs
Sick Balance @ 5/31/11	60 Hrs	x	0.00%	=	0 Hrs
PTO Accrued since 5/31/11	<u>120 Hrs</u>	x	55.00%	=	<u>66 Hrs</u>
subtotal	320				206
Less:					
PTO taken since 5/31/11	<u>(140) Hrs</u>				<u>(140) Hrs</u>
Total	<u>180 Hrs</u>				<u>66 Hrs</u>

3. Payments will be made once company issued property such as keys, radios, pagers etc have been returned in acceptable condition. This payment will occur two weeks following the last date of employment or the next pay date following return of the property, whichever is later.

**Employees who are involuntarily terminated (fired) will NOT be paid any of their PTO balance unless approved by the President of The Caton Companies.**

## **702 Drug and Alcohol Testing**

*Effective Date: 1/1/1997*

*Revision Date: 6/1/2011*

The Caton Companies are firmly committed to providing a safe working environment to their employees and residents. Usage of illegal drugs or alcohol can present serious safety and health risks and, consequently, the following persons will be subject to drug and alcohol testing:

- a) Individuals applying for employment with The Caton Companies (Pre-Employment Testing);
  - b) Any employee whose actions, appearance, or conduct give The Caton Companies reasonable cause to suspect that the employee is under the influence of drugs or alcohol (For-Cause Testing);
  - c) Any employee who is involved in a work place accident, as determined by The Caton Companies, vehicular or otherwise, unless otherwise directed by the Human Resources department (Post-Accident Testing);
  - d) Any employee who seeks medical treatment as a result of an injury arising from or relating to a Worker's Compensation claim (Post-Accident Testing);
  - e) Any employee who possesses and uses a Commercial Driving License for Caton Company-related business ( Random CDL Testing).
- or
- f) Any employee working for Fielder's Choice Enterprises. (Random Testing)

The Caton Companies' commitment to providing a safe working environment requires that employees report immediately to supervisors any drug or alcohol-related on-the-job incident or observation which involves any other employee or independent contractor and which involves safety issues or criminal conduct.

The Caton Companies' drug and alcohol testing program will be managed by a third party administrator. All drug and alcohol test results will be reviewed by the Third Party Administrator's Medical Review Officer. Each employee or applicant may have an opportunity to discuss his/her positive test results with the Medical Review Officer before The Caton Companies are notified of final results.

"Illegal drugs" for purposes of this policy statement include all drug paraphernalia and all substances illegal under federal or applicable state law, including but not limited to marijuana, cocaine, opiates, phencyclidine (PCP), heroin, amphetamines, LSD, barbiturates, narcotics, or other drugs not prescribed to the employee by a licensed physician for the treatment of a current medical condition.

"Alcohol" for purposes of this policy statement is any product defined as such in the Alcohol Beverage Control Act, section 4.1-100 of the Code of Virginia, as amended.

### **PRE-EMPLOYMENT TESTING**

Individuals applying for employment with The Caton Companies will be given a drug test as a condition of employment. Any offer of employment will be canceled with respect to an applicant who tests positively. An applicant who fails the drug test is eligible to reapply for employment in six months. The applicant will be required to drug test again at that time. Should an applicant desire to challenge the test, they may do so by completing the necessary forms and submitting the \$150 fee to The Caton Companies. The applicant will not be allowed to retest. The original sample, which was split at the time of initial testing, will be submitted to another lab approved by The Caton Companies for testing. If the second test clears the applicant for hiring, The Caton Companies will reimburse the applicant for the cost of the second test (\$150).

### **FOR-CAUSE TESTING**

Any employee whose actions, appearances, or conduct give The Caton Companies reasonable cause to suspect that the employee is under the influence of drugs or alcohol, legal or illegal, will be required to submit to a test to determine if there is a detectable level of drugs or alcohol.

### **POST-ACCIDENT TESTING**

Any employee who is involved in a work place accident, unless otherwise directed by Human Resources, may be required to submit to a test to determine if there is a detectable level of drugs or alcohol. If the employee tests positive subsequent to an accident that The Caton Companies determines the employee to be "at fault" for, the employee will be subject to termination. If the employee receives medical treatment in relation to an injury arising out of a Worker's Compensation claim for which the employee was not "at fault" as determined by The Caton Companies, and tests positive, the employee will be subject to random drug testing for the following six months. If the employee tests positive a second time following the six month random testing period, the employee will be subject to termination.

### **CDL TESTING**

In order to be in compliance with Commercial Driving License Drug and Alcohol Testing Regulations, any employee who possesses and uses his or her Commercial Driving License for Caton Company-related purposes will be subject to Federal Government Regulations under CFR 49, Part 40.

### **RANDOM TESTING**

Due to the high risk of injury to persons and property, employees of Fielder's Choice Enterprises will be subject to random drug testing. Random selections will be made by Pembroke Drug and Alcohol Testing every quarter. Any employee who tests positive the first time will be suspended for one week without pay. The employee will then be subject to weekly random drug testing for six weeks. The employee must show reduced amounts of the drug in their system each time they are tested during that six week period. If not, the employee will be subject to disciplinary action up to and including termination. Any employee who tests positive a second time following the six week testing period will be terminated. Since alcohol remains in your system for a short amount of time, any employee who tests positive for alcohol will be terminated.

## **TERMINATION OF EMPLOYMENT**

If any of the instances below occur an employee will be terminated:

- 1.) Refuses to submit to FOR-CAUSE TESTING, POST-ACCIDENT TESTING, RANDOM TESTING or CDL TESTING
- 2.) Submits to FOR-CAUSE TESTING, POST-ACCIDENT TESTING, RANDOM TESTING or CDL TESTING and tests positively for illegal drugs or alcohol
- 3.) Illegally manufactures, distributes, dispenses, possesses, sells, or uses drugs or alcohol on any of The Caton Companies' premises or property at any time

If the following occurs, an employee will be subject to appropriate disciplinary action up to an including termination:

- 1.) Employee has a criminal conviction for drugs or alcohol while employed by The Caton Companies.

## Employee Acknowledgment Form

I hereby acknowledge receipt of Policy 702, Drug and Alcohol Testing which supersedes any previous version of this policy. I also acknowledge receipt of Policy 302, PTO Benefits, which replaces Policy 303, Vacation Benefits and Policy 307, Sick Benefits. I understand that these policies are updates to the Policy Manual dated January 1, 2011 and I agree to abide by all guidelines associated with these policies. I understand that if I have any questions regarding these policies, I am to contact Melissa Johnson, Human Resource Coordinator or Ed Bailey, Controller.

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Name (print)

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Date

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Signature