

Paid Time Off (PTO) proposal FAQs

Accrual:

1. Question: Why should we give up four days?

Answer: When a Paid Time Off (PTO) bank has been proposed to the administration in the past with a one-for-one conversion of all sick, vacation, and optional holidays, the administration has rejected the proposal. This proposal is a compromise which offers increased benefits to employees due to the maximum accruals and the Buy Back options, but, it is hoped, will not increase costs for the university.

2. Question: How would the proposed policy benefit an employee with one or two years of service?

Answer: The increased opportunity for accruals can benefit staff as early as the second year of the program, depending on how many sick days they generally use. For example, under the current policy, employees who haven't used any of their time at the end of their second year would have accrued 37 total days (20 vacation, 12 sick, and 5 optional). Under the proposed policy they would have accrued 46 days (see chart in handout).

3. Question: Why not increase the accrual rate for long term employees at 15 years?

Answer: The proposed increased accrual at 20 years was recommended in order to recognize and reward very long-term employees.

Sick Leave:

4. Question: How would this proposed policy benefit staff who use all their 12 sick days each year?

Answer: Employees who use all of their sick days each year, for whatever reason, would probably not favor the PTO proposal. However, this proposal does build in a reward for those employees who do not use all of those days each year. Employees who usually use 7 or fewer sick days a year will benefit, and those who use 8 will have no change in their total available leave.

5. Question: What would prevent staff from coming to work sick because they wanted to save the day for vacation or to sell it back?

Answer: It is the responsibility of the supervisor to encourage employees to stay at home when they become ill.

6. Question: If an employee uses time and also sells back time, leaving a balance of 5 days, and subsequently becomes ill, using more than those 5 days, is the department justified in docking that employee for the uncovered days?

Answer: Yes, the department would dock the employee for the time missed, just as they would under the current system when an employee uses more time than has been accrued.

7. Question: What would happen if I should sell back days, with 5 days remaining, and I get very ill or have a car accident?

Answer: After the seventh day you would be eligible for disability benefits under the USC Disability Plan.

Buy Back:

8. Question: What is the "Buy Back" Program?

Answer: Under the PTO bank plan, employees could sell back up to 5 unused PTO days twice a year at a rate of 50% of their daily rate. Employees must retain at least 5 days in their bank. Staff Assembly will propose that Buy Back should occur during November and May each year.

9. Question: Where does the 50% Buy Back rate come from?

Answer: The 50% rate is fairly common among employers of all types. Staff would be given the opportunity to earn money for days they cannot (or prefer not) to take off, or are about to "lose."

10. Question: Does the 50% Buy Back policy apply to final settlement upon termination or does that remain at 100% up to the maximum accrual?

Answer: The settlement at termination would continue to be at the 100% rate up to the maximum accrual.

11. Question: Is Buy Back participation optional?

Answer: Yes.

12. Question: Is Buy Back money taxable income?

Answer: Yes. It counts as regular earnings and is therefore considered taxable by the IRS.

13. Question: When might this be implemented?

Answer: This would be up to the administration, but it could not be earlier than July 2001.