

REQUIRED OR VOLUNTARY USE OF PTO

Checklist of Considerations and Tasks to Complete

1. Involve an employment and labor lawyer.
2. Consider your goals and issues:
 - Reduce employer's liability for accrued paid time off.
 - Help employees mitigate the economic effect of furloughs and hours/workweek reductions.
 - Avoid risks of impermissible deductions for salaried exempt employees.
3. When to Require Use of Paid Time Off?
 - Will PTO be paid out at termination making it desirable to reduce leave banks now or will employees forfeit accrued but unused PTO upon termination?
 - Consider voluntary or mandatory use of PTO to supplement lost work hours or wage reductions.
 - For exempt employees:
 - Have a bona fide leave bank described in a written policy or agreement.
 - Deduct PTO only in full day or week increments.
 - Consult counsel before taking any partial day deductions.
 - Consider morale issues and timing of requirement. Consider mandatory PTO use during holiday weeks and peak vacation times.
 - Consider and a blend of voluntary unpaid/personal days and mandatory PTO use for employees who want to preserve vacation time or PTO for sickness.
4. Document dates and circumstances when mandatory PTO is required.

