

## CHAPTER OVERVIEW

### 5: Paid Time Off- Offering Competitive and Creative Benefits

#### Paid Time Off (PTO)

Often referred to as PTO, paid time off is personal time that employees take to spend out of the office (and not working) while still receiving pay for regular wages. PTO policies can be structured in many different ways depending on a given company's size, structure, and industry. Consider the following terminology as you work through this module.

#### Paid Time Off

PTO is the time that employees can take off of work while still getting paid regular wages. This does not include times in which an employee is [working remotely](#) or [telecommuting](#). Often, PTO policies combine vacation, sick, and personal days.

#### Unpaid Time Off

Time off in which an employee is not compensated for the missed days. Types of unpaid time off may include a leave of absence, [military leave](#), unpaid personal time off, vacation beyond paid vacation days, and [medical leave](#).

#### PTO Banks

A PTO strategy that bundles together multiple PTO types, most commonly sick leave and vacation time, rather than assigning a certain number of days for each type.

#### PTO Accrual

Time off that an employee has earned over a given amount of time, typically over a certain number of hours, days, weeks, or months worked.

#### Common reasons to use PTO:

- Holidays
- Floating holidays
- Paid family leave
- Paid sick leave
- Paid bereavement leave
- Jury duty
- Vacation
- Personal appointments

Review the link below for a more thorough listing of types of time off.

[5.1: READ- Paid Time Off - Costs and Benefits](#)

[5.2: WATCH- Paid Leave Time and the U.S. Department of Labor](#)

[5.3: WATCH- Paid Time Off - What Happens to It When You Leave the Company?](#)

[5.4: Paid Time Off Policies](#)

[5.5: Unlimited PTO](#)

[5.6: FMLA and PTO](#)

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Source: "18 Types of Paid Time Off", Days Plan, July 4, 2016.

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