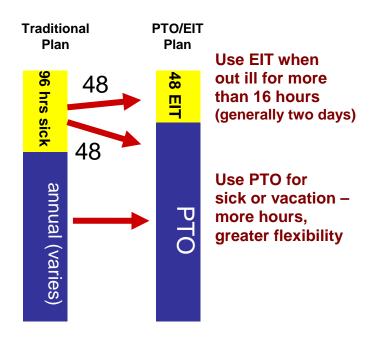


### **PTO / EIT Frequently Asked Questions**

MultiCare employees enjoy a Paid Time Off-Extended Illness Time plan in place of annual leave, vacation, sick and holiday time. This FAQ provides key information about the plan.

#### What is PTO / EIT?

PTO stands for Paid Time Off, EIT stands for-Extended Illness Time. The plan gives employees more Paid Time Off than more traditional vacation/annual leave programs and provides for a bank for extended illnesses. Here is how it works:



In traditional plans, full-time employees accrue 96 hours of sick leave a year, plus a varying number of hours of annual leave or vacation and holiday pay.

Under a PTO-EIT program, an additional 48 hours go to a PTO account, providing added hours and flexibility. The extra 48 hours to PTO is costly for the Employer but adds great value to employees.

Extended Illness Time account (EIT) accrues at the rate of 48 hours a year for full-time employees. Part-time employees accrue pro-rated per hour worked.

# Why would an Employer want PTO-EIT instead of a traditional Vacation, Holiday and Sick Leave plan?

PTO-EIT plans help provide more stable staffing by reducing unscheduled absences. This is a critical operational issue for Hospitals. Traditional sick leave policies inadvertently encourage employees to use it rather than save it.

Unscheduled absences are extremely burdensome for healthcare providers as they create patient care and staff morale challenges. They also increase overtime and agency cost due to the need to replace absent employees on short notice. Also, a PTO program provides greater flexibility for employees.

#### How is PTO time used?

However you wish: vacation time, sick time, etc.

#### How is EIT time used?

EIT is Extended Illness Time that you can use after missing 16 consecutive scheduled hours for health reasons, similar to a traditional sick leave bank. You use PTO to fill in the 16 hours before EIT becomes payable.

In some cases, EIT may be paid immediately (without the 16-hour wait), such as for a worker's comp injury, chemo or radiation therapy, inpatient hospitalization or outpatient surgery.

# Does MultiCare save money with a PTO / EIT plan?

Actually no, we don't. This is a great example of strategic design. It gives employees more flexibility with their timeoff benefits, and it adds stability to staffing. It's win-win for employees and MultiCare. We think of it as an investment in MultiCare people as well as an investment in stable staffing.

## How much PTO / EIT time will employees receive?

Annual accruals are shown below:

Yrs Service	PTO	EIT	Total
0 - 4	200 hours	48 hours	248 hours
5 - 9	240 hours	48 hours	288 hours
10 - 19	280 hours	48 hours	328 hours
20 +	320 hours	48 hours	368 hours

### What are the upsides to this program?

The plan affects employees mostly in positive ways: Instead of having annual/vacation and sick leave, you have PTO and EIT. Employees will have more vacation time (or cash) if their absenteeism is moderate.

#### Are there potential downsides?

Employees who have frequent unscheduled absences for health reasons – for example, due to a chronic condition – may not view this as a positive change. They'll have a 16-hour waiting period each time they're out before EIT begins. We had to balance the needs of people with frequent unscheduled absences with the needs of patients who rely on us. The plan provides a disincentive for unscheduled absences.

### Why is there a waiting period for EIT?

This is the trade-off for the additional 48 hours of PTO employees receive each year. This is also the design feature intended to reduce unscheduled absences, which are especially harmful for healthcare providers.

## What happens when employees leave MultiCare?

Employees who leave in good standing receive cash for 100% of their PTO balance, and 25% of the EIT balance greater than 240 hours.

# Can employees donate PTO or EIT hours to other employees?

Yes, employees with PTO balance of 40 or more hours can donate up to 16 hours to another eligible employee with a qualifying illness. Employees with a balance greater than 240 hours can donate up to 16 hours of EIT to another eligible employee with a qualifying illness. Special rules apply.