

	Policy: Paid Time Off (PTO)		Page: 1 of 2
	Policy #: HR 7.8	Effective Date: 1/1/2021	
	Approved by: Lawrence Anderson, CHRO		

Molina Healthcare, Inc. and its subsidiaries (“Molina” or “Company”) recognizes the importance of time away from work and as such, offers a flexible approach to Paid Time Off (“PTO”), intended to account for illness, vacation and personal time.

Eligibility and Accrual

Employees classified as full-time and part-time are eligible for PTO benefits. However, only those in active status will continue to accrue PTO, per the accrual table(s) below. Employees classified as per diem are not PTO eligible and should refer to the Paid Sick Time Policy.

Upon reaching the accrual cap outlined below, which is 1.5 times an employee’s annual PTO accrual, accrual will stop until PTO is depleted, either through utilization or cash out. Employees become eligible for the next tier accrual on their anniversary date.

Full-time employees

Manager & Below	Service Anniversary	Per Day	Per Year	Accrual Cap (Days)
	0 through 4	25 Min	18 days	216 hours (27 days)
	5 through 9	31 Min	23 days	276 hours (34.5 days)
	10 and above	37 Min	28 days	336 hours (42 days)
Directors, AVPs, State Medical Directors	Service Anniversary	Per Day	Per Year	Accrual Cap (Days)
	0 through 4	31 Min	23 days	276 hours (34.5 days)
	5 and above	37 Min	28 days	336 hours (42 days)
VPs and Above	Service Anniversary	Per Day	Per Year	Accrual Cap (Days)
	Any	37 Min	28 days	336 hours (42 days)

Part-time employees

Service Anniversary	Per Hour	Per Year <i>based on 29-hour workweek</i>	Accrual Cap
0 through 4	.04 hours	60:20 hours	90:29 hours
5 through 9	.06 hours	90:29 hours	135:43 hours
10 and above	.075 hours	113:06 hours	169:39 hours

Example: John Doe’s Hire Date was 10/1/2017. He had his **1-year anniversary** on 10/1/2018, **2-year anniversary** on 10/1/2019, **3-year anniversary** on 10/1/2020, **4-year anniversary** on 10/1/2021, and **5-year anniversary** on 10/1/2022. In this scenario, John would be eligible for the increased accrual rates on 10/1/22.

Utilization

PTO accruals are available for use in the pay period following completion of 30 days of employment. All hours thereafter are available for use in the pay period following the pay period in which they are accrued. PTO shall not be used in advance of accrual, unless otherwise approved by management, and can be taken in as little as 15-minute increments. Employees are required to use available PTO when taking time off work, before taking any unpaid time off, unless otherwise approved by

management. Time off work also includes leaves of absence of any kind, with the exception of those that qualify for supplemental disability income.

PTO shall be requested in advance and is subject to management approval, dependent upon business needs. Employees and management are responsible for ensuring PTO is appropriately recorded in Kronos, including identifying when time away is utilized for personal illness or that of a qualifying family member. In that case, management should use the PTO code and select the comment "Sick".

Molina reserves the right to deny requests for PTO or request medical documentation supporting extended time away or a pattern of time away, in accordance with the law.

PTO Pay

PTO pay is calculated at the regular straight time rate and is based on the employee's regularly scheduled workday or workweek. Employees will not be paid PTO for days that are not part of their regularly scheduled workweek. PTO pay is not considered time worked for purposes of determining overtime, commissions, bonuses. Similarly, PTO pay will not include shift differentials, stipends or other forms of special compensation. Lastly, employees scheduled for PTO on a holiday will not deplete PTO and will be paid holiday pay.

Cash Out

Employees may request a cash out of accrued PTO in December to be paid out in the following calendar year on the first paycheck in May or November. No more than 80 hours may be cashed out per year, and employees are required to maintain a minimum of 80 hours of PTO at the time of cash out.

Termination

Employees will be paid for all PTO hours accrued but not used at time of termination, in accordance with the law. The payment will be subject to applicable federal and state taxes and deductions.