



POLICY

Policy Title: PTO Donation

Policy No: HR-PY18 **Revision No.:** 1

Responsible Executive:

Function:

Effective Date:

Susan Balaguer

Human Resources

13 March 2018

Note: INSIGHT is the official repository of this document's most current version.

1.0 SCOPE

This policy outlines Engility's PTO Donation Program.

2.0 APPLICABILITY

This policy applies to Full-Time and Part-Time benefits eligible employees. Casual, Temporary, On Call, Interns and non-benefits eligible Part-Time employees are not eligible for PTO Donation.

3.0 POLICY STATEMENT

Engility allows employees to donate PTO hours to a PTO Bank for use by other full-time or benefits eligible part-time employees that have a family emergency or personal crisis that causes a severe impact to them, resulting in a need for additional time off in excess of their available PTO.

Eligible Events

Employees may receive donated PTO hours when they have a PTO balance of 40 hours or less and experience one or more of the below qualifying events:

- A catastrophic medical illness which is defined as a medical condition of the employee or a family member that will require the prolonged/extended absence of the employee from work, and will result in a substantial loss of income to the employee due to the exhaustion of all paid leave available.
- A catastrophic disaster which is defined as a major disaster such as hurricanes, earthquakes, fires, floods or other disasters declared by the President and that directly impacts the employee.

The PTO Donation program cannot be used to provide leave to an employee who has a non-catastrophic illness or medical condition (for example, pregnancy), or who has an illness or injury covered by an Engility paid disability policy or worker's compensation.

If an employee leaves Engility, unused donated PTO received through this program will not be paid out to the employee since it is not an accrued benefit.

PTO Donation Types

Employees can donate PTO to the PTO Donation Bank or to a specific individual. Donations that are made to the PTO Bank are non-taxable to the donor and taxed as normal PTO to the recipient under IRS regulations. Donations made to a specific individual are taxable to the donor and recipient per IRS regulations.

3.4.1 PTO Donation Bank

Employees may donate accrued PTO to other employees in need. Donations made under this program will not be included as taxable income to the employee donating the PTO.

Employees wishing to donate or request PTO under the PTO Donation Bank Program should complete HR-F10 PTO Bank Donor Form or HR-F23R PTO Donation Request Form.



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3.4.2 Individual PTO Donation Program

In certain situations, Engility may choose to allow PTO to be donated directly from one employee to another employee outside of the PTO Donation Bank. Donations under the Individual PTO Donation Program are made for a specific approved recipient and are not made to the PTO Bank. In accordance with IRS tax regulations, these PTO donations must be included as taxable income to both the donor employee and the recipient employee. Donors will see additional imputed income added to their next paycheck after the donation is approved in the dollar amount equivalent of their PTO donation. Tax withholding is based on the combination of regular income from Engility and imputed income for that pay period. The approval of these donations is at the discretion of Engility and must be approved by the CHRO, SVP Human Resources.

Employees wishing to donate or request receipt of PTO under the Individual PTO Donation program should complete HR-F23D Individual PTO Donor Form or HR-F23R PTO Donation Request form.

Program Requirements:

- Donations must be made in a minimum of eight hours, and made in one-hour increments beyond eight.
- PTO donors must be in an active status and must have a sufficient number of PTO hours such that the donation does not result in their PTO balance being less than 40 hours.
- Donated hours are converted to dollars based on the hourly pay rate of the donor and then provided to the recipient based on his/her hourly pay rate.
- Recipient hours will be taxed as normal PTO.
- It may take up to two pay periods after approval for a donation to be applied to an employee's PTO balance.
- For each distinct event, up to 80 hours of PTO may be provided to an employee.
- Employees may not receive PTO from the PTO Donation Program for more than two distinct events in a calendar year.
- PTO received through this program must only be taken/used for the purposes stated in this policy.

4.0 REASON FOR POLICY

It's Engility's goal to attract, retain and develop the best employees and support our competitive edge for overall success. Engility recognizes that there are times when employees may experience a family emergency or personal crisis resulting in a need for additional time off. Offering many options for time away from work to employees should assist in maintaining loyalty, satisfaction and motivation in support of a balanced personal and professional life.

5.0 POLICY EXCEPTIONS

There are no exceptions to this policy.

6.0 REFERENCES

Please see the following list of related documents for additional information associated with this policy.

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- HR-F23R - PTO Donation Request Form
- HR-E10 PTO Bank Donor Form
- HR-F23D Individual PTO Donor Form

7.0 RESPONSIBILITIES

7.1 Responsible Executive—accountable for enforcement and collaboration with appropriate stakeholders.

7.2 Function—responsible for enforcement and Company's overall compliance and maintenance of records in compliance with applicable laws and regulations.

7.3 Directors, Managers and Supervisors—responsible for taking appropriate measures to ensure compliance.

7.4 Employees—responsible for ensuring proper documentation to receive benefits.

8.0 DEFINITIONS

8.1 PTO – Paid Time Off

8.2 Donor – Employee donating hours to the PTO Bank or another individual.

8.3 Recipient – Employee receiving donated hours from the PTO Bank or another employee.

9 REVISION HISTORY

Revision Number	Revision Description	Effective Date	Section Reference
1	Policy Update – Moving policy to stand alone from Employee Manual	3/13/18	All

10 APPROVAL

Responsible Executive:

Susan Balaguer, CHRO, SVP Human Resources

Function:

Human Resources

Signature:

