

VACATION TIME POLICY

[IMPORTANT NOTE ABOUT THIS SAMPLE POLICY: Please note that this policy may be modified to combine sick time with vacation time as a paid time off (PTO) policy. Also note that you will need to substitute your company's vacation accrual method and any other unique provisions of your company's vacation policy below. Finally, please consult with an employment attorney before adopting any portion of this sample policy. Relevant laws vary from state to state and must be considered in selecting the terms of your policy. In addition, you should seek legal guidance on how to handle leave that has been accrued under a prior version of your vacation/PTO policy.]

Full-time employees become eligible for and begin to accrue annual vacation leave after six continuous months of employment with the Company. Eligible full-time employees accrue 6.66 hours of vacation per month (2 weeks per year) with increases in years 3 and 5, as follows:

Length of Employment	Vacation Accrued During the Year
6 Months through Year 2	80 Hours (6.66 hours per month)
Year 3 through Year 4	120 Hours (10.0 hours per month)
Year 5 and thereafter	160 Hours (13.33 hours per month)

Vacation time must be used within the year it is granted. In other words, vacation time may not be "carried over" or accumulated from year to year. Each eligible employee, on his or her anniversary date, begins to accrue vacation time at the rate outlined above and loses any unused vacation time that was accrued during the employee's prior year of employment. Upon termination of employment with the Company, whether voluntary or involuntary, all unused vacation time will be forfeited and will not be paid out.

Each full day of vacation will be counted as eight hours. Vacation time may be taken in increments as small as one hour. However, vacation time may not be used to compensate employees for tardiness or unexcused absences.

Whenever possible, vacation time must be scheduled at least one week in advance. The use and duration of vacation time is subject to supervisory approval. The Company will make every effort to accommodate requests to schedule vacation time but reserves the right to prioritize requests based on business needs, the seniority of the employees requesting vacation time, the amount of advance notice given by the employee of the desire for vacation time, and the reason for the vacation time.

Employee Signature
Acknowledging Receipt of Company's Vacation Policy

Date