

Unlimited PTO Guidelines

Policy Number: HR-LOA-015 **Effective Date:** January 1, 2022 **Last Updated:** February 1, 2024 **Owner:** People Operations **Applies To:** Director level (L6+) employees globally

Overview

NovaTech Solutions offers Unlimited PTO to employees at Director level and above. This document provides guidelines for using this benefit responsibly while maintaining team effectiveness and personal wellbeing.

Eligibility

Unlimited PTO applies to: - Directors (L6) - Senior Directors (L7) - Vice Presidents (L8) - Senior Vice Presidents (L9) - C-Suite executives (L10)

Employees below L6 have standard PTO entitlements. See Annual Leave Policy (HR-LOA-001).

What Unlimited PTO Means

What It Is

- Discretionary paid time off without a fixed annual cap
- Flexibility to take time when needed without counting days
- Trust-based approach to work-life balance

What It Is Not

- Unlimited absence without regard for responsibilities
- Freedom from coordination and communication
- An excuse to never take time off

Expectations and Guidelines

Minimum Time Off

- **Minimum 15 business days** of PTO should be taken annually
- HR monitors utilization and will follow up if minimum not met
- Taking less than minimum may be addressed in performance conversations

Recommended Range

Most employees in this program take between **20-30 days** annually. This is typical and encouraged.

Coordination Requirements

- Notify your team of planned time off with appropriate notice
- Ensure coverage for critical responsibilities
- Coordinate with peer leaders to avoid coverage gaps
- Respect business cycles (quarterly close, major launches, etc.)

Notice Guidelines

Duration	Recommended Notice
1-2 days	1 week
3-5 days	2 weeks
1-2 weeks	4 weeks
2+ weeks	6-8 weeks

These are guidelines, not requirements. Emergencies and unexpected situations are understood.

Using Unlimited PTO

Request Process

1. Check team calendar and discuss coverage
2. Enter time off in Workday for visibility (no approval required)
3. Confirm coverage for critical items
4. Set up out-of-office messages

Workday Entry

- Log all PTO in Workday under “Time Off” > “Unlimited PTO”
- This is for tracking and visibility, not approval
- Time off appears on team calendars
- You’ll receive automated confirmation

Coverage Expectations

- Identify coverage for direct reports' needs
- Ensure ongoing projects have owners
- Brief relevant parties before extended leave
- Remain available for genuine emergencies only (rare)

Unlimited PTO and Other Leave Types

Separate From

Unlimited PTO is separate from: - Sick leave (still tracked separately) - Parental leave (specific policy applies) - Bereavement leave (specific policy applies) - Sabbatical (earned separately based on tenure) - Other statutory/protected leave

Not a Replacement For

Do not use unlimited PTO when another leave type applies. Using the correct leave type ensures: - Proper record-keeping - Legal compliance - Benefit coordination

Pay and Benefits Impact

During PTO

- Full salary continues
- All benefits continue
- Equity vesting continues
- No impact on compensation

No Cash-Out

- Unlimited PTO has no cash value
- No payout upon termination
- Cannot be converted to compensation

Transitioning To/From Unlimited PTO

Promotion to Director Level

- Existing accrued PTO is paid out
- Unlimited PTO begins immediately
- No need to “use up” previous balance

Leaving Director Level

If you move to a role below L6 (rare): - Transition to standard PTO policy - Initial balance set at 50% of annual entitlement (prorated for timing) - See HR for specific calculation

Leader Responsibilities

As a leader with Unlimited PTO, you should:

- **Model good behavior:** Take regular time off so your team knows it's acceptable
- **Be transparent:** Let your team know when you're taking PTO
- **Encourage your team:** Ensure team members use their PTO
- **Respect boundaries:** Don't contact team members on their PTO unless urgent

Abuse and Accountability

What Constitutes Misuse

- Extended absences without coordination
- Regularly unavailable during critical periods
- Pattern of last-minute cancellations
- Using PTO to avoid responsibilities

Consequences

- First occurrence: Conversation with manager
- Repeated issues: May affect performance rating
- Severe cases: May result in disciplinary action

Accountability

Your manager and HR monitor overall patterns. If concerns arise, HR will reach out to discuss.

Frequently Asked Questions

Q: What if I want to take a month off? A: Extended time off should be discussed well in advance. Ensure thorough coverage planning. For very extended periods, consider sabbatical eligibility.

Q: Can I take every Friday off? A: This would be a schedule modification, not PTO. Discuss flexible scheduling with your manager. True Unlimited PTO is for time away from work, not schedule changes.

Q: What if my team always needs me? A: If you can't take PTO due to team dependencies, that's a resourcing or process issue to address. Talk to HR if you're struggling to take time off.

Q: Is my PTO ever denied? A: PTO isn't "approved" but should be coordinated. If timing creates issues, your manager may suggest alternatives.

Q: What about international travel? A: Regular vacation travel is fine. If working from another country for extended periods, see International Remote Work Policy (HR-WRK-012) for tax implications.

Contact

For questions about Unlimited PTO, contact People Operations at pto@novatech.com or via #ask-hr on Slack.

Related Documents: Annual Leave Policy (HR-LOA-001), Sabbatical Policy (HR-LOA-007), International Remote Work Policy (HR-WRK-012)