

# Paid Time Off-PTO

County Board Presentation  
2023



# Objectives

Compensation Study Findings

Current Snapshot of Time Off

County Comparison -Traditional Model

Why Change

Timeline

New PTO Proposal

Transition from Current to New System

County Comparison - PTO

Cost

Takeaways & Summary

Questions

# The Compensation Study-Findings

## Major Benefit Issue: Paid Time Off

Studies in 2016 and 2023 it was recommended:

- ▶ **Increasing paid time off** benefits under the current system we have now or moving to PTO  
- Consultant 2016 and 2023
- ▶ Sick time is **under market**, move to 12 sick days.  
-Consultant 2016 and 2023
- ▶ The County is a **bit behind** in the accumulation of vacation  
-Consultant Executive Summary 2023 pg.19



# The Compensation Study-Findings

## Major Benefit Issue: Paid Time Off *Continued*

Studies in both 2016 and 2023 it was recommended:

- ▶ Benefits need to be competitive to **retain and attract employees**, allow employees **new flexibility** with their earned time.
  - Consultant Executive Summary 2023 pg.20
- ▶ **PTO recommended** due to administrative ease, simplification, and new flexibility for employees. Current model is a **significant administrative burden**.
  - Consultant Executive Summary 2023 pg. 6 & 19-20

None of the changes the Consultant recommended for paid time off benefits were implemented and we can change that today



## Paid Time Off - General Snapshot

What do we offer a new employee now upon hire?

- ▶ Traditional paid time off: vacation, regular holiday, floating holiday, sick time, and funeral leave.
- ▶ All time is prorated.

Category	Number of Days
Vacation	10
Sick	8
Floating Holidays	3* Average
Funeral Leave (1-3 days dependent upon eligible relation)	2* Average
Fixed Holidays (Park View 7)	10
Total	33
Total *Without Fixed Holidays & Bereavement	21



# County Comparison

Winnebago County HR requested time off information from all other counties in Wisconsin

- ▶ Out of 71 counties, 30 participated, 42% response rate
- ▶ 11 Counties = PTO
- ▶ 19 Counties = Traditional
- ▶ At least 7 other counties are looking to see what we do as they will be modifying their time off benefit AFTER we change ours.

Extensive HR research identified that we are **not competitive** with our time off plan compared to other WI Counties



# Paid Time Off - County Comparisons

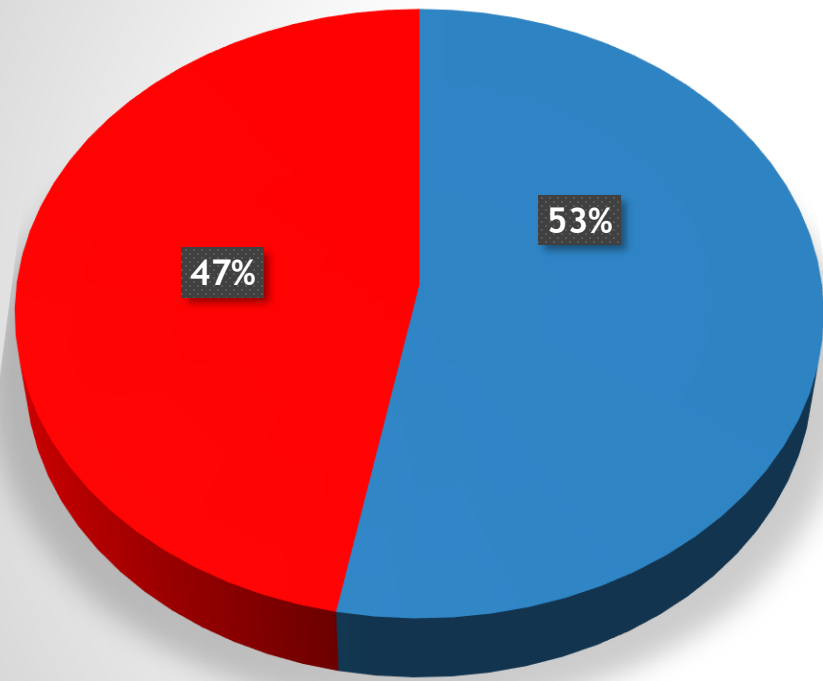
## Traditional Time Off Vacation

- ▶ Out of the 30 responding counties, 19 are on traditional vacation time\*
- ▶ **10** counties offered **more** vacation time than Winnebago over a 30-year career
- ▶ **9** counties offered **less** vacation time than Winnebago over a 30-year career

\*Refer to appendix in FAQ document

# Paid Time Off - County Comparisons Traditional Time Off Vacation

Vacation Time Comparison



- Counties offering MORE vacation than us
- Counties offering LESS vacation than us

The consultant noted vacation accruals were a bit **behind** which was consistent with HR findings.



# Paid Time Off - County Comparisons

## Traditional Time Off Sick

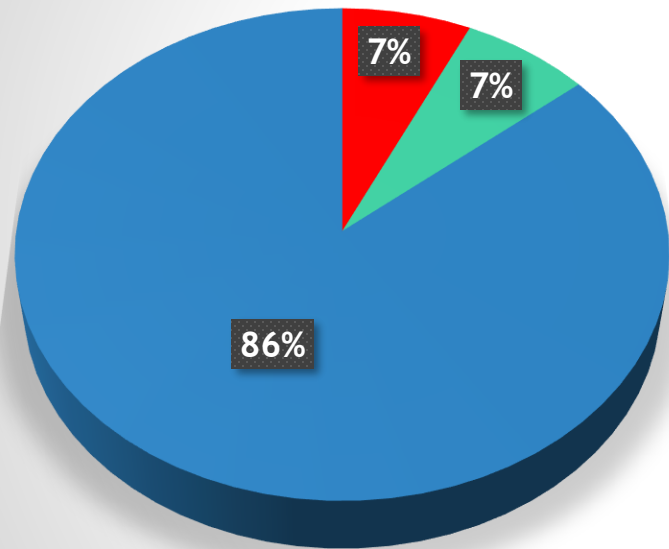
- ▶ For purposes of comparison 60 days (or 12 weeks) was our benchmark. 12 weeks is what would be needed to cover a full FMLA Leave.\*
- ▶ Out of the 30 responding counties, 15 responding counties on traditional sick time:
  - ▶ **86% of counties are more competitive than Winnebago**
  - ▶ **7% of counties are less competitive than Winnebago**
  - ▶ **7% of counties are equal to Winnebago**
- ▶ **73% of all comparable Counties take 5 years to reach 60 days of sick leave**
- ▶ Winnebago takes **8 years to reach 60 days** of sick leave

\*Refer to appendix in FAQ document

# Paid Time Off - County Comparisons

## Traditional Time Off Sick

Sick Time Comparison



- Counties offering LESS sick time than us
- Counties offering EQUAL sick time
- Counties offering MORE sick time than us

Sick time was noted by the consultant in 2016 and 2023 to be **under market** which was consistent with HR findings.

# Why Change?

Become **competitive** with paid time off

Retain and attract is the goal

Lessen limitations on employee's time

More flexibility with time off

Ease administrative burden and uniform rules for paid time off

# What Do You Mean Uniform Paid Time Off Rules?

Departments still hold different “rules” based on old union contracts - that do not exist anymore for most departments. These rules are now arbitrary and create silos.

Vacation - Accrual rates for some Park View employees differ, their first year of hire

Floating Holidays - 0,2,3,4,7,12,13

Regular Holidays - 7 or 10

24 Hour Depts - Some receive all regular holidays as floating holidays, while some do not

Hired pre 2019 vs post 2019 - Different vacation earning schedules

# What Have We Been Up To?

Spring 2023  
HR performed  
benefit analysis

Spring 2023  
Create potential  
PTO models

Summer 2023  
Executive  
Meetings, Refine  
Model

Sept Employee  
meetings & IT  
Meetings

Present PTO  
Proposal  
P&F = October  
County Board =  
November

Implementation  
target date  
1/1/24

# What is Paid Time Off?

**Paid Time Off** refers to the time that you are paid when you are not working. Employers can structure paid time off differently.

Paid Time Off Separate



**Paid Time Off Merged = PTO**





# NEW PTO Proposal

480 Hours = 60 Days = Full Qualifying FMLA Leave



Combine paid time off into two banks

PTO = 1<sup>st</sup> bank  
480 hours of time max

ELB = 2<sup>nd</sup> bank  
No max

PTO days are based on your years of service with Winnebago County and your employment status

PTO is accrued bi-weekly at the end of each pay period according to an accrual schedule

There will be no more “rolling over time” from year to year - you will continue building your bank

# PTO - New Proposal

- ▶ PTO will include vacation, sick/sick family, floating holidays, and bereavement
- ▶ Accrue PTO when in **paid status** (worked hours, PTO hours, ELB hours)
- ▶ **Start at 0** and earn up to the max by the end of the **calendar year**
- ▶ **Year of hire counts as “year 1”**
- ▶ Accrue PTO bi-weekly in line with paychecks
- ▶ Time increases every 2 years until 19 years
- ▶ Holidays will remain a separate benefit
- ▶ Allows for flexibility for **lateral transfer benefits**

Min Years	Max Years	PTO Days	Multiplier
0	2	25	0.096
3	4	27	0.103
5	6	29	0.111
7	8	31	0.119
9	10	33	0.126
11	12	35	0.134
13	14	37	0.142
15	16	39	0.150
17	18	41	0.157
19	19+	43	0.165

# What is an Extended Leave Bank (ELB)?

A separate bank where employees' paid time goes when they have reached the maximum number of hours allowed in their PTO bank (480 hours).



- 480-hour Max



- No Max to Hours
- Frozen Sick Time
- Current Sick Time
- NOT eligible for payout

# Uses for Extended Leave Bank (ELB)?

A bank of time reserved to provide income for specific events. This accumulates AFTER PTO has reached 480 hours.



# FMLA/ELB LOA



# Bereavement Leave



## Military Leave

# Updating Our Loss Policy

## Funeral

- ▶ Narrowly defined family definitions
- ▶ Up to 3 days -limited to family definition
- ▶ If funeral leave was exhausted, employees' ONLY choice was to use vacation, floating holiday, or go unpaid. No sick time was allowed.

## Bereavement

- ▶ Modernize definition - Human Loved One
- ▶ Utilize PTO & ELB for a total of 7 days -for each loss
- ▶ Instead of offering a one time limited benefit, former funeral days are now included in the annual PTO accrual every year
- ▶ ELB is now allowed to be accessed for Bereavement (former sick time and/or hours above PTO max)



*Grief*



# Termination & Retirement Payouts



## Current System

Earned but unused vacation time paid out upon termination of employment (excluding 5 days that are eligible for rollover.)

## New System

PTO Payout in Hours	
Years of Service	Max Hours to be Paid Out
Under 1 year	0
1 - 4	Up to 80 hrs or 2 weeks
5 - 9	Up to 120 hrs or 3 weeks
10- 19	Up to 160 hrs or 4 weeks
20 - 24	Up to 200 hrs or 5 weeks
25+	Up to 240 hrs or 6 weeks



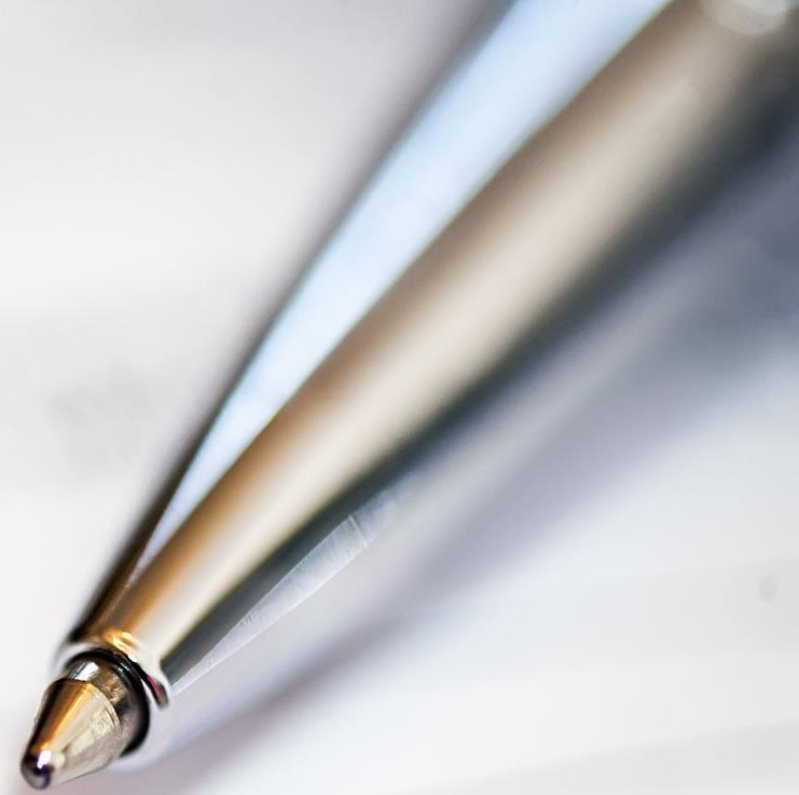
Employees who currently have frozen sick banks will still get paid out their sick time at the rate they were frozen.



# Payout Eligibility

- ▶ To be eligible for PTO payout upon voluntary resignation or retirement, employees must provide and complete proper notice
- ▶ How much notice do I need to provide?
  - ▶ Hourly employee = 2 Weeks
  - ▶ Salaried/Professional = 30 Days
  - ▶ All Retirements = **Changing** from 60 days to **30** Days
- ▶ Completing a proper notice means being in a **paid status** for all shifts within the notice

Example: 2 weeks notice = 2 weeks' worth of shifts need to be in a paid status: worked/PTO/ELB with last day worked.
- ▶ Anyone who leaves before completing 1 year of service, does not receive a PTO payout





All remaining vacation and FH that was earned in 2023 will convert to PTO for 1/1/24



All remaining sick time converts to ELB 1/1/24



Any FMLA leave in 2024, employees will be prorated their “bucket system time” on 1/1/24 or when HR approves FMLA in 2024



Advance up to 80 hours of PTO until June 2024, if employee doesn't have enough



Use ELB as sick leave in 2024



Providing and completing a proper notice in a *paid status* for PTO payout

# 2024 Transition Year Employee Feedback

# Paid Time Off - County Comparisons PTO

**Out of the 30 responding counties, 11 are on PTO\***

\*Refer to appendix in FAQ document

## Under Current System vs Other “Bucket System” Counties

- ▶ As we stand today, Winnebago County is not competitive for paid time off in comparison to 19 of the responding counties who currently operate under “bucket systems” researched by HR!
- ▶ **56%** of all responding counties offer **more vacation** time
- ▶ **86%** of all responding counties offer **more sick** time

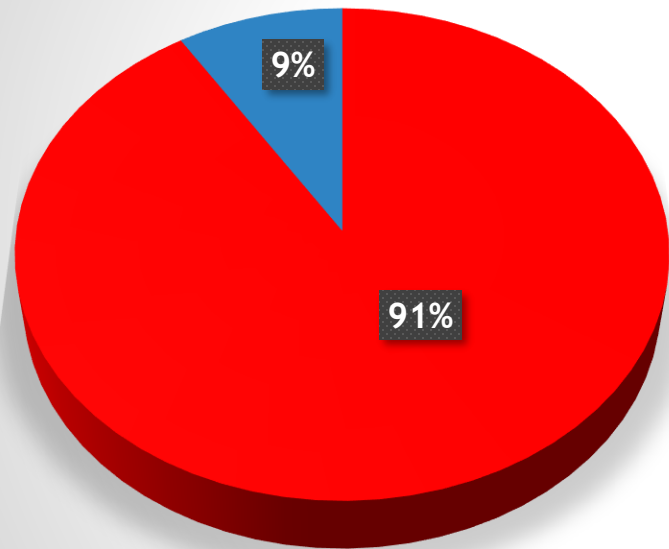
## Under Proposed PTO System vs Other PTO Counties

- ▶ We will offer **2<sup>nd</sup> BEST PTO PLAN** out of all 11 responding counties who currently operate under a PTO model researched by HR
- ▶ Remember, other surrounding counties are making the move to PTO. Need to set the bar.



# Paid Time Off - County Comparisons PTO

PTO Time Comparison



■ Counties offering LESS PTO time than us

■ Counties offering MORE PTO time than us

PTO proposal will be **2<sup>nd</sup> best plan** offered out of 11 responding counties over a 30-year career.




# What About Cost?

## Moving to PTO Will Save Money

### Current System

- ▶ We pro-rate time off up-front, money is lost when employees leave and took more paid time than they earned, can't claw back
- ▶ County pays out all remaining vacation regardless of proper notice
- ▶ 100% payout regardless of length in service

### PTO

- ▶ PTO bucket starts at 0. Nothing to claw back...**SAVINGS** 
- ▶ Requiring proper notice ....**SAVINGS** 
- ▶ Employee leaves before 1 year of service = No payout... **SAVINGS** 

# What Is The Cost Of The PTO Plan?

## Current Costs

- ▶ Payouts for vacation, frozen sick Or PTO > Not changing

## Future Cost

- ▶ Potential added cost of increasing days off
  - ▶ National trends suggest we are moving in that direction anyway
- ▶ Productivity Cost?
  - ▶ Data suggests it costs you to provide time off and it costs you if you don't!

## Future Savings

- ▶ Attract and retain = It take 229 shifts to cover 1 vacancy
- ▶ As of 9/26/23 we have 100 have vacancies to hire for
- ▶ Claw back, Proper Notice, and Less than 1 year impacts our bottom line
  - ▶ Savings Impact in 7 months = **\$67,117.41**

**NO adjustment to the 2024 Labor Budget because of implementing PTO!**





# Employee Demographics

## Age Demographics for Sheriff's Office

Age	Number	Percent
54+	21	10%
53	8	4%
50-52	19	9%
45-49	34	17%
18-44	122	60%
Totals	204	100%

14% of employees are eligible to retire right now.

An additional 9% will be eligible to retire in the next 3 years

23% of Sheriff's entire workforce will be eligible to retire zero to three years.

## Age Demographics for Non-Sheriff's Office

Age	Number	Percent
57+	181	18%
57	26	2%
54-56	70	7%
45-53	184	18%
18-44	557	55%
Totals	1018	100%

20% of employees are eligible to retire right now.

An additional 7% will be eligible to retire in the next 3 years

27% of Non-Sheriff's entire workforce will be eligible to retire zero to three years.



**27%** of Winnebago County's ENTIRE workforce is slotted to reach retirement age within the next 3 years

# PTO Solves the Following



Become **competitive** with paid time off

Retain and attract is the goal

Lessen limitations on employee's time

More flexibility with time off

Ease administrative burden and uniform rules for paid time off

# Takeaway points



Approving this PTO proposal will conclude the compensation study

Provide a uniform framework for the future

Set the curve for other surrounding counties looking to make the switch to PTO

Provides flexibility for lateral transfer hiring

Wave of the Future



# Culture

This PTO proposal can create a culture that will be competitive for retaining employees, attracting new ones, and giving everyone more flexibility with their earned time.

PTO empowers Winnebago employees to manage their time based on their needs - while retaining & rewarding them for their hard work.



# Thank you!

- ▶ Open the floor for questions and feedback with the remaining time
- ▶ Refer to FAQ

