



## **Paid Time Off (PTO) Policy for Eligible Non-Bargaining Unit Employees Revised 02/2026**

### **Purpose and Superseding of Prior Policies**

The purpose of this policy is to provide employees of Mid-South Transportation Management, Inc. (MTM) with clear guidelines as to the available types and amounts of Paid Time Off (PTO) to which they are entitled. It supersedes all previous PTO policies, including that which was placed in effect as of January 1, 2023. It replaces any other programs for vacation, sick, holiday, or personal time that may have been in effect before the date of this document, including in offer letters, which are not considered binding contracts. All MTM employees other than bargaining unit employees are “at will,” meaning they do not have a contract for employment for a period of time. This handbook and its terms, or any other policies, are not a binding contract of employment and the contents of it may be changed by MTM management, in its discretion, at any time, for any reason.

PTO provides eligible non-union employees with a pooled bank of flexible paid time off from work that can be used for illness, family needs, vacation, or emergencies. This flexible approach allows employees to manage their time off according to their needs.

Time off that is not covered by this PTO policy, and for which separate guidelines and policies exist, includes bereavement time, required jury duty, and military service leave.

### **Eligibility**

All non-union employees are eligible for PTO accumulation. Probationary employees, temporary employees, contract employees, and interns are not eligible to accrue PTO.

All full-time employees are eligible to accrue PTO under this policy. Employees still in their probationary period of employment, if their position is subject to such a period, do not accrue PTO. To the extent probationary employees must take time off for illness or emergencies, such time off will not be compensated. Temporary or part-time employees are not eligible to accrue PTO. Employees who are not actively working or are on other forms of leave do not accrue PTO while on leave, even if that leave is paid. This includes employees who are receiving income replacement benefits from a source other than the Company such as short-term disability, long-term disability or Worker’s Compensation insurance as well as employees on unpaid military leave of absence.

### **Accrual Schedule**

PTO is accrued on a **biweekly basis** and accrues as of the first day of each month in the calendar year. Employees begin accrual on the first day of employment after the end of their 90-day probationary employment period. Any partial months will be pro-rated. The chart below explains how much PTO you can accrue based on your years of service.



Years of Service	Annual PTO	Monthly Accrual Rate
0-5 years	10 days (80 hours)	6.67 hours/month
5-10 years	20 days (160) hours	13.33 hours/month
10-15 years	25 days (200 hours)	16.67 hours/month
15+ years	30 days (240 hours)	20.0 hours/month

### Accrual Cap for 2026-2027 to phase out formerly accrued hours

MTM recognizes that prior to this policy, employees accumulated significant amounts of PTO that will become invalid under this policy. To ease this transition, through December 31, 2027, MTM employees who are employed as of October 1, 2025 may accrue up to a maximum of 1.25x their annual PTO allotment according to the schedule in the prior section. Once the cap is reached, accrual will pause until PTO is used and the balance falls below the cap. Thus, the **maximum** amount of PTO any employee can have at one time through December 31, 2027 is as follows:

Accrual Tier	Accrual Cap
80 hours/year	100 hours <sup>1</sup>
160 hours/year	200 hours
200 hours/year	250 hours
240 hours/year	300 hours

### Use and Reporting of PTO

- PTO must be taken in minimum two (2) hour intervals.
- MTM encourages employees to schedule foreseeable PTO, such as vacation, at least two (2) weeks in advance. PTO that is not used for illness for yourself or caring for an ill family member that lasts more than three consecutive days must be approved by your supervisor.
- PTO that is for illness or caring for a sick family member(s) that lasts more than three

<sup>1</sup> This amount would only apply in year two.



(3) consecutive days without pre-approval from your supervisor must be accompanied by a physician's note verifying your need for leave, and when relevant, your ability to return to work. Any medical documentation must be submitted directly to Human Resources.

- If an employee is out on PTO for illness or to care for an ill family member for more than three (3) consecutive days without pre-approval from your supervisor, you may be asked to submit a request for leave pursuant to the Family and Medical Leave Act (FMLA). This request will come from Human Resources.
- If an employee takes FMLA leave, the employee must use any available PTO concurrently with your FMLA leave.
- After **January 1, 2028**, PTO will not carry-over in any way from year to year. MTM encourages employees to schedule vacations accordingly and to reserve some time for unexpected absences due to illness or other unforeseeable circumstances. Any leave taken once available PTO is exhausted will be unpaid.
- MTM will deem any employee who misses more than three days of work (with or without available PTO) without notifying their supervisor to have resigned employment.

### **PTO Abuse**

The purpose of PTO is for vacations, illness, emergencies, or the occasional personal day. To the extent MTM management notices a pattern or practice of use of PTO, such as repeatedly taking certain days of the week off, not returning after long weekends, or other activities that suggest PTO abuse, MTM reserves the right to exercise its discretion to deny an employee's request for PTO use and/or discipline an employee for taking advantage of the PTO system, up to and including termination of employment.

### **Separation of Employment**

Upon separation, accrued but unused PTO will be paid out in the final paycheck, unless the employee did not complete the probationary period.

### **Paid Holidays**

The following holidays will be paid holidays off from work for administrative staff and do not count against an employee's PTO usage or accrual:<sup>2</sup>

New Year's Day (January 1)

Martin Luther King, Jr. Day (third Monday in January)

President's Day (third Monday in February)

Good Friday (varies – March/April)

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<sup>2</sup> Essential administrative/non-union employees who are required to work on paid holiday(s) will receive PTO credit if approved by a manager or supervisor.



Memorial Day (last Monday in May)

Juneteenth

Independence Day (July 4)

Labor Day (first Monday in September)

Thanksgiving (fourth Thursday in November)

Day after Thanksgiving

Christmas Eve (December 24)

Christmas Day (December 25)

Holidays falling on a Saturday or Sunday will be observed on the closest business day.