

Frequently Asked Questions Regarding the Vacation Program Changes

What is the change to the vacation policy?

Transitioning from the 2025 payroll year to the 2026 payroll year, the entire balance of earned, unused vacation time will rollover for all team members. The cash-out option will be eliminated. How you accrue vacation time, and the amount earned based on your years of service will not change; however, with additional time being carried over, there will now be a maximum on the amount of earned, unused vacation time you can have. If your unused, earned vacation time exceeds the maximum vacation allowable balance, your weekly accrual will stop. It will not resume until some vacation time is used, bringing the balance below the maximum. Additionally, years of service will no longer be calculated on calendar days, but rather 1000 hours, aligning with the profit-sharing plan.

Why are we making a change to the vacation policy?

Taking time off is essential for your well-being. This change encourages everyone to use their time off. By changing the rollover policy, you have the flexibility to plan longer or more meaningful breaks.

How do I earn vacation time and how much do I earn?

For each week that you are actively working, vacation time is earned at the rate outlined in the chart below based on your years of service. If your unused, earned vacation time exceeds the maximum vacation allowable balance, your weekly accrual will stop. It will not resume until some vacation time is used, bringing the balance below the maximum.

Years of Service	Weekly Vacation Time Earned in Hours	Annual Vacation Earning Limit in Hours	Maximum Vacation Allowable Balance in Hours
0	1.54	80	120
1	1.69	88	132
2	1.85	96	144
3	2.00	104	156
4	2.15	112	168
5	2.31	120	180
6	2.46	128	192
7	2.62	136	204
8	2.77	144	216
9	2.92	152	228
10+	3.08	160	240

Do I only accrue vacation while I am working? What about other leaves or Temporary Layoff (TLO)?

You will accrue vacation during the weeks you're paid for at least 1 hour, or when you are on medical leave, family medical leave, military leave, vacation or have jury duty. You will not accrue vacation for weeks that you are on TLO or unpaid leave.

When is the last date I can cash out my vacation?

Any requests to cash out vacation must be made prior to December 19, 2025 using the Vacation Payout form in Paycom. Cash out requests made between December 1, 2025 and December 19, 2025 will be paid in January of 2026.

What happens if I do not use my vacation before the end of the year?

It is important that you take time to rest your mind and body from work. We strongly encourage you to use your vacation time every year; however, any earned, unused vacation balance can be rolled over into the next year. If your balance of earned, unused vacation reaches the maximum limits (150% of annual vacation earning limit) as outlined in the chart above, your vacation will stop accruing. At that time, you will not earn future vacation until some vacation time is used.

Will I now have fewer years of service?

No one is losing years of service; however, the timing of when your new years of service is awarded is changing.

My anniversary date will happen prior to Jan 1, will I still get my additional year of service/ increase in my vacation accrual?

In 2025, your years of service will be awarded as normal. On January 1, 2026, your years of service will be determined using the 1000-hour calculation. Depending on the timing of your hire date and how many hours you worked per year, your years of service may increase or stay the same but will not decrease.

What happens if I don't work 1000 hours in a year?

Your years of service will not increase, and your vacation accrual will remain the same.

Where can I see my vacation balance?

You can find your time off balance on the Paycom Self-Service home page by clicking on the Time-Off Balance link from the Time-Off Requests tile.

What happens to my vacation if I leave the company?

If you retire, resign or are terminated before you take your vacation, you will have your earned, unused vacation balance paid to you at your regular base rate, less applicable taxes and withholdings.

Does this impact my PTO days?

There are no changes to the PTO benefit. PTO will still be earned the same way it is today, and the current PTO rollover rules will still apply.