

PTO EXCHANGE

How it works and how to use it

HONORHEALTH®

Convert a portion of your unused PTO into cash or discounted hotel reservations.

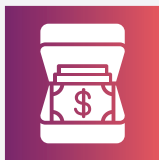
Key points

- Access the value of your unused paid time off (PTO) in different forms based on your specific priorities.
- Convert your PTO into cash back or discounted hotel reservations.
- You must maintain a PTO balance of at least 80 hours.
- The value of each PTO hour is determined by your annual compensation rate.
- Exchanges are made in hour increments. The minimum amount equals eight (8) hours.
- Hotel reservations are made through Priceline, Booking.com, and Agoda. Rates are discounted from publicly available options.
- This benefit will be available for all employees who are eligible to receive and participate in HonorHealth's PTO program.

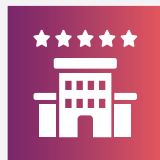
How to use PTO Exchange

1. Log into **Workday**. If you need assistance, please call the IT Help Desk at 480-882-4357.
2. Click on the link for PTO Exchange and enter your email address. This will direct you to the PTO Exchange platform.
3. On your dashboard, you will see the amount and value of PTO hours available for exchange.

4. Select the "Cash Out" or "Travel" tile.



OR



Cash out

- Fill in the amount of unused PTO you would like to cash out.
- The cash-out equivalent is calculated based on each employee's annual compensation rate.
- A service charge of 10% is deducted. This is required to comply with IRS guidelines.
- Click "Submit."

Hotel discounts

- The PTO Exchange integration to Priceline opens up and allows you to book your hotel using your credit card.
- The booking shows up in Recent Activity as a "Hotel Purchase." Click on the green "Reimburse" button.
- PTO Exchange determines how many hours it will take to fully pay for the hotel (inclusive of the 10% service charge required by the IRS and anticipated payroll taxes).
- Accept this exchange amount or lower the hours to subsidize the purchase.

5. Your exchange will be reflected on your next paycheck. See pages 2 and 3 for frequently asked questions.

Frequently asked questions

What is PTO Exchange?

PTO Exchange allows employees to exchange unused PTO days for goods and services at any time, throughout the plan year. HonorHealth employees can exchange some of their unused PTO for either cash back or travel (hotel) reimbursement.

Who is eligible for this benefit?

All employees who are eligible to receive and participate in HonorHealth's paid time off (PTO) program are eligible to participate in PTO Exchange.

How much accrued PTO do I need before I can use PTO Exchange?

HonorHealth employees must have at least 80 hours of accrued PTO in order to do an exchange.

How much PTO can I exchange?

You can exchange any amount over and above 80 hours. For example, if you have 100 accrued PTO hours, you can exchange 20 hours. Each exchange must meet a minimum of 8 hours.

Is this taxed?

Yes, an exchange is a taxable event as it is recognized as a form of compensation. The value of the exchange will be taxed at the federal supplemental tax rates and state supplemental tax rates (like bonuses) for your state.

What is the Service Charge?

The IRS will not allow HonorHealth to provide a dollar-for-dollar exchange of PTO. For all plans, a 10% Service Charge / Exchange Reduction will apply.

In practice, what does an exchange look like?

For an employee who makes \$25/hour and exchanges 8 hours, the exchange would look like this:

- 8 hours * \$25/hour = \$200
- \$200 minus the 10% Service Charge = \$180
- Required State and Federal Taxes would apply to the \$180. The Cash or Travel Reimbursement would show on the employee's next available paycheck. Taxes will be applied at the supplemental rate (like bonuses), so plan accordingly.

How do I receive my Hotel Reimbursements or Cash Payments?

All exchanges made on the PTO Exchange platform are processed through payroll and will show as additional earnings on your paycheck. Exchanges are sent to payroll the Sunday night of each payroll week. Any exchanges made after that will be paid on the following paycheck.

How do I access PTO Exchange?

Login to [Workday](#). On the left-hand side of the screen hover over External Links then click on PTO Exchange. Once you click that link, you will need to enter your HonorHealth email address and you will be directed to the PTO Exchange dashboard where you can begin to make your exchanges.

When can I do this?

PTO Exchange is available throughout the year and you can simply log into the PTO Exchange platform and make an election.

What travel sites are eligible?

Hotel reservations are available through Priceline, Booking.com, and Agoda. You will need to access these sites through the PTO Exchange platform. Due to PTO Exchange's relationship with those sites, discounted rates are available.

How do I reserve and get reimbursed for hotels?

- Click on the Travel tile within PTO Exchange. The PTO Exchange integration to Priceline opens up and allows you to book your hotel.
- Use your credit card to make your reservation.
- Your booking shows up in Recent Activity as a “Hotel Purchase” with a green “reimburse” button.
- Click on the Reimburse button. PTO Exchange estimates how many hours it will take to fully pay for the hotel (inclusive of the IRS-required Service Charge and anticipated payroll taxes).
- Accept this exchange amount or lower the hours to subsidize the purchase.

What if I want to cancel my exchange?

You can always cancel an exchange on the PTO Exchange platform. Keep in mind that PTO Exchanges are sent to payroll on Sunday night the week that employees receive their paycheck. Exchanges must be cancelled prior to 11 p.m. Sunday night, otherwise the transaction will be processed, your PTO will be reduced, and the associated earnings will be added to your next available paycheck. Once this election is reflected on your paycheck, this exchange election is irrevocable. To cancel an exchange, simply navigate to the dashboard and you will see a list of exchanges under the Recent Activity heading. You can click on the particular exchange that you want to cancel, and click “Cancel.”

What if I have problems logging into Workday or need my HonorHealth email address?

Please contact the IT Help Desk at 480-882-4357.

What if I have problems or questions regarding the program?

Email support@ptoexchange.com with any questions or problems.

