



Alabama Department of Corrections Paid Time Off (PTO) Transition and Legacy Balance Policy

Policy Overview

For current YesCare employees assigned to the Alabama Department of Corrections contract who join NaphCare during the transition phase, NaphCare will recognize previously accrued Paid Time Off (PTO) balances. These balances will be referred to as “Legacy Balances.”

In addition to any Legacy Balance, employees will accrue PTO under NaphCare’s standard PTO program based on seniority, in accordance with the NaphCare Employee Handbook, as may be amended from time to time.

We understand that YesCare required employees to use their PTO to cover holidays. NaphCare does not do this. Because NaphCare provides paid holidays without charging PTO balances, forty-eight (48) hours will be deducted from the Legacy Balance to account for the six paid holidays that will be provided by NaphCare during the remainder of 2026. In future years, NaphCare will not deduct any time from PTO or Legacy Balances for paid holidays. For additional details regarding holiday eligibility and pay, please refer to the Employee Handbook.

Use of PTO

PTO will be applied in the following order:

- Legacy Balances will be utilized first.
- Employees must exhaust Legacy Balances prior to using NaphCare-accrued PTO.
- Legacy PTO must be utilized prior to January 1, 2028. At this point, the Legacy Balance will be converted into NaphCare’s Extended Sick Bank.
 - Upon exhaustion or conversion of Legacy Balances, employees will utilize PTO accrued under NaphCare’s standard PTO policy.
 - All PTO use is subject to operational needs, supervisor approval, and applicable company policies.



Due to system constraints, the Legacy Balance will not be reflected the physical pay statement. Be assured the balance will be reflected in Work Force Manager where the most up to date balance will always be reflected.

Payout of PTO Upon Separation

In cases of voluntary resignation with proper notice provided and worked, and in accordance with the Employee Handbook policies as to separation, Legacy PTO will be paid out consistent with YesCare policy, as follows:

Legacy Balance Payout Schedule¹:

- Less than 1 year of service: No payout
- 1 to 2 years of service: Up to 40 hours
- 2 to 5 years of service: Up to 120 hours
- 5 or more years of service: Up to 160 hours

In addition:

- Up to 40 hours of accrued NaphCare PTO, if applicable and available, may be paid out. Please refer to the Employee Handbook.
- Up to 40 hours of Extended Sick Bank, if applicable and available, may be paid out. Please refer to the Employee Handbook.

Important Conditions and Limitations

- PTO payout is contingent upon compliance with NaphCare's resignation and notice requirements.
- Employees who are involuntarily terminated, or who fail to provide and work required notice, may forfeit eligibility for PTO payout, unless otherwise required by applicable law.
- Legacy Balances have no cash value except as expressly outlined in this policy.
- PTO is not earned wages except where required by state law.

Compliance with Applicable Law

This policy is intended to comply with all applicable federal, state, and local laws. Where a conflict exists between this policy and applicable law, the law will control.

¹ Based on tenure upon contract transition.



Policy Administration and Changes

NaphCare reserves the right to interpret, modify, suspend, or terminate this policy at any time, with or without notice, subject to applicable law.

This policy does not create a contract of employment or alter the at-will employment relationship.