

Emergency PTO Sharing Plans May Help Employees Affected by Hurricane Harvey

August 31, 2017

With the effects of Hurricane Harvey likely to be felt for many weeks and months to come, employees affected by the storm may need to take time off from work in excess of the amount of paid time off (PTO) they are eligible for from their employer. One way to provide additional PTO to affected employees is for the employer to adopt an emergency PTO sharing plan. Under an emergency PTO sharing plan, employees can donate some of their PTO to a PTO bank that is administered by the employer. Employees who have been adversely affected by Harvey could apply for additional PTO, and the employer would then grant additional PTO to the affected employees based on need. For purposes of an emergency PTO sharing plan, an employee has been adversely affected by a natural disaster if it caused severe hardship to the employee (or a family member) that requires the employee to take time off from work. An emergency PTO sharing plan must satisfy certain other conditions, which include, among others, that (i) PTO may not be donated by an employee for a specific coworker, (ii) an affected employee may not receive cash in lieu of taking additional PTO, (iii) the plan must limit the time period following the natural disaster during which PTO may be donated and used, and (iv) unused donated PTO must be returned to donors at the end of that time period. For additional information on the requirements of an emergency PTO sharing plan, please see [IRS Notice 2006-59](#).