



## Personal Time Off (PTO) Program for Non-Exempt U.S. Employees

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At Adobe, we believe that taking time off to attend to personal needs is essential to the health and productivity of every employee. Adobe also recognizes that employees may have different needs, depending on their individual circumstances.

This policy document outlines Adobe's policy on time off for U.S. non-exempt employees. It applies to all regular non-exempt U.S. employees working at Adobe Systems Incorporated.

### Personal Time Off

Adobe's Personal Time Off (PTO) Program allows you to take time away from work for a variety of reasons. You can use PTO to take a vacation, take time off when you are sick, attend to a personal matter, care for a sick family member, recover from an illness, celebrate a holiday not otherwise observed by the Company... it's up to you!

### How PTO Works

You will earn a certain number of hours of PTO each pay period according to the number of hours you are regularly scheduled to work per week (up to a maximum of 40 hours) and your length of service with Adobe. The maximum amount of PTO you can accrue at any time is 240 hours (30 days). Subject to the approval of your manager, you generally choose how and when you want to use your PTO. At certain times, the Company may require you to use PTO (such as during Company Break Periods). PTO is paid out at the employee's base pay rate, and does not include commissions, overtime pay, bonuses, or other base pay supplements.

You can use PTO for any of the following purposes:

- For vacation.
- When you are sick, injured, or receiving medical care or treatment.
- To attend to preventive care or care of an existing health condition for yourself.
- When your child, spouse, domestic partner, parent, in-law, or grandparent, grandchild, sibling, is sick, injured, or receiving medical care or treatment.
- To attend to preventive care or care of an existing health condition of your child, spouse, domestic partner, parent, in-law, or grandparent, grandchild, sibling.
- For an extended bereavement time off.
- To take care of personal business.
- To take care of practical, legal, or safety needs related to domestic violence, sexual assault, or stalking.
- To celebrate a holiday Adobe does not officially observe.
- For Company Break Periods or other closures (PTO use is required during such periods).
- To take time for a child's school-related activities, including parent-teacher conferences.
- For needs related to the closure of your place of business or your child's school if either has been closed to limit exposure to hazardous materials.

## Accruing PTO

You begin to accrue PTO with your first full pay period of active work at Adobe. The amount of PTO you earn per pay period is as follows if you work a standard 40-hour week.

Years of Service	Accrual Per Pay Period	For a Total PTO Accrual Per Year
Up to 5	7.384615 hours	24 days
6	7.692308 hours	25 days
7	8 hours	26 days
8	8.307692 hours	27 days
9	8.615385 hours	28 days
10+	8.923077 hours	29 days

If you are a regular, part-time employee scheduled to work less than 40 hours per week, you will accrue PTO based on the above schedule on a pro-rated basis using the percentage of time you work per week (as measured against a 40-hour workweek). Your use of PTO will also be on a pro-rated basis.

For example:

- If you work 32 hours per week, you would accrue PTO at 80% of the rates in the above table ( $32 \div 40 = 0.80$ )
- If you use a week of PTO, you will be paid your normal weekly part-time pay (32 hours of PTO)

## Scheduling PTO

When scheduling PTO, particularly for vacation purposes, please give your manager as much notice as possible. Adobe will make every reasonable effort to accommodate your request, but all planned PTO is subject to manager approval. This means your requested time off may be postponed if your manager deems it necessary due to the needs of the business.

When you are sick, you must call your manager no later than the time you are regularly scheduled to start work each day. Employees who are absent for more than three consecutive days will, upon Adobe's request, need to provide the Company with a doctor's certificate confirming their need for sick time off for themselves or for the care of another or other appropriate documentation of the need for time off for safely related purposes as listed above. As a non-exempt employee, you must report PTO hours on your timesheet. You may take PTO in hourly increments.

For your convenience, your PTO balance is available in Workday under Time Off and Leave > Time Off Balance. Your paycheck will reflect your currently reported number of PTO hours used.

Adobe requires employees to use PTO during certain periods, including Company Break Periods.

## Borrowing PTO

In the event that you have insufficient PTO accrued for sick time off or other appropriate purposes, subject to the approval of your manager, you can "borrow" PTO up to a maximum of 40 hours. Once your manager approves your request to borrow PTO, all you need to do is complete your timesheet or a Time Off request on Workday. Upon submission your time off balance will indicate a negative PTO balance. You

will need to repay any negative PTO balance if your employment terminates before you have earned enough PTO to eliminate your negative PTO balance.

### **Taking PTO When You Are Ill**

If you become ill and are under a doctor's care and need to take more than five consecutive days of sick time off, you must apply for a medical leave of absence. You will use available PTO for your first five consecutive business days off from work for each occurrence and thereafter receive pay for your Liberty-approved days on disability directly from Liberty. For more details regarding STD/VDI, and medical and family leave, please refer to the [Leaves of Absence page at benefits.adobe.com](#).

### **PTO Carryover and Maximum Accrual**

Adobe believes that rest and time away from your job are important. In order to encourage employees to use the PTO program for that purpose, the program includes a cap on the amount of PTO that you can accrue. While you may carry over accrued PTO from one year to the next, the maximum amount of PTO you can accrue at any time is 240 hours (30 days). Once you reach that maximum, you will not accrue any additional PTO until you reduce your PTO balance below the maximum.

### **PTO Cash Out**

While Adobe believes it is important that all employees use their PTO to take time off, we also recognize that employees may have unique financial needs from time-to-time. Therefore, we offer you the flexibility to "cash out" ("sell") some of your PTO.

When you sell PTO hours, you will usually be paid for those hours (excluding commission, if applicable) in your next possible paycheck (depending on the date of your request). Please note that the payment you receive will be taxed at a higher rate than your normal paycheck.

Here's how PTO Cash Out works:

- You may cash out PTO in blocks of 40 or 80 hours each calendar year – the minimum amount of PTO you may cash out is 40 hours, the maximum is **80 hours**
- You must maintain a minimum balance of 40 PTO hours in your PTO accrual account following your cash out. (You can view your PTO accrual on Workday.)
- Note that you may not cash out future PTO accruals – you must have at least 80 hours of PTO to receive a cash out (80 hours – 40 hour minimum cash out = 40 hour minimum PTO accrual at the time of cash out).
- Your PTO cash-out payment will be reduced by your ESPP and 401(k) contributions (if applicable); however, no other benefit deductions will apply.
- Your PTO cash-out payment is taxable income and subject to all applicable payroll taxes at the supplemental rate.
- Compensation received in the form of a PTO cash out will not be considered when calculating bonus payouts.

To receive a PTO cash out, you must submit your request through Workday. You do not need to obtain any approvals – simply submit the Cash-Out request.

## Leaving Adobe

If your employment with Adobe ends for any reason, you will be paid for all accrued but unused PTO. Similarly, if you have a negative PTO balance (you used more PTO than you accrued), you must repay the negative balance upon your termination (to the extent allowed by local law, Adobe may elect to deduct that amount from your final paycheck). You cannot extend your last day at Adobe by the amount of PTO you have remaining.

## Holidays

In addition to PTO, all non-exempt U.S. employees **working at least 24 hours per week** will be paid their regular daily base pay on all Company holidays. Adobe typically has 12 holidays per year. The holiday schedule can be found on the [Vacation & paid holiday page at benefits.adobe.com](#).

If you are a non-exempt employee who has to work on a Company-designated holiday, you will receive time and-a-half pay for the hours actually worked on the holiday, in addition to your regular pay for the holiday. For example, if you are a full-time, non-exempt employee and you work eight hours on a holiday, you will receive 2.5 times your normal daily rate of pay (regular pay plus 1.5 times holiday pay).

## Company Break Periods

Adobe typically closes its offices for two break periods each year - Summer and Winter. The dates of these company break periods will vary from year to year and the break periods will normally include one or more holidays; however, Adobe will publish each year's break period schedule in advance on the [Vacation & paid holiday page at benefits.adobe.com](#). As noted above, non-exempt employees will be required to use PTO during these break periods (except on any holiday(s) that fall within the break period). If an employee has no (or an insufficient) PTO balance available, he/she will be required to borrow PTO (up to the maximum described above).

If you are required to work during a company break, you will be notified by your manager a minimum of 60 days in advance (unless unforeseen business circumstances don't allow for the notice). During this time you will be paid your regular rate of pay unless a holiday falls within that period of time in which case you will be paid overtime. You can take your PTO days off at another time (ideally the week before or after the company break) but you must obtain approval from your manager in advance for the alternate PTO days, subject to the criteria described above

Adobe reserves the right to modify this Time Off Program for non-exempt U.S. employees at any time and for any reason as determined by Adobe management in its sole discretion. Notwithstanding anything contained in this policy document, employees whose attendance or work performance is unsatisfactory in any way will be subject to appropriate disciplinary action up to and including termination of their employment with Adobe.

## Appendix

State	State Sick Leave Reference
Arizona	<a href="https://www.azica.gov/frequently-asked-questions-about-wage-and-earned-paid-sick-time-laws">https://www.azica.gov/frequently-asked-questions-about-wage-and-earned-paid-sick-time-laws</a>
California	<a href="https://www.dir.ca.gov/dlse/Paid_Sick_Leave.htm">https://www.dir.ca.gov/dlse/Paid_Sick_Leave.htm</a>
Connecticut	<a href="https://www.ctdol.state.ct.us/wgwkstnd/SickLeave.htm">https://www.ctdol.state.ct.us/wgwkstnd/SickLeave.htm</a>
Maine	<a href="https://legislature.maine.gov/legis/bills/bills_129th/billtexts/SP011001.asp">https://legislature.maine.gov/legis/bills/bills_129th/billtexts/SP011001.asp</a>
Maryland	<a href="https://www.dlir.state.md.us/paidleave/paidleaveposter.shtml">https://www.dlir.state.md.us/paidleave/paidleaveposter.shtml</a>
Massachusetts	<a href="https://www.mass.gov/files/documents/2018/09/21/est_faq_1.pdf">https://www.mass.gov/files/documents/2018/09/21/est_faq_1.pdf</a>
Michigan	<a href="https://www.michigan.gov/documents/lara/Paid_Medical_Leave_Act_FAQ_003_644_567_7.pdf">https://www.michigan.gov/documents/lara/Paid_Medical_Leave_Act_FAQ_003_644_567_7.pdf</a>
New Jersey	<a href="https://nj.gov/labor/wagehour/lawregs/nj_state_wage_and_hour_laws_and_regulations.html#11D1">https://nj.gov/labor/wagehour/lawregs/nj_state_wage_and_hour_laws_and_regulations.html#11D1</a>
Oregon	<a href="https://www.oregon.gov/boli/TA/Pages/T_FAQ_OregonSickTime.aspx">https://www.oregon.gov/boli/TA/Pages/T_FAQ_OregonSickTime.aspx</a>
Rhode Island	<a href="http://www.dlt.ri.gov/lis/pdfs/HSFWfactsheet.pdf">http://www.dlt.ri.gov/lis/pdfs/HSFWfactsheet.pdf</a>
Vermont	<a href="https://labor.vermont.gov/learn-more-about-vermonts-new-earned-sick-time-law/">https://labor.vermont.gov/learn-more-about-vermonts-new-earned-sick-time-law/</a>
Washington	<a href="https://www.lni.wa.gov/workers-rights/leave/paid-sick-leave/">https://www.lni.wa.gov/workers-rights/leave/paid-sick-leave/</a>
Washington D.C.	<a href="https://does.dc.gov/service/office-wage-hour-compliance">https://does.dc.gov/service/office-wage-hour-compliance</a>