



2027 Paid Time Off program: Open Enrollment reference guide

Beacon's Paid Time Off Grant (PTO Grant) program

Everyone needs time away from work to manage personal matters, relax and recharge, recover from illness, or celebrate a holiday. The Beacon Total Rewards program includes PTO for:



Vacation



Personal time



Short-term illness



Holidays

How Holidays are handled

Paid holidays are built into your PTO Grant. PTO hours must be used to take time off for the following recognized holidays:



New Year's Day



Labor Day



Memorial Day



Thanksgiving Day



Independence Day



Christmas Day

Your annual PTO Grant includes hours for the **six observed holidays**, plus an extra 16 hours (prorated if your standard hours are less than 40 per week) to use as **floating holidays**—so you have the freedom to take time off on the days that matter most to you.

- **If you don't observe a Beacon holiday:** you may have the option to work that day and take a different day off instead. This depends on your department's operational needs, so be sure to coordinate with your manager.
- **If a holiday falls on a regular workday and you take the day off:** simply use PTO hours to cover your time away.
- **If you're an hourly associate and work on a scheduled holiday:** you'll receive 1-½ times your base pay for the hours you work.
- **If you're a salaried associate and work on a scheduled holiday:** you'll be paid your regular pay for the holiday and can use your PTO on another day of your choosing.
- **If holidays fall on a Saturday or Sunday:** when holidays fall on a Saturday, they're observed the Friday before. When they fall on a Sunday, they're observed the following Monday.

*This overview does not apply to physicians, APCs, or leaders in the Discretionary PTO plan (DTO). The purpose of this document is to provide a general summary of the PTO Grant policy and is not a guarantee of benefits. In the event of any conflict or inconsistency between this summary and the official plan documents or policies, the official documents will govern. If you are covered under a **Collective Bargaining Agreement (CBA)**, certain benefit details may differ; in those cases, the terms of your CBA will take precedence.*

How Beacon's PTO Grant program works during Open Enrollment

At Beacon, we believe that time away from work isn't just about vacations or holidays—it's essential for your overall wellbeing. Rest and recharge time helps boost your mental and physical health, reduces stress, and helps prevent burnout. That's why we've built a time-off program that encourages you to use your PTO—so you can return feeling refreshed, energized, and ready to deliver the exceptional care and service our patients and communities count on.

For this reason, we divide your PTO Grant into **two main parts**:

- 1 Use It or Lose It hours:** Time you must use during the year.
 - Designed to be used within the year to ensure you are prioritizing your total wellbeing.
 - This portion does not roll over into the next calendar year and is not paid out at year-end or upon leaving the organization.
 - This “use it or lose it” approach encourages you to take well-deserved time away.
- 2 Choice hours:** Your choice on how to handle these hours.
 - Our tenured non-management associates (with four or more years of service) and management associates receive a PTO Grant that may exceed the amount of time off they can reasonably take. If you fall into one of these groups, you'll have extra flexibility in how to use—or allocate—those additional hours.
 - For newer associates (with fewer than four years of service), the expectation is that you use all of your PTO during the year.
 - If you have Choice hours, you have an opportunity during Open Enrollment to decide if and how you want to convert them.
 - This portion does not roll over to the next calendar year and is not paid out upon leaving the organization. However, if you do not use your Choice hours during the year and you remain employed at Beacon, the Choice hours remaining in your PTO bank at the end of the year will be paid to you in a lump sum in the first quarter of the following year.

Your Choice hour options. During Open Enrollment, you can decide which of the following options is best for you.

Options if you do not elect to convert any Choice hours during Open Enrollment

OPTION 1: Take time off throughout 2027.	• If you do not convert any Choice hours during Open Enrollment, those hours stay in your PTO bank and will be available for you to take time off during 2027. • Any Choice hours you don't use will be paid out in a lump sum during the first quarter of 2028, based on your hourly rate as of Dec. 31, 2027. • Choice hours do not roll over from year to year. • If you leave Beacon in 2027, the unused hours are forfeited.
OPTION 2: Leave in PTO bank for payout in 2028.	• If you do not convert any Choice hours during Open Enrollment, and do not use them during 2027, those hours will be paid out to you in a lump sum during the first quarter of 2028, based on your hourly rate as of Dec. 31, 2027. • If you do decide to take time off in 2027 instead, these hours will be available. • Choice hours do not roll over from year to year. • If you leave Beacon during 2027, the unused hours will be forfeited.

Options if you elect to convert some or all of your Choice hours during Open Enrollment

OPTION 3: Convert to extra pay.	• Convert some or all of your Choice hours into additional income. • The value is based on your hourly rate as of Sept. 8, 2026, and spread evenly across your 26 paychecks in 2027, providing you with additional income. • If you leave Beacon during 2027, the remaining balance will be forfeited.
OPTION 4: Convert to retirement savings, HSA contributions, or to purchase more benefits.	• If you would like to save more for retirement, add to your HSA, or purchase additional benefits, convert Choice hours during Open Enrollment. • The value of those hours is based on your hourly rate as of Sept. 8, 2026, and spread evenly across your 26 paychecks in 2027. • You'll need to make a second election to direct those dollars to your retirement savings or to elect benefits. • If you leave Beacon during 2027, the remaining balance will be forfeited.

How to determine your PTO Grant hours

Use the following steps to determine your total PTO Grant hours, your Use It or Lose It hours, and your Choice hours for 2027.



STEP 1

Find your **Years of Service** as of Dec. 31, 2026 in column A.

STEP 2

Find your **Full Time Equivalent (FTE)** in column D. For example, if you work half time, your FTE will be .50. Alternatively, you can find your Scheduled hours in columns B or C to determine your FTE. If you are between FTE numbers, divide your Scheduled hours per pay period by 80 to determine your FTE.

STEP 3

Your **PTO Grant** hours for 2027 are in column E. If you are between FTE numbers, find the PTO Grant hours for an FTE of 1.0 in column E and multiply that number by your FTE to determine your PTO Grant hours for 2027.

STEP 4

Note in column F the number of **hours you must use** by Dec. 31, 2027, or they will be forfeited. If you don't plan to work on the holidays, be sure to set aside enough PTO to cover those days.

If you are between FTE numbers, find the Use It or Lose It hours for an FTE of 1.0 in column F and multiply that number by your FTE to determine your Use It or Lose It hours.

STEP 5

During Open Enrollment, make an election regarding your **Choice hours** found in column G (these are the hours in excess of your Use It or Lose It hours).

Associates *other than management*

A Years of Service (as of Dec. 31, 2026)	B Scheduled hours per week	C Scheduled hours per pay period	D FTE (Hours per pay period/80)	E PTO Grant hours for 2027	F Use It or Lose It hours	G Choice hours
0-3	40	80	1.00	184.00	184.00	0
	36	72	0.90	165.60	165.60	0
	32	64	0.80	147.20	147.20	0
	30	60	0.75	138.00	138.00	0
	28	56	0.70	128.80	128.80	0
	24	48	0.60	110.40	110.40	0
	20	40	0.50	92.00	92.00	0
	16	32	0.40	73.60	73.60	0
	11.5	23	0.30	55.20	55.20	0
	8	16	0.20	36.80	36.80	0
	4	8	0.10	18.40	18.40	0

continued on next page...



Associates *other than management* continued...

A Years of Service (as of Dec. 31, 2026)	B Scheduled hours per week	C Scheduled hours per pay period	D FTE (Hours per pay period/80)	E PTO Grant hours for 2027	F Use It or Lose It hours	G Choice hours
4-8	40	80	1.00	224.00	184.00	40
	36	72	0.90	201.60	165.60	36
	32	64	0.80	179.20	147.20	32
	30	60	0.75	168.00	138.00	30
	28	56	0.70	156.80	128.80	28
	24	48	0.60	134.40	110.40	24
	20	40	0.50	112.00	92.00	20
	16	32	0.40	89.60	73.60	16
	11.5	23	0.30	67.20	55.20	12
	8	16	0.20	44.80	36.80	8
	4	8	0.10	22.40	18.40	4
9-23	40	80	1.00	264.00	184.00	80
	36	72	0.90	237.60	165.60	72
	32	64	0.80	211.20	147.20	64
	30	60	0.75	198.00	138.00	60
	28	56	0.70	184.80	128.80	56
	24	48	0.60	158.40	110.40	48
	20	40	0.50	132.00	92.00	40
	16	32	0.40	105.60	73.60	32
	11.5	23	0.30	79.20	55.20	24
	8	16	0.20	52.80	36.80	16
	4	8	0.10	26.40	18.40	8
24 or more	40	80	1.00	304.00	184.00	120
	36	72	0.90	273.60	165.60	108
	32	64	0.80	243.20	147.20	96
	30	60	0.75	228.00	138.00	90
	28	56	0.70	212.80	128.80	84
	24	48	0.60	182.40	110.40	72
	20	40	0.50	152.00	92.00	60
	16	32	0.40	121.60	73.60	48
	11.5	23	0.30	91.20	55.20	36
	8	16	0.20	60.80	36.80	24
	4	8	0.10	30.40	18.40	12

Management

A Years of Service (as of Dec. 31, 2026)	B Scheduled hours per week	C Scheduled hours per pay period	D FTE (Hours per pay period/80)	E PTO Grant hours for 2027	F Use It or Lose It hours	G Choice hours
0-8	40	80	1.00	224.00	184.00	40
	36	72	0.90	201.60	165.60	36
	32	64	0.80	179.20	147.20	32
	30	60	0.75	168.00	138.00	30
	28	56	0.70	156.80	128.80	28
	24	48	0.60	134.40	110.40	24
	20	40	0.50	112.00	92.00	20
	16	32	0.40	89.60	73.60	16
	11.5	23	0.30	67.20	55.20	12
	8	16	0.20	44.80	36.80	8
	4	8	0.10	22.40	18.40	4
9 or more	40	80	1.00	264.00	184.00	80
	36	72	0.90	237.60	165.60	72
	32	64	0.80	211.20	147.20	64
	30	60	0.75	198.00	138.00	60
	28	56	0.70	184.80	128.80	56
	24	48	0.60	158.40	110.40	48
	20	40	0.50	132.00	92.00	40
	16	32	0.40	105.60	73.60	32
	11.5	23	0.30	79.20	55.20	24
	8	16	0.20	52.80	36.80	16
	4	8	0.10	26.40	18.40	8



You asked for flexibility— and we delivered

Our PTO Grant program is built to give you real choice. Use your hours for time away, convert them during Open Enrollment into extra cash in your paycheck, or put their value toward additional benefits. It's all about giving you the freedom to decide what works best for you. The choice is yours.

Examples of 2027 PTO Grant year

Convert Choice hours to extra pay



Damon is a non-management associate who works a schedule of 40 hours per week, consisting of five 8-hour days.

Years of Service: 5

FTE: 1.0

Total Grant hours: 224

Use It or Lose It hours: 184

Choice hours: 40

In 2027, Damon receives a total PTO Grant of 224 hours. Here's how he plans to use it:

- **48 hours** (six 8-hour days) for the six Beacon holidays
- **80 hours** for two weeks of vacation
- **40 hours** set aside for sick time or personal days

This leaves Damon with 16 Use it or Lose it hours he must take as PTO during 2027. He will look for additional opportunities during the year to take off another two days, so he does not forfeit these hours.

On top of that, Damon has 40 Choice hours. Since he could use a little more take-home pay, he elects to convert all 40 Choice hours into cash, which will be added to his paychecks throughout 2027.

➤ **With this approach, Damon gets the time off he wants and puts more money in his pocket during the year.**

Damon's 2027 PTO snapshot

Damon's 2027 PTO Grant hours	224
Holidays	48
Vacation	80
Sick or personal days	40
Additional Use It or Lose It hours he must take or forfeit	16
Choice hours added to paycheck during 2027	40

Leave Choice hours in PTO bank for lump sum payout in 2028



Eliza is a non-management associate who works a schedule of 36 hours per week, comprised of three 12-hour days (36 hours total).

Years of Service: 23

FTE: .90

Total Grant hours: 237.60

Use It or Lose It hours: 165.60

Choice hours: 72

In 2027, Eliza receives a PTO Grant of **237.60 hours**. Here's how she plans to use it:

- **72 hours** (six 12-hour days) for the six Beacon holidays
- **72 hours** for two weeks of summer vacation with her kids
- **36 hours** set aside for sick time or personal days to run errands

By year's end, if things go as planned, Eliza will have used about **180 hours**, including all of her Use It or Lose it hours. That leaves her with **57.60 hours** in the bank.

Since Eliza doesn't make a Choice hour election during Open Enrollment, she simply leaves her hours in her PTO bank. If she finds time to take a few more days off in 2027, she'll use them. If not, the remaining value will be **automatically paid out to her in a lump sum at the start of 2028**, based on her hourly rate at year-end.

➤ **This option gives Eliza the flexibility to take more time off if her schedule allows—with the peace of mind of knowing she'll get a payout if she doesn't.**

Eliza's 2027 PTO snapshot

Eliza's 2027 PTO Grant hours	237.60
Holidays	72
Vacation	72
Short-term illness or personal days	36
Hours remaining in PTO bank during 2027 (automatically paid out in 2028 if not used)	57.60

Examples of 2027 PTO Grant year

Convert Choice hours to extra pay and use it to boost retirement savings



Finn is a management associate who works a schedule of 40 hours per week, comprised of five 8-hour days.

Years of Service: 10

FTE: 1.0

Total Grant hours: 264

Use It or Lose It hours: 184

Choice hours: 80

In 2027, Finn receives a PTO Grant of 264 hours. Here's how he plans to use it:

- **32 hours** (four 8-hour days) for four holidays (since he usually works the other two holidays)

Finn must use another 152 hours or they will be forfeited, so he plans for:

- **80 hours** for two weeks of vacation (even though he finds it hard to take time off)
- **40 hours** set aside for personal days

That leaves Finn with **32 Use It or Lose It hours** he must schedule before year-end or they'll be forfeited.

As a management associate, Finn's Short-Term Disability benefit is provided as salary continuance from Beacon with no waiting period, so he does not set aside any PTO for short-term illness. Instead, his priority is to build long-term financial security. So, he makes an election during Open Enrollment to convert all of his Choice hours into additional pay. Then, he visits the Transamerica website to increase his contribution to the Beacon Retirement Savings 403(b) plan by that same amount—turning his unused PTO hours into retirement savings.

Finn's 2027 PTO snapshot

Finn's 2027 PTO Grant	264
Holidays	32
Vacation	80
Personal days	40
Additional Use It or Lose It hours he must take or forfeit	32
Choice hours converted to pay and then contributed to his retirement plan	80

➤ This approach allows Finn to keep his time-off plan lean while using his Choice hours to grow his nest egg for the future.

Use Legacy PTO during 2027 to maximize lump sum payout in 2028



Gisele is a non-management associate who works a part-time schedule of 20 hours per week, consisting of five four-hour days.

Years of Service: 13

FTE: .50

Total Grant hours: 132

Use It or Lose It hours: 92

Choice hours: 40

In 2027, Gisele receives a PTO Grant of 132 hours. Here's how she plans to use it:

- **12 hours** (three 4-hour days) for the three Beacon holidays she takes off (she usually works the other three)
- **80 hours** for four weeks of vacation

That uses up all of her Use it or Lose it hours for the year. Since Gisele also has Legacy PTO available, she can rely on that if she needs extra time off for illness or personal days. Legacy PTO is paid at the hourly rate in effect at the time it is used. With that safety net, she decides to leave all 40 of her Choice hours in her PTO bank during 2027. If she doesn't use them, their value will be paid to her as a lump sum in early 2028, based on her hourly rate at year-end.

➤ By leaning on her Legacy PTO for unexpected needs, Gisele frees up her Choice hours to maximize a guaranteed payout the following year.

Gisele's 2027 PTO snapshot

Gisele's 2027 PTO Grant	132
Holidays	12
Vacation	80
Hours remaining in PTO bank during 2027 (automatically paid out in 2028 if not used)	40

Examples of 2027 PTO Grant year

Leave Choice hours in PTO bank to use in 2027 to rest and recharge



Hadara is a non-management associate who works a schedule of 36 hours per week, comprised of three 12-hour days.

Years of Service: 8

FTE: .90

Total Grant hours: 201.60

Use It or Lose It hours: 165.6

Choice hours: 36

Hadara's 2027 PTO snapshot

Hadara's 2027 PTO Grant	201.60
Holidays	72
Vacation	108
Hours remaining in PTO bank during 2027 (automatically paid out in 2028 if not used)	21.60

In 2027, Hadara receives a PTO Grant of **201.6 hours**. Hadara works hard but understands the need to rest and recharge. Here's how she plans to use it:

- **72 hours** (six 12-hour days) for the six Beacon holidays
- **108 hours** for three weeks of vacation

That uses up all of her Use It or Lose It hours. Hadara then leaves the remaining **21.60 hours** in her PTO bank for the year. She plans to use them for short-term illness, personal days, or maybe an extra break in December. If she doesn't get the chance to use them, those hours will automatically be **paid out in a lump sum at the start of 2028**, based on her hourly rate at year-end.

➤ This plan gives Hadara the **downtime she needs** during the year, with the reassurance that any leftover hours turn into **extra pay later**.

Use Legacy PTO for short term disability waiting period



Ingrid is a non-management associate who works a schedule of 40 hours per week, comprised of five 8-hour days.

Years of Service: 9

FTE: 1.0

Total Grant hours: 264

Use It or Lose It hours: 184

Choice hours: 80

Ingrid's 2027 PTO snapshot

Ingrid's 2027 PTO Grant	264
Holidays	40
Vacation	160
Hours remaining in PTO bank during 2027 (automatically paid out in 2028 if not used)	64

In 2027, Ingrid receives a PTO Grant of **264 hours**. Here's how she plans to use it:

- **40 hours** (five 8-hour days) for five Beacon holidays (she'll work the sixth)
- **160 hours** for four weeks of vacation as an extension of her maternity leave

Ingrid is expecting a baby in 2027 and has enrolled in **Short-Term Disability Plan 3**, which provides income replacement after a one-week waiting period. To cover that waiting period, she'll use **40 hours from her Legacy PTO bank**. She also plans to use additional Legacy PTO to supplement her disability pay (60% of her weekly earnings), so she can maintain her full income while on leave. Legacy PTO is paid at the hourly rate in effect at the time it is used.

Even after her leave and vacation, Ingrid still has **64 Choice hours** left in her PTO bank. She'll keep those available for short-term illness or personal days in 2027. If she doesn't need them, their value will be **paid out automatically in early 2028**, based on her hourly rate at year-end.

➤ By combining her Legacy PTO and Choice hours, Ingrid is able to **cover her disability leave, enjoy vacation time, and still keep extra hours in reserve** — with the peace of mind of a payout if she doesn't use them.

Examples of 2027 PTO Grant year

All PTO hours are Use It or Lose It for new associates



Jamal is a non-management associate who works a schedule of 32 hours per week, consisting of four 8-hour days.
Years of Service: 2
FTE: 0.8
Total Grant hours: 147.20
Use It or Lose It hours: 147.20
Choice hours: 0

Jamal's 2027 PTO snapshot	
Jamal's 2027 PTO Grant	147.20
Holidays	32
Vacation	96
Sick or personal days	19.20

Because Jamal's years of service are less than four, all of his 147.20 PTO grant hours for 2027 are Use it or Lose it hours he is expected to take during 2027. Here's how he uses it:

- **32 hours** (four 8-hour days) for the four Beacon holidays that fall on his normal workdays (two of the six holidays fall on days he doesn't normally work)
- **96 hours** for three weeks of vacation
- **19.20 hours** for short-term illness or personal days

Since Jamal doesn't receive any Choice hours yet, he cannot make an election during Open Enrollment. His entire PTO grant must be used within the year.

➤ This approach ensures **Jamal gets the most out of his PTO** by planning vacations, holidays, and personal days — while making sure no hours go to waste.



Frequently asked questions about PTO

Q. What happens if my standard hours change during the year?

If you **change** your standard scheduled hours, your PTO grant will be adjusted:

- If your new FTE (Full-Time Equivalent) **increases** your hours, **you'll receive additional PTO**.
- If your new FTE **decreases** your hours, **PTO hours will be reduced**.

Q. I sometimes work extra shifts. Will I earn more PTO for the extra hours?

No. PTO is based on your scheduled standard hours, not the actual number of hours you work. If you find yourself **regularly** working more than your scheduled hours, you may want to talk to your manager about whether an update to your FTE is appropriate.

Q. If I reach a new Years of Service milestone midyear, will my PTO grant increase?

No. Your **years of service for PTO purposes are calculated as of December 31** each year.

If you hit a milestone (like 9 years) during the year, **your increased PTO grant will start the following January**.

Q. How does Beacon Legacy PTO plan work?

- You can **use your Legacy PTO** for time off. Legacy PTO is paid at your rate of pay as of the date it is used.
- If you leave Beacon in the future, **your remaining Legacy PTO balance will be paid out** at your hourly rate as of the date it was frozen in the Legacy PTO plan.
- **There's no option to cash out your Legacy PTO** unless you terminate employment.
- If you go on a leave of absence, **you may be required to use some of your PTO** during your leave. (More details can be found in the *Beacon Leave of Absences Policy*.)

Q. What tax rate is used when PTO is paid out?

PTO payouts are treated the same as your regular pay — they're considered ordinary income and not taxed at a special rate.

The withholding rate, however, may depend on how the payout is made:

- **If it's included in your regular paycheck**, taxes are withheld using the same withholding rate as your normal pay.
- **If it's paid as a separate lump sum**, Payroll may apply a higher or lower withholding rate.

Keep in mind: your final tax bill is based on your total income for the year. If too much is withheld, you'll get a refund when you file your taxes. If too little is withheld, you may owe more on April 15.

Q. What happens if I use all my PTO for the year and then have an unexpected illness in December?

If you are ill, you can still take time off, **but your hours would be unpaid**.

Q. What happens if I use more PTO hours than I was expecting to during the year and don't have any remaining for a holiday?

If your department is open on the holiday, **you are expected to work**. If your department or location is closed, your hours would be unpaid.

Q. Are the rules different for the year of retirement?

No. If you leave during the year, your remaining Grant PTO hours will be forfeited.