PTO and Leave Policy Template

A practical starting point for paid time off, vacation, sick leave, and unpaid leave, and how people request, approve, and record time away.

Organization	[Organization name]
Policy owner	[Role or person]
Effective date	[YYYY-MM-DD]
Review date	[YYYY-MM-DD]
Version	[1.0]

How to use this template

Replace the highlighted fields and choose the clauses and leave types that match how your organization actually works. Remove examples that do not apply. Share the final policy with everyone who requests, approves, or records leave.

Important

This template is general operational guidance, not legal, payroll, tax, employment, or labor-law advice. Statutory leave, notice periods, accrual, carry-over, and pay vary by country, employer, and contract. Have a qualified adviser review the final policy when compliance matters.

1. Purpose

This policy explains how [organization name] handles time off so that people can plan rest and personal time, managers can keep work covered, and everyone relies on the same clear record.

It aims to make leave predictable and fair without unnecessary friction or surveillance.

2. Scope

This policy applies to [employees / contractors / selected teams] and covers the leave types listed below.

Statutory entitlements always apply where they are more generous than this policy. Where a contract or local law sets different rules, those rules take priority.

3. Types of leave

The organization recognizes the following types of leave. Adjust the list and the paid or unpaid treatment to match local rules and contracts.

- Paid annual leave / vacation (PTO): [days per year]
- Sick leave: [paid or unpaid, days, documentation rule]
- Unpaid leave: [when it may be granted]
- On-demand or emergency leave: [days, notice]
- Parental and family leave: [per statutory rules]
- Public holidays: [list or reference]
- Other leave: [bereavement, jury duty, study, and similar]

4. Entitlement and accrual

Annual leave entitlement is [X days per year], accrued [monthly / at the start of the year / another method]. Part-time entitlement is calculated pro rata.

New joiners accrue from [start date / after probation]. Balances are tracked in [system or tracker].

5. Requesting leave

Submit leave through [channel / a leave request form] at least [notice period] in advance for planned leave, and as soon as possible for sickness or emergencies.

Each request states the leave type, the first and last day, and the number of working days requested.

6. Approval

[Manager / role] approves leave based on business needs, existing coverage, and the remaining balance. Decisions are recorded and shared promptly.

If a request cannot be approved as submitted, the approver proposes alternative dates where possible.

7. Coverage and handover

Before approved leave begins, the person arranges coverage and hands over pending work, deadlines, and contacts.

An out-of-office message and notifications are set for the duration of the absence.

8. Sick leave

Notify [role] on the first day of sickness by [method]. Medical documentation is required after [number] consecutive days, or as local law requires.

Sick leave is treated as [paid / unpaid] according to [rule or applicable law].

9. Unpaid leave

Unpaid leave may be granted at the organization's discretion, for example when paid balances are exhausted or the situation warrants it.

It is agreed in writing, with the leave type, dates, and effect on pay and benefits recorded.

10. Carry-over and expiry

Unused annual leave may be carried over up to [X days] until [date]. Leave beyond that limit expires unless local law requires otherwise.

Payment in lieu of untaken leave follows [rule / applicable law].

11. Records, privacy, and access

Leave requests, approvals, and balances are recorded in [system / tracker] and retained for [period]. Access is limited to [roles].

Store only the information the process needs. Do not record medical details or private commentary beyond what is required.

12. Roles and responsibilities

People requesting leave: plan ahead, request in good time, and arrange coverage.

Managers and approvers: decide fairly and promptly, protect coverage, and keep balances accurate.

Policy owner: maintain this policy, resolve exceptions, and review it periodically.

13. Exceptions and questions

Exceptions require approval from [role] and should record the reason, period, and agreed arrangement.

Direct questions to [contact or channel].

Implementation checklist

- Decide which leave types apply and their paid or unpaid treatment.
- Set entitlement, accrual, and pro-rata rules for part-time staff and new joiners.
- Define notice periods and how requests are submitted and approved.
- Agree coverage, handover, and out-of-office expectations.
- Set carry-over, expiry, and payment-in-lieu rules.
- Decide where balances are recorded and who can access them.
- Review local requirements, approve the policy, and share it with the team.

Policy approval and acknowledgement

Policy approved by	
Approval date	
Next review date	
Employee acknowledgement method	

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