



## 8.2a Hourly Employee Vacation Policy

### 1 Eligibility

Regular, full-time non-exempt (hourly) employees are eligible for vacation time.

### 2. Vacation Benefits Schedule

The amount of vacation for which an employee is eligible is determined by the employee’s years of service with the Company. The schedule is based on a traditional 8-hour day, 5-day work week. Union employees and employees working shifts or other alternative schedules will be provided with a comparable benefit, as determined by the Company or union contract.

<u>Years of Service*</u>	<u>Annual Hours of Vacation</u>
<u>Year of Hire</u>	<u>Pay</u>
1-5	Prorated 80 hours
6-10	120 hours
11+	160 hours

*\*Hourly employees receive 40 hours of personal time in addition to vacation time.*

If an experienced new hire is provided with more vacation in his/her initial years with the Company than shown in the chart, it does not alter the years of service necessary for such an employee to move to a higher increment of vacation accrual. For example, an experienced hourly new hire offered three weeks of vacation upon hire, will still need to attain 11 years of service to be eligible for four weeks of vacation.

### 3. Vacation Accrual

Vacation time is available to be taken on January 1 of each year. In the year an employee reaches a work anniversary that allows the next higher amount of vacation, it is available to be taken on January 1 of that year. However, vacation is earned on a pro rata basis at the rate of 1/12 of the annual vacation amount each month or partial month of employment. Newly hired employees will work with their hiring manager to determine when vacation in the first year of employment may be taken.

### 4. Timing and Use of Vacation Benefits

So that vacations will not unduly affect the efficient transaction of company business, management reserves the right to designate the time when vacations may be taken, and all scheduling is subject to supervisory approval. Vacation benefits are generally used in whole-day increments. However, partial days of vacation may be taken when doing so will not negatively impact the running of the business. Vacation scheduling in facilities with continuous operations may be subject to further restrictions as defined by that site. Vacation may be scheduled and taken in advance of being earned.

### 5. Vacation Pay

Vacation pay is based on your straight time pay; it does not include overtime or any other premium pay and is not counted as hours worked for purposes of computing overtime hours. Vacation pay is paid through your regular pay cycle and is subject to all normal authorized and/or required payroll deductions.



If a Company-paid holiday occurs during an employee's vacation, the employee will receive holiday pay for that day instead of vacation pay.

## **6. Unused Vacation Benefits**

Employees are expected and encouraged to use their vacation benefits each year. Any unused vacation remaining as of December 31 of any calendar year will be forfeited except for vacation described in paragraphs 6.a, 6.b and 6.c.

### **a. California-Based and Nebraska-Based Employees**

Certain states (currently California and Nebraska) do not permit forfeiture of unused accrued vacation benefits. To comply with state law and meet the intent of the Company vacation policy, California-based and Nebraska-based employees may carry over unused vacation days into the next year. However, the Company caps the number of vacation days that can be accrued at twice the annual amount of vacation benefits. Once an employee reaches the cap, he/she will not accrue any additional vacation days until some accrued vacation is used. After the balance drops below the cap, the employee will begin accruing vacation days again.

### **b. Carry-Over**

The Company permits an hourly employee to carry over up to 5 days (40 hours) of vacation benefits in the event of future short-term disability. Vacation carried over for this purpose is referred to as disability bank time. Unused disability bank time is paid to the employee upon termination of employment.

### **c. Deferral**

If, due to unforeseen business needs, an employee is required to work and unable to use his/her scheduled vacation time, deferral of that unused vacation into the next year can be approved by management. Deferred vacation must be used in that next calendar year.

## **7. Vacation Benefits at the End of Employment**

When employment ends for any reason whatsoever, the balance of any accrued but unused vacation will be payable to the employee in a lump sum payment. This lump sum payment will be treated as supplemental wages and taxes will be withheld at the supplemental tax rate.

## **8. Coordination of Vacation and Personal Time with FMLA**

The Company provides leaves of absence to eligible employees for certain family and medical reasons. This policy is intended to comply with a federal law known as the Family and Medical Leave Act of 1993 (*FMLA*). The use of FMLA Leave is coordinated with your Vacation and Personal Time off work.

Generally, FMLA leave is unpaid. If, however, you also have unused vacation and/or personal time available to you, and your leave request is approved, you will receive these benefits at the same time as you are receiving FMLA leave benefits. Similarly, if you request leave for a reason that is also covered by FMLA leave, you will receive FMLA leave benefits at the same time as vacation and/or personal time benefits. If vacation or personal time is used during a leave qualifying for FMLA, FMLA leave will run concurrent with any paid time during leave.