

POLICY MANUAL

CHAPTER 6 - HUMAN RESOURCES POLICIES

6.7 PAID TIME OFF AND LEAVE POLICY

Purpose:

The MLC believes that its employees are the key to its success. The MLC believes that a balance between work and nonwork activities is essential to maintain quality performance and a positive work environment. To support this philosophy, the MLC has developed the following Paid Time Off and Leave policy.

Holidays: MLC employees will receive their regular pay (no salary reduction for salaried employees and 8 hours for hourly employees) on these eight annual holidays:

- January 1 - New Year's Day
- Last Monday in May - Memorial Day
- July 4 - Independence Day
- First Monday in September - Labor Day
- Fourth Thursday in November - Thanksgiving Day
- Friday after Thanksgiving
- December 25 – Christmas
- Christmas Eve or Day after Christmas (day to be determined annually by President)

When a holiday falls on a Saturday, the preceding Friday will be observed as a holiday. When a holiday falls on a Sunday, the following Monday will be observed as a holiday. If a holiday falls on a non-exempt employee's regular day off, the employee shall receive another day off or pay for the holiday on the day the holiday is recognized by the MLC.

In addition, each regular full-time employee is eligible to receive pay for three “floating holidays” each calendar year, selected by the employee and approved by the immediate supervisor. A floating holiday may be taken for any day of the year not in the MLC 8-holiday list.

If a non-exempt employee is required to work on a holiday, he or she will receive the full holiday pay plus compensation for the hours worked. If an exempt employee is required to work on a holiday, he or she will be allowed to designate an additional floating holiday as a substitute, subject to approval by the employee’s direct manager.

Holiday pay is a benefit for current employees, not a deferred wage payable on termination or available for carryover to the next year.

Paid Time Off (PTO): PTO is a benefit only for active full-time employees, not a deferred wage payable on termination or available for carryover. It may be used to take to attend to personal business, to obtain pay for otherwise unpaid leave (subject to the specific policy for that leave), or such as when ill and ineligible for FMLA. When a regular full-time employee submits a PTO request, the payroll portal will indicate available PTO hours as follows:

<u>Length of Service</u>	<u>PTO Limit</u>
1 st of month following start date less than 4 years	160 hours
4 years less than 6 years	200 hours
6 years or more	240 hours

Newly hired full-time employees will be given a prorated amount of PTO beginning with the first day of the month following their date of hire. Newly hired full-time employees are eligible to use PTO after 90 days of full time employment.

Except in emergencies, PTO of three (3) days or more should be requested in the payroll portal at least two (2) weeks in advance. Management reserves the right to control PTO scheduling. PTO will be granted in minimum 4-hour increments, except when PTO is used for disability accommodation requiring shorter absences.

Available PTO hours may be carried over to the next year in these circumstances:

1. If the employee has been employed for more than 12 consecutive months at the time of the request; and,
2. If, in the most recent 24 consecutive months (or less, if the employee has been employed more than 12 but less than 24 consecutive months), the employee has used less than the available PTO hours;
3. Then, the employee may carry over a maximum of 120 hours to the next calendar year.

For all staff members employed at the MLC on the effective date of this Policy, the annual PTO benefits noted herein shall be retroactive to the date he/she officially became employed with the MLC. Any PTO used or granted from any temporary policy shall be subtracted from the available PTO.

Administrative Leave is a paid leave of absence available in these situations:

1. Jury duty;
2. Court attendance related to MLC employment or as subpoenaed, non-party witness;
3. Voting -- if the employee lives such a distance from the assigned work location to preclude voting outside normal working hours (three (3) hours maximum);
4. President, or designee, declares MLC administrative offices closed due to inclement weather, or any other emergency condition. (Employees need not request leave for this reason);
5. Workers' Compensation elimination period.

Bereavement Leave: In the event of a death of the employee's spouse, domestic partner, child, stepchild, parent, stepparent, father-in-law, mother, mother-in-law, son-in-law, daughter-in-law, brother, sister, stepbrother, stepsister, or an adult who stood in loco parentis to the employee during childhood, or as designated by the President, a regular full-time employee shall, at such time, be allowed up to three (3) consecutive days of authorized leave with pay. Pay for such authorized leave will be made only for actual time lost from work. Verification of death may be required.

Military Leave: Regular employees who are drafted or enlist in military service will be afforded

reemployment rights as provided by governing law. Regular full-time employees will also be afforded a leave of absence for periods of active duty training or inactive duty training (including National Guard or Reserve Service) without loss of seniority, pay or certain benefits in accordance with governing laws.

A copy of the employee's duty orders (if and when available) must be submitted with a completed leave form. Once the supervisor/manager has authorized the leave, the leave form and duty orders shall be forwarded to the human resources department.

An employee may receive regular pay for Military Leave for a maximum of one hundred forty-four (144) hours (including National Guard and Reserve duty) in one (1) calendar year or in any one continuous period of absence. However, due to a sudden exigency the President may extend this period. Military Leave may include time spent traveling to assigned duty if the employee had been regularly scheduled to work that day. The remainder shall be considered leave without pay unless the employee elects to use granted annual, compensatory, or personal leave.

UNPAID LEAVES

Medical Maternity Leave: The MLC will permit new mothers to take leave, even if FMLA is not available, to cover an absence necessitated due to a normal pregnancy and childbirth and period of recovery, not to exceed four months total.

The employee will be reinstated once the leave period has been completed if the employee has given at least thirty (30) days' notice of her anticipated leave, the length of the leave and her intention to return to employment. At the end of the leave, the employee shall be restored to her previous or similar position with the same status, pay, length of service credit and seniority, wherever applicable, as of the date of leave commencement. Employees who are prevented from giving advance notice because of a medical emergency which necessitates that leave begin earlier than originally anticipated shall not forfeit their rights and benefits under this section solely because of their failure to give advance notice. In such circumstances, notice should be given as soon as practicable.

Just like employees on FMLA leave, employees on Medical Maternity Leave must apply any available paid leave including annual PTO to all or part of the leave period. Once all MLC paid leave has been exhausted during the remainder of the period the employee will not receive wages from the MLC. In some cases, the employee may be eligible for disability payments in accordance with the MLC's disability insurance program.

Family and Medical Leave:

Eligible employees may take Family and Medical Leave Act ("FMLA") leave up to twelve (12) weeks in any rolling twelve (12) month period for the following reasons: the birth, adoption or acceptance of a child for foster care; the care of a spouse, child or parent with a serious health condition; the employee's own serious health condition; or for any qualifying exigency arising out of the fact that a spouse, child or parent is a military member on covered active duty or call to covered active duty status. Eligible employees also may take up to 26 workweeks of FMLA leave during a single 12-month period to care for a covered servicemember with a serious injury or illness, when the employee is the spouse, child, parent or next of kin of the servicemember. An employee who

fails to return to work after exhausting the amount of job protection afforded under FMLA may be subject to termination.

You are eligible if you have worked for the MLC at least one (1) year and have worked at least 1250 hours during the twelve (12) month period preceding the commencement of the leave. There are many additional terms and conditions, and specific forms must be used, so please check with the human resources department for a detailed explanation applicable to your situation. Here are a few highlights.

- Leave Request forms must be submitted at least thirty (30) days in advance of the requested leave date, whenever possible. If this is not possible, employees should give notice as soon as the need for such leave is anticipated. An employee requesting leave for his or her own serious medical condition or for the serious medical condition of spouse, child or parent must return a FMLA Certification Form. Employees are responsible for either furnishing a complete and sufficient certification and, when appropriate, furnishing the health care provider who is providing the certification with any necessary authorization from the employee or the employee's family member in order for the health care provider to provide a complete and sufficient certification to the employer to support the FMLA request.
- If the MLC is aware that leave has been requested by an eligible employee for an FMLA-qualifying reason, the MLC will designate any leave granted as FMLA leave, up to the amount of the employee's entitlement.
- Available paid leave (PTO, for example) will run concurrently with FMLA. Once exhausted, the remainder of FMLA leave will be unpaid, unless the leave includes paid MLC holidays, which will be paid even during FMLA leave.
- While the employee is on FMLA leave, the MLC will continue to pay its share of premiums for group life, medical and dental insurance, short term disability and long-term disability insurance. To keep coverage, employees must make arrangements with HR to continue to pay the employee's shares of the premiums. If an employee on FMLA leave is receiving disability benefits from the MLC's insurance carrier, the MLC will pay for continued coverage under these benefit plans for up to nine (9) months, or until the employee's last day of employment with the MLC, whichever occurs first. If an employee does not return to work at the end of his or her leave for reasons other than a continued serious health condition, the MLC may recover from the employee the insurance premiums paid by the MLC on behalf of the employee during the leave period.
- Subject to the written plan terms, the MLC will continue to make contributions to the retirement plan based on earnings or paid leave received by the employee during the pay period in which the employee is on Family and Medical Leave. For example, if the employee is receiving disability payments, but has not exhausted all of his/her paid leave and is using PTO to supplement the disability payments, the MLC will make contributions to the plan based on the PTO payments. For those employees making contributions under the 401K Plan the MLC will continue to provide matching funds in accordance with the plan.

- FMLA leave is more generous in case of “qualifying exigencies.” The HR department has a list of those.

DISABILITY AND WORKERS’ COMPENSATION INSURANCE

Disability Insurance Benefits: Subject to the written policy terms, employees may apply for short or long-term disability benefits by completing and submitting the appropriate forms, available in the human resources department. Employees receiving disability benefits may supplement their disability earnings by using any available paid leave. As long as an employee is using his or her own MLC paid time, the employee will continue to be paid for corporate holidays.

Whether or not the employee is on FMLA Leave while receiving MLC disability insurance benefits, the MLC will continue to make contributions to the retirement plan based on earnings or paid leave (PTO, for example) received by the employee.

Workers’ Compensation: MLC employees who have received a written note from his/her approved Workers’ Compensation physician stating that the employee must miss work due to work-related illness or injury may be placed on Administrative Leave for up to a maximum of seven (7) calendar days. Thereafter, compensation will be in accordance with the terms and conditions established by the MLC’s Workers’ Compensation insurer, subject to the orders of the Mississippi Workers’ Compensation Commission.

Note: In accordance with The Alyce G. Clarke Mississippi Lottery Act, the MLC President has the authority to make exceptions.