

Paid-time Benefits Sharing Policy



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1 SUMMARY

Under this policy, employees can share paid-time benefit (PTB) hours with other employees under certain qualifying events. Employees can voluntarily donate up to 40 hours annually of their own accrued PTB hours to two types of sharing banks: (1) for medical emergencies and/or (2) for major disasters. Employees in need of additional PTB hours would need to meet the criteria for qualifying events and all requests would be reviewed and approved by the PTB Sharing Committee.

The PTB Sharing Policy will provide additional PTB hours for use by employees in unusual or emergency situations and will follow IRS guidelines to allow a donating employee to donate PTB hours tax-exempt. Per IRS, a donor's PTB donation is tax-exempt if the donated time is used for one of the two conditions: a medical emergency or a major disaster. Each bank has separate rules and timelines per IRS regulations.

1.1 Donor Guidelines

- Employees donating PTB hours to one or both banks (“donors”) may do so on a voluntary basis and may donate PTB hours in 0.5-hour increments. When an employee donates PTB hours, the number of hours is multiplied by the donating employee’s current hourly rates, and that dollar amount is deposited into the bank.
- Employees may not donate more than 40 hours each calendar year. Donors are responsible for determining how many PTB hours they can donate and should evaluate their own vacation, sick and other PTB needs prior to donating.
- Donated PTB hours for medical emergencies cannot be returned.
- Donors cannot deduct donated PTB hours from their taxes. Donors will not be taxed on the hours they donate. Donors will also not incur a deductible expense or loss.
- Donors cannot specify a recipient to receive their donation.
- Managers shall not ask an employee to donate PTB hours.
- Donors will be notified by the PTB Sharing Committee of a need for a donation in response to a declared national disaster.
- Donors will not be taxed if the leave is subsequently used by a recipient impacted by the specific natural disaster.
- Any unused amount for national disasters will be returned to the donors PTB balance, pro-rated based on the dollar value of an individual donation in relation to the total donation received for the national disaster.

1.2 Recipient Guidelines

- Recipients are adversely affected if the medical emergency or disaster has caused severe hardship to the employee or a family member of the employee that requires the employee to be absent from work.
- Recipients must be approved or applied for Family Medical Leave (FMLA). (Exception if employee is requesting due to death of parent, child or sibling).
- Recipients cannot use donated PTB hours in conjunction with any other income source, e.g. short-term disability, long-term disability.
- If recipients do not use the entirety of the approved donated PTB hours, the remaining hours are returned to bank (medical emergency) or to the donors (major disasters).

- Recipients may use the donated PTB retroactively (e.g. if it takes weeks or months to declare a disaster).
- If an employee takes leave without pay, the employee can apply to receive banked pay.
- Donated PTB hours cannot be converted to money or donated to charity.
- Employees must exhaust their own PTB and any hours in Extended Medical Leave Accounts.
- Managers shall not discourage an employee from requesting PTB hours from the banks.
- Recipients do not have to donate in order to be eligible for PTB hours from the bank.
- Recipients must use major disaster leave for purposes related to the major disaster.
- Recipients will be taxed on any funds they receive as wages.
- Recipients must use the donation to record hours for payment (a payment cannot be made in cash or to cover specific expenses).
- All requests and responses to requests shall remain confidential. Donor employees or managers cannot advocate for an employee to receive donated funds.

1.3 Hours and Dollars Conversion Details

Employees may donate PTB hours in 0.5-hour increments. When an employee donates PTB hours, the number of hours is multiplied by the donating employee’s hourly rate, and that dollar amount is deposited into the bank. When a request for hours is approved, the approved hour amount is multiplied by the recipient’s hourly rate, and that dollar amount is withdrawn from the bank for the recipient. Employees requesting and receiving additional PTB hours from one of the banks (“recipients”) will remain anonymous.

1.4 PTB Sharing Committee

The PTB Sharing Committee will consist of two members: Chief Operating Officer (COO) and Chief Human Resources Officer (CHRO). Committee members should serve in their role on the PTB Sharing Committee while they are in the roles noted above. In the absence of one of the committee members or if one of the committee members has submitted a request, then the Chief Executive Officer (CEO) shall serve on the committee until the vacancy is filled.

2 MEDICAL EMERGENCY BANK

Employees may donate PTB hours to the bank for medical emergencies at any time during the year. The hours donated to the medical bank are never returned to the donor. Employees may donate towards medical emergencies to reduce their own PTB hours balance below 80 hours at the end of the calendar year.

IRS Requirements for PTB Sharing

See IRS Private Ruling Letter, Rev. Rule. 90-29, 1990-1 C.C. 11 (appendix B) for additional details regarding PTB sharing for medical emergencies. The intent of this policy is to meet the requirements of the IRS letter. The requirements are summarized below.

For the purposes of this policy, a medical emergency is defined as a “medical condition of the employee or a family member that will require the prolonged/extended absence of the employee from duty and will result in a substantial loss of income to the employee due to the exhaustion of all paid leave available, apart from the leave-sharing plan”. An employee who has exhausted all their available PTB hours may request additional PTB from the bank at any time during the year.

This policy meets the following IRS requirements:

- The medical emergency plan is in writing.
- This policy creates a PTB bank for donation and distribution.
- All requests must be approved by the PTB Sharing Committee and recipients must exhaust all other paid leave, including company-provided bereavement leave.
- PTB hours are to be used only for medical emergencies. Medical emergencies are restricted to major illnesses or medical conditions of the employee or their family members (spouse, domestic partner, children, grandchildren, parents, grandparents, siblings, any step or in-law relation of the previous, and any person the employee is legally responsible for). Medical emergencies also include extended time off following the death of a spouse, child or parent (per IRS regulations).
- Donors may not donate more than their projected PTB hours total for the year.
- Employees requesting leave shall submit a written request to Benefits@Benesch.com detailing the specific medical emergency or medical condition for themselves or family member and the amount of PTB requested.
- Have a process in place to confirm that donated PTB hours are being used for medical leave.

2.1 Medical Emergency Bank Implementation

PTB hours for medical emergencies can be donated and requested at any time during the year, as long as the requirements above are met. The Benefits Team will verify all requirements are met and send to the PTB Sharing Committee for approval or denial. The Committee will also approve the number of requested PTB hours. If the recipient does not use all the requested PTB hours, the remaining will be returned to the bank for future use.

PTB hours donated for medical emergencies are not returned to the donor. Any unused PTB donations in the bank at the end of the year remain in the bank for future use.

2.2 Exclusions

1. Medical emergencies resulting from the following are excluded from the policy:
 - Emergencies resulting from illegal actions by the employee or person whom the emergency is being claimed for.
 - Emergency resulting from a job-related injury for which Workman's Compensation benefits are approved.
 - Normal pregnancy, childbirth and maternity leave are excluded.
 - A medical emergency that occurs due to pregnancy or childbirth or a medical emergency in a newborn are not excluded.
2. Employees who do not accrue PTB hours are excluded from donating to, or receiving, PTB hours from this program.
3. Company Officers are excluded from participating in PTB Sharing program.

2.3 Donating PTB Time for Medical Emergency Bank

Requests for additional PTB will be submitted by using the PTB Sharing Donation Code on employee timesheets. The project number for recording donated and used PTB hours is **0000033.xx**, where "xx" is the employee's division. This project number should be used only for medical PTB donations.

Employees will need to record positive hours to the regular PTB time code for the number of hours they wish to donate. Then they will record negative hours to the Donated PTB Medical project number. The two should always net to zero hours when donating time.

Sample timesheet:

Donor Employee Timesheet	Mon	Tue	
00000001.xx – Vacation PTB (normal PTB)	-	1.00	<i>Taking 1 hour from their own PTB (positive)</i>
00000033.xx – Donated PTB Medical	-	(1.00)	<i>Donating 1 hour to Donated PTB pool (negative)</i>

2.4 Submitting a Request to Use Sharing Bank

Employees requesting use of additional PTB for medical emergencies should send their request to the Benefits Team via email to Benefits@Benesch.com for initial review. An employee may submit a request, or a manager may submit a request on behalf of an employee.

Please include the criteria below to be considered to be approved for the PTB Sharing Program.

- Have you experienced a medical emergency?
 - Employees must be on or applied for Family Medical Leave (FMLA)
- Are you currently on Short Term Disability (STD)
 - STD cannot be combined with PTB Sharing. An employee should use STD disability prior to using PTB Sharing.
- Have you exhausted all of your accrued PTB hours?
 - If applicable, have you exhausted your Extended Medical Leave Account?
- How many hours are you requesting?

If additional information is needed, The Benefits Team will reach out to the employee. Once the initial review is complete, the request will be forwarded to the PTB Sharing Committee.

Receiving (Using) Donated PTB Time for Medical Emergency

Once use of the PTB Sharing Bank is approved by the PTB Sharing Committee, the employee using the donated time from the pool will only need to record positive hours they wish to use. Nothing should be recorded to the employee’s regular PTB time code (unless they plan on using their own PTB as well).

Sample timesheet:

Receiving Employee Timesheet	Mon	Tue	
00000001.xx – Vacation PTB (normal PTB)	-	-	<i>Receiving employee records nothing to regular PTB</i>
00000033.xx – Donated PTB Medical	2.00	-	<i>Employee taking time from the Donated PTB pool (positive)</i>

3 MAJOR DISASTER BANK

Only full-time and part-time employees may donate PTB hours for disasters under the following three circumstances: (1) when a disaster is declared, (2) a disaster request for another employee is approved and (3) the donation occurs in the time period set by the PTB Sharing Committee. The unused hours remaining in the disaster bank will be returned if a balance exists after the approved period is over.

IRS Requirements for PTB Sharing

See IRS Notice 2006-59 (Appendix A) for additional details regarding PTB sharing for a major disaster. The intent of this policy is to meet the requirements of IRS Notice 2006-59. The requirements are summarized below:

For the purpose of this policy, a major disaster is defined as a:

- Major disaster declared by the President of the United States under §401 of Stafford Act, 42 U.S.C. §5170.
- Major disaster declared by the President of the United States under 5 U.S.C §6391.

Once a major disaster is declared by the President of the United States, an adversely affected employee may request PTB hours from the bank. An employee is considered to be adversely affected by a major disaster if the disaster has caused severe hardship to the employee that requires the employee to be absent from work.

This policy meets the following IRS requirements:

- The major disaster plan is in writing.
- Donors may not donate to specific recipients.
- Donors may not donate more than their projected PTB hour total for the year.
- Recipients receive paid leave at their normal rate of compensation and must use the leave for purposes related to the major disaster.
- This policy adopts a reasonable limit on the period of time after the disaster during which PTB hours may be donated and received. This limit will be determined by the PTB Sharing Committee per major disaster.
- Recipients may not convert the PTB hours to cash. Recipients may use the PTB hours to eliminate a negative PTB hour balance or substitute for leave without pay.
- Benesch, via the PTB Sharing Committee, will make a reasonable determination as to how many PTB hours each recipient will receive.
- PTB hours donated for a specific major disaster may only be used for employees affected by that disaster. Any donated PTB hours that remain after the period specified shall be returned to the donors on a pro-rated basis.

3.1 Major Disaster Bank Implementation

When an employee is affected by a major disaster, they can request PTB hours by emailing Benefits@Benesch.com. The PTB Sharing Committee will meet, verify the above requirements are met and determine a reasonable time period for the donation and use of PTB hours. If donated hours are remaining at the end of the set time period, the Committee will inform Accounting, and the donated PTB hours will be returned at a pro-rated basis to the donors. Accounting will establish a specific code for natural disaster PTB donation when a specific disaster occurs.

3.2 Exclusions

1. Employees who do not accrue PTB hours are excluded from donating to, or receiving, PTB hours from this program.
2. Company Officers are excluded from participating in the PTB Sharing program.

3.3 Donating PTB for Major Disaster Bank

Requests for additional PTB will be submitted by using the PTB Disaster Relief Donation Code on employee timesheets. The project number for recording donated and used PTB hours is **0000037.xx**, where “xx” is the employee’s division. This project number should be used only for PTB Disaster Relief donations.

Employees will need to record positive hours to the regular PTB time code for the number of hours they wish to donate. Then they will record negative hours to the Donated PTB Disaster Relief project number. The two should always net to zero hours when donating time.

Sample timesheet:

Donor Employee Timesheet	Mon	Tue	
0000001.xx – Vacation PTB (normal PTB)	-	1.00	<i>Taking 1 hour from their own PTB (positive)</i>
0000037.xx – Donated PTB Disaster Relief	-	(1.00)	<i>Donating 1 hour to Donated PTB pool (negative)</i>

3.4 Submitting a Request to Use Major Disaster Sharing Bank

Employees requesting use of additional PTB because of a major disaster should send their request to the Benefits Team via email to Benefits@Benesch.com for initial review. An employee may submit a request, or a manager may submit a request on behalf of an employee.

Once a major disaster is declared by the President of the United States, an adversely affected employee may request PTB hours from the bank. An employee is considered to be adversely affected by a major disaster if the disaster has caused severe hardship to the employee that requires the employee to be absent from work.

If additional information is needed, The Benefits Team will reach out to the employee. Once the initial review is complete, the request will be forwarded to the PTB Sharing Committee.

Receiving (Using) Donated PTB Time from the Major Disaster Bank

Once use of the PTB Sharing Bank is approved by the PTB Sharing Committee, the employee using the donated time from the pool will only need to record positive hours they wish to use. Nothing should be recorded to the employee’s regular PTB time code.

Sample timesheet:

Receiving Employee Timesheet	Mon	Tue	
0000001.xx – Vacation PTB (normal PTB)	-	-	<i>Receiving employee records nothing to regular PTB</i>
0000037.xx – Donated PTB Disaster Relief	2.00	-	<i>Employee taking time from the Donated PTB pool (positive)</i>