

POLICY MANUAL

CHAPTER 6 - HUMAN RESOURCES POLICIES

6.7 ATTENDANCE, PAID TIME OFF AND LEAVE POLICIES

ATTENDANCE

Regular, punctual attendance is essential: The MLC will not over-staff in order to manage frequent, unexpected absences or long absences of indefinite duration. Meeting attendance expectations is an essential function of each position. This Policy explains those expectations.

Each employee is expected to work all assigned hours unless granted leave, and leave must be requested as far in advance as reasonably possible. Same-day and retroactive leave requests should be only for unforeseeable emergencies. Failure to request leave in advance, when possible, is misconduct subject to progressive discipline, whether or not the request is granted. Making a false or misleading statement regarding a leave request (as with other employment matters) may provoke termination, regardless of whether the leave request is granted. However, because attendance is a production standard (like an output or quality goal), the MLC will not oppose unemployment compensation eligibility solely because a terminated employee failed to meet the standard. For example, an employee who gave reasonable advance notice of absences but never submitted a related leave request (preferring to keep the reason private) might be terminated for poor attendance, but not for misconduct.

The MLC maintains attendance and leave records for all employees, including but not limited to:

1. Attendance;
2. Hours worked (regular and overtime, for non-exempt employees);
3. Leave (requests, approvals/denials, and use);
4. Holidays;
5. PTO

Questions regarding attendance and leave should be directed to the VP of Human Resources. Employees are advised to keep records of their attendance. With reasonable advance notice, HR will give an employee access to his or her MLC attendance record. As a condition of access, the employee commits to notify HR promptly of any and all mistakes appearing in that record. Whether or not HR agrees, the employee's correction request will be noted for future reference.

Normal Work Hours: The normal workweek begins at 12:01 a.m. Sunday and concludes at 12:00 midnight the following Saturday. Monday through Friday are the normal workdays, except for functions requiring more than forty (40) hours of coverage within a week, or coverage on a Saturday and/or Sunday.

1. The MLC's regular hours of work are 8:30 a.m. - 5:30 p.m., Monday - Friday, except for functions requiring more than forty (40) hours of coverage in a week. Flex-time schedules are permitted at the discretion of each departments Senior Vice President. When operationally feasible, employees may, at the discretion of the President or

designee, work a staggered schedule. During the regular hours of work. Example: Monday – Friday, 8:30 a.m. – 5:30 p.m. or 10:30 a.m. – 7:30 p.m.

2. Employees are permitted one (1) hour for lunch, at a flexible time. Non-exempt employees are not paid for the lunch hour.
3. Non-exempt employees are permitted two (2) fifteen (15) minute breaks within the normal workday; one (1) in the morning and one (1) in the afternoon. The scheduling of breaks is subject to the approval of the supervisor. Non-exempt employees are paid for these breaks.

Presumed Resignation: When an employee is absent three (3) or more consecutive days without informing his or her supervisor/manager, the MLC will record the employee's resignation. In exceptional cases (for example, medical inability to communicate), the resignation may be reversed on receipt of proof of the reason for absence and notice failure.

Disability Accommodation: When a qualified individual with a disability notifies the MLC HR Vice President of a need for a reasonable accommodation, MLC will cooperate with the employee to assure, if reasonably possible, that the employee is able to continue to perform his or her essential job functions despite the disability. When absences will be necessary, all premium pay, leave and insurance benefit options should be explored. If they are inadequate, the MLC may consider temporary adjustment of attendance expectations, transfer to another open position, or other options. Communication is key. Whenever possible, the need for accommodation should be reported and discussed with HR before work is missed.

Attendance Evaluations: Once a month, usually by noon of the first workday of the month, the Vice President of Human Resources will review the attendance records of all employees who, during the prior month, were Absent without Leave (AWOL) for a full day (or equivalent) or more. She will prepare a list, ranking employees by the amount of time missed (rounded to the nearest full work day). People with the same amount of missed time will be ranked by seniority – from top (senior) to bottom (junior). She will submit that list to the President, who will use the list to select employees for termination for poor attendance. The number terminated (if any) will depend on the President's judgment of staffing requirements at that time. If a terminated employee had a timely, good faith leave request pending when the termination list was delivered to the President, and if the terminated employee promptly reports that apparent mistake to HR, in writing, then HR will suspend the termination pending the result of its investigation.

PREMIUM PAY

The MLC offers premium pay for overtime and night work and offers several types of pay for time not worked. Pay for time not worked is not part of the overtime pay calculation, unless so stated expressly below. The premium pay categories are Overtime, Shift Differential, Holidays, Paid Time Off, Severance Pay, Administrative Leave, Bereavement Leave, and Military Leave.

Overtime: Any manager may require overtime work, but non-exempt employees should only work overtime as managers direct. Salaried Executives, Administrators, Professionals, and certain IT Technicians are exempt. All hourly employees are non-exempt – that is, entitled to overtime pay for

overtime worked.

All hours worked by non-exempt employees in excess of 40 in a workweek will be paid a premium of half the employee's regular rate of pay for that workweek. For example, if the regular rate is \$10, then the overtime rate is \$15. Non-hourly earnings can complicate this calculation. Questions should be directed to the VP of Human Resources.

Shift Differential: Full-time non-exempt employees assigned to an evening or night shift when the majority of the employee's scheduled non-overtime hours fall between 5:00 p.m. and 7:00 a.m. will be eligible for a ten percent (10%) pay differential. The shift differential is paid for the entire shift when the majority of the hours fall within the specified period. An employee regularly assigned to an evening or night shift is entitled to receive the same pay during periods of excused absences, on holidays or while in official travel status. Supervisors/managers must obtain the approval of the department's Senior Vice President and notify the Human Resources department prior to regularly assigning an employee to an evening or night shift.

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)

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): Like holidays, PTO is a benefit only for current employees, not a deferred wage payable on termination or available for carryover. It may be used to take vacations, to attend to

personal business, to obtain pay for otherwise unpaid leave (subject to the specific policy for that leave), or just to take time off now and then (such as when ill and ineligible for FMLA). When a regular full-time employee asks for PTO, the HR Vice President will determine available PTO as follows:

<u>Length of Service</u>	<u>PTO Limit</u>
1 year less than 4 years	160 hours
4 years less than 6 years	200 hours
6 years or more	240 hours

The HR Vice President will subtract from that number the PTO that the employee has used in the last 12 consecutive months. The positive balance (if any) will be the available PTO.

Except in emergencies, PTO should be requested in advance, from the VP of Human Resources, with notice to the immediate manager. PTO of three (3) days or more should be scheduled 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 will be increased 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's available PTO will be increased by the amount of the positive balance, up to a maximum of 120 additional hours.

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.

Severance Pay: If the President determines that an employee should be offered severance pay, the amount of that offer may take into account, among other things, the PTO that would have been available to the employee if he or she had remained employed. However, Severance Pay and PTO are distinct; no amount of available PTO shall entitle any employee to any amount of severance pay. And, normally, a Severance Pay offer will be conditioned on the employee's execution and delivery of a written agreement including waiver, release and other terms acceptable to the MCL.

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 in his or her immediate family, 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 other 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

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 Maternity Leave must apply other paid leave including annual PTO and compensatory 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 or 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 continue to pay their shares. 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.