



Title: Sick Pay for Employees

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Revision: 3

Effective Date: 12/06/17

Approved by:

Fred Millen, HR Director

Applicable to:

APSC Employees

1.0 Purpose

Sick Pay helps replace all or part of an employee's compensation when the employee is unable to work because of their own illness, injury, or health maintenance doctor appointments such as well-being physicals and dental/vision exams. Although sick pay may be used for medical and dental appointments, it is the company expectation that, unless due to an urgent medical or dental situation, appointments for medical and dental visits are scheduled during off shift time for field schedule employees. Any appointments scheduled during a field worker's shift may require a release from the health care provider prior to the employee being able to return to work. The amount received and length of time benefits can be collected are based on an employee's adjusted service, compensation, work schedule and whether the illness or injury is Occupational or Non-occupational. Health maintenance doctor appointments are "non-occupational."

As a full or part-time, active employee, sick pay coverage commences on the date of hire provided the employee has been actively at work. The coverage is based on the employee's work schedule (urban or field). Being eligible for or receiving Sick Pay benefits does not guarantee employment with Alyeska.

2.0 Accountable Resources

HR Director: authorizes exceptions to this procedure.

Compensation and Benefits Coordinator: subject matter expert regarding this procedure and sick pay benefits.

Supervisor/Manager: verifies sick pay eligibility for direct reports in alignment with HR and Occupational Health Unit (OHU) procedures and approves time sheets with sick pay hours.

HR Generalist (HRG): interprets this procedure, assists the supervisor/manager when an employee is out on sick pay, and works with OHU on employee sick leave cases.

OHU Representative: verifies medical documentation relating to sick pay and manages employee sick leave cases.

Payroll: processes payroll actions related to sick pay and assists HR and OHU to manage time reporting for sick leave cases.

Employee: accountable for confirming any sick pay claimed is in alignment with HR and OHU procedures to include the required notification to the employee's supervisor when they will be out on sick leave, and inputs appropriate sick pay exception hours for their supervisor's review and approval.

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3.0 References and Definitions

HR-2.04, Holidays

HR-2.06, Employee Absences/Leaves

HR-2.10, Time Reporting

Family Medical Leave Act (FMLA) <http://www.dol.gov/whd/fmla/>

Adjusted Service

Adjusted service is used to determine the amount of benefits from the Alyeska Sick Pay procedure, the Alyeska Pension Plan and for determining vacation entitlement and service awards. Adjusted service normally begins on an employee's hire date and ends on his or her termination date. If an employee transferred directly to Alyeska from an Owner Company with prior Owner Company and Alyeska management approval, adjusted service may include the period of similar, immediately preceding Owner Company-recognized service. If an employee works less than a full-time schedule, adjusted service will be prorated. Periods during an approved or unapproved leave of absence may interrupt the accumulation of adjusted service.

Exempt

Exempt jobs are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA). This classification is based on job duties, responsibilities, and level of decision making authority.

Non-Exempt

Non-exempt jobs are subject to the Fair Labor Standards Act (FLSA) provisions including the payment of overtime. Employees in non-exempt jobs are normally required to account for hours and fractional hours worked.

Medical Travel Support

This benefit provides travel costs and medical services for specified non-emergency medical procedures. Refer to the Medical Summary Plan Description (SPD) for details.



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4.0 Procedure

A. LENGTH OF PAID SICK LEAVE

Sick Pay entitlement is based on the length of the employee's years of adjusted service recognized by Alyeska as follows:

Benefit Schedule for Urban Employees				
Employee's Adjusted service (in years)	Non-occupational Illnesses		Occupational Illnesses	
	Weeks of Full Pay	Weeks of Half Pay	Weeks of Full Pay	Weeks of Half Pay
<= 2	2	24	26	26
2	4	22	26	26
3	4	22	26	26
4	6	24	26	26
5	8	26	26	26
6	10	28	26	26
7	12	30	26	26
8	14	32	26	26
9	16	36	26	26
10	18	34	26	26
11	20	32	30	22
12	22	30	34	18
13	24	28	38	14
14	26	26	42	10
15	26	26	46	6
15+	26	26	52	0



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Benefit Schedule for Field Employees				
Employee's Adjusted service (in years)	Non-occupational Illnesses		Occupational Illnesses	
	Hours of Full Pay	Hours of Half Pay	Hours of Full Pay	Hours of Half Pay
<= 2	84	1,008	1,092	1,092
2	168	924	1,092	1,092
3	168	924	1,092	1,092
4	252	1,008	1,092	1,092
5	336	1,092	1,092	1,092
6	420	1,176	1,092	1,092
7	504	1,260	1,092	1,092
8	588	1,344	1,092	1,092
9	672	1,512	1,092	1,092
10	756	1,428	1,092	1,092
11	840	1,344	1,260	924
12	924	1,260	1,428	756
13	1,008	1,176	1,596	588
14	1,092	1,092	1,764	420
15	1,092	1,092	1,932	252
15+	1,092	1,092	2,184	0

B. Entitlement

Upon hire (new hire status) Sick Pay benefits are available according to the schedule on pages 3 and 4. If a rehire, the adjusted service date is used to determine the benefits.

C. How Sick Pay Works

When illness, injury or a health maintenance doctor appointment prevents an employee from performing work, the employee may receive Sick Pay benefits.

If the Sick Pay benefits relate to Family Medical Leave (FML) the employee must coordinate with OHU and HR and complete the required documents before the leave begins, when possible.



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When the employee is not able to coordinate with OHU and HR in advance due to an emergency situation or catastrophic illness or injury, the employee's HRG will coordinate with OHU regarding FML.

Benefits start on the first day the employee is absent. Benefits equal to 100% or 50% of the employee's Compensation will be paid for a length of time based on the employee's years of adjusted service.

Effective March 1, 2013, any employee using the Premera Medical Travel Support benefit provided by Alyeska's Medical Plan for themselves can receive Sick Pay benefits for all travel days, hotel stays and recovery days associated with the approved procedure. An employee must submit a copy of their Premera Medical Travel Support Claim to OHU for verification of the time claimed for sick leave.

Employees who must travel during their work time for medical or dental appointments who are not using the Premera Medical Travel Support benefit may not claim sick leave for any travel associated with their appointment.

If an employee is absent due to injury, illness, or unpaid leave on the last day of their normally scheduled work week or shift in the current calendar year, the remaining balance, if any, of the current calendar year Sick Pay will continue to be used and exhausted into the following year. When the prior calendar year balance is exhausted and the employee does not return to work, please refer to "*If Leave Benefits Are Exhausted*" section of this procedure.

The longer the employee's adjusted service date, the longer the benefits will be paid to the employee. An employee's new level of benefits is determined each Calendar Year (a 12-month period beginning on January 1) as follows:

Urban scheduled employees:

If the employee has been working their regularly scheduled work schedule, the employee's benefits will become effective and available the first working day after January 1 of the new calendar year.

If the employee is on unpaid leave not due to injury or illness on the last day of their normally scheduled work week in the current calendar year, the employee's annual refreshed benefits will become effective after working 5 consecutive workweeks with no absences other than Alyeska Holidays in the new calendar year.

If the employee is on leave due to injury or illness on the last day of their normally scheduled work week in the current calendar year, and/or for 12 cumulative weeks or longer during the



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current calendar year (even if they return to work before the start of the new calendar year), the employee's annual refreshed benefits for the new calendar year will become effective after:

- 1) they are granted an OHU medical release back to their normal work schedule, and
- 2) after working 5 consecutive workweeks in the new calendar year with no absences other than Alyeska Holidays.

Compensation for an urban assigned employee means base salary or wage rate for a 40-hour workweek (or regularly assigned hours of a weekly work schedule, if less) and hardship adjustment, if applicable. It does not include overtime, shift differentials, or other differentials, allowances or any other form of compensation.

Field scheduled employees:

If the employee has been working their regularly scheduled work schedule the employee's annual refreshed benefits will become effective January 1 of the new calendar year.

If the employee is on unpaid leave not due to injury or illness on the last day of their normally scheduled work week in the current calendar year, the employee's annual refreshed benefits will become effective after working 3 consecutive scheduled workweeks in the new calendar year with no absences.

If the employee is on leave due to injury or illness on the last day of their normally scheduled work week in the current calendar year, and/or for 12 cumulative weeks or longer during the previous calendar year (even if they return to work before the start of the new calendar year), the employee's annual refreshed benefits for the new calendar year will become effective after:

- 1) they are granted an OHU medical release back to their normal work schedule, and
- 2) after working 3 consecutive workweeks in the new calendar year with no absences other than Alyeska Holidays.

Compensation for a field based employee means pay or wage rate for an 84-hour workweek, including regularly scheduled overtime, isolation, and hardship, if applicable. It does not include unscheduled overtime, shift or lead differentials, or other differentials, allowances or any other form of compensation.

D. Coordination with Other Benefits

The Sick Pay procedure provides benefits for both Occupational (job related) and Non-Occupational (not job related) illnesses. However, Plan benefits may be coordinated with (or reduced by) disability benefits payable under any Workers Compensation law or similar law.

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E. Holidays

Urban employees who are out on approved Sick Leave on a holiday shall claim Holiday time in eTIME for that day. **Field Employees** who are out on approved Sick Leave on a holiday will receive holiday allowance for that holiday in addition to sick pay.

F. Vacation

If an employee becomes ill before starting a vacation and the Sick Pay absence extends into the scheduled vacation period, the employee may postpone their vacation. When the employee returns to work they may reschedule their vacation time.

If an employee becomes ill after their vacation has started and that Sick Pay absence is certified by a physician it may count as a Sick Pay absence, not as vacation time. However, in order to have the time converted from vacation to a Sick Pay absence, all requirements as stated in *HR-2.05 Vacations for Employees* must be met before the Sick Pay absence will be approved.

G. How Benefits Are Paid

Benefits will be paid according to HR, OHU, and Payroll procedures. The employee must input sick time on their timesheet, note the proper exception code, and the employee's supervisor must approve the timesheet.

For Field Employees who are called upon to work on their normal off week or who are required to attend a training course in their off week, no Sick Pay benefits are payable for the additional time at work or training during the off week. This is because this additional time cannot be considered as regularly scheduled hours, straight time or premium time. Only regularly scheduled overtime hours or days are recognized under the terms of the Sick Pay procedure.

H. What Is Not Covered by Sick Pay?

Sick Pay does not cover absences that result from:

- Working for another employer or from other business activities;
- Illness resulting from fighting, scuffling or wrestling (unless in self-defense);
- Criminal activity or illnesses that occur while imprisoned;
- War or civil disturbance while on duty in the armed forces;
- Intentional self-inflicted injury or attempted suicide;
- Chronic alcoholism (unless undergoing a treatment program approved by Alyeska); or
- Self-inflicted drug addiction (unless undergoing a treatment program approved by Alyeska).

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I. Returning to Work

If an employee has been absent from work due to a Sick Pay absence for five or more consecutive days, the employee will be asked to obtain a written release from their physician before returning to work. The employee may also be asked to obtain a return-to-work release from Alyeska's OHU representative if absent for less than five consecutive days as a result of:

- Heart disease of any type;
- Any type of vascular disease (strokes, paralysis, fainting, convulsions, blackouts, unconsciousness, etc.);
- Psychiatric treatment (severe neurosis, anxiety neurosis, nervousness, restlessness, schizophrenic reasons, psychotic reasons);
- Alcoholism or drug addiction;
- Back complaints, back injuries, back surgery, and loss of time due to back complaints or pain;
- Severe crippling diseases (arthritis, rheumatism) or the residual effects of injuries such as carpal tunnel syndrome;
- Eye problems (surgery, failing vision, etc.); and
- Ear problems (surgery, deafness, etc.).
- Any other illness/injury related concerns managed by OHU.

When the employee is released to return to work, the employee's attending physician completes the physician's release form and gives it to OHU. The physician's release form must be endorsed by OHU and an OHU return to work note approved **before** the employee may return to work.

J. If Leave Benefits Are Exhausted

If an employee exhausts or is otherwise ineligible for Sick Pay or other Alyeska paid or unpaid leave, the employee will be terminated from Alyeska employment as of the last day of leave benefits. Exceptions must be approved by the HR Director.

K. When Coverage Stops

Coverage will stop on the date the employee terminates employment with APSC. Sick Pay benefits cannot be cashed out upon termination.



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The Alyeska physical examination benefit can serve as a basis for keeping track of the status of overall health. Alyeska pays for the following physical examinations:

- *An annual exam for Employees age 60 and over*
- *An exam every two years for Employees age 40 to 59, and*
- *An exam every three years for Employees age 39 and under.*

Contact OHU, ext. 8668, for further information.

End of Procedure

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5.0 Records

Biweekly Payroll Time Sheet	All records generated as a result of this document will be retained in accordance with <i>CW-200, Records Retention Schedule</i> .
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6.0 Revision History

Revision	Date	Revision Summary
3	12/06/2017	Removed reference to OHU-8.02 (relevant content from OHU-8.02 now included in HR-2.06 Employee Absences/Leaves). Updated time necessary for refreshing of entitlements. Clarified intent for sick leave use.
2	06/19/2016	Corrected language
1	01/22/2016	Clarified language in section E. Holidays.
0	06/24/2013	New Procedure; information from Sick Pay Summary Plan Descriptor moved to this HR procedure. This procedure replaces all previous documents and/or summary plan descriptors.