

Title: Sick Pay for Employees	Number: HR-2.08	Page: 1 of 12
	Revision: 9	Effective Date: 09/14/2026

Approved by:  Fred Millen, HR Director
Applicable to: APSC Employees

Table of Contents

1.0 Purpose.....	1
2.0 Accountable Resources	2
3.0 References and Definitions	2
4.0 Procedure.....	4
A. Accrued Paid Sick Leave.....	4
B. Sick Pay Entitlement.....	5
C. Types of Sick Pay	5
D. Sick Leave Annual Refresh Process	8
E. Coordination with Other Benefits.....	9
F. Holidays.....	9
G. Vacation.....	9
H. How Sick Pay is Paid.....	9
I. What is Not Covered by Sick Pay	10
J. Returning to Work from a Sick Pay Absence.....	11
K. If Leave Benefits or Job-Protected Leave Are Exhausted	11
L. When Coverage Stops.....	11
5.0 Records.....	11
6.0 Revision History.....	12

1.0 Purpose

The purpose of this procedure is to outline the appropriate use of Sick Leave. These benefits are designed to provide partial or full wage replacement when an eligible employee is unable to work due to qualifying health-related reason(s).

Full and Half Sick Pay may be used when an employee is absent due to their own illness, injury, or health maintenance. Alaska Sick Leave may be used for the employee's own illness, injury, medical care, or preventive treatment. It also covers absences related to caring for a broad range of family members, including those defined by close personal relationships. Additionally, Alaska Sick Leave may be used for absences related to domestic violence, sexual assault, or stalking, including time needed for medical care, victim services, relocation, or legal proceedings for the employee or a covered family member.

Although Sick Pay may be used for medical and dental appointments, it is the company's expectation that, unless due to an urgent medical or dental situation, such appointments are scheduled during off-shift hours for field-scheduled employees. Appointments scheduled during a field worker's shift may require a release from the healthcare provider before the employee is permitted to return to work.

Title:	Sick Pay for Employees	Number:	HR-2.08	Page:	2 of 12
		Revision:	9	Effective Date:	09/14/2026

The amount of Sick Pay received and the duration of benefits depend on the employee's adjusted service, work schedule, and whether the illness or injury is classified as Occupational or Non-Occupational. Health maintenance appointments are considered Non-Occupational.

For eligible full-time or part-time active employees and interns, Alaska Sick Leave coverage begins on the date of hire, provided the employee has been actively at work. Similarly, Full and Half Sick Pay coverage begins on the date of hire for eligible full-time or part-time active employees who are actively at work. Interns are not eligible for Full and Half Sick Pay but remain eligible for Alaska Sick Leave. The number of entitlement hours granted is based on the employee's work schedule (urban or field) and years of service.

None of the hours referenced in this procedure—including Alaska Sick Leave, Sick Pay, and Occupational Sick Pay—are considered hours worked and therefore do not count toward the calculation of overtime. Eligibility for or receipt of Sick Pay benefits does not guarantee continued employment with Alyeska.

2.0 Accountable Resources

Senior HR Representative authorizes exceptions to this procedure.

Total Rewards Representative (TRR) is the 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.

Employee Relations Representative (ERR) 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. Can request and obtain information related to the employee's return to work, consistent with applicable privacy and medical information laws.

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

Employee is accountable for immediately notifying supervisor, OHU, and/or HR for any illness or injury that prevents them from fulfilling their job requirements (failure to do so may result in discipline); 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 in the time reporting system for their supervisor's review and approval.

3.0 References and Definitions

- [HR-2.04, Holidays](#)
- [HR-2.05, Vacations for Employees](#)
- [HR-2.06, Employee Absences/Leaves](#)
- [HR-2.10, Time Reporting](#)
- [HR-2.11, Bereavement and Emergency Leave](#)
- Family Medical Leave Act (FMLA) <https://www.dol.gov/agencies/whd/fmla>



Operating Procedure

Human Resources

Title: Sick Pay for Employees

Number: HR-2.08

Page: 3 of 12

Revision: 9

Effective Date: 09/14/2026

Adjusted Service

Adjusted service is used to determine eligibility and benefit amounts under the Alyeska Sick Pay for Employees procedure, the Alyeska Pension Plan, and service awards. Adjusted service normally begins on an employee's hire date and ends on their 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, available Sick Pay hours will be calculated commensurate with the half time or three-quarter time work schedule. Periods during an approved or unapproved leave of absence may interrupt the accumulation of adjusted service, as determined by Alyeska in accordance with applicable leave policies.

Exempt Job

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 Job

Non-exempt jobs are subject to the overtime provisions of the Fair Labor Standards Act (FLSA). Employees in non-exempt jobs are required to accurately record all hours worked and all paid and unpaid leave, to the tenth of an hour (or 6-minute increments), in accordance with HR-2.10, Time Reporting.

Premiera Blue Cross Blue Shield (BCBS) Medical Elective Procedure Travel

This benefit may cover certain travel expenses and allow the use of sick leave in connection with specified non-emergency medical procedures. Pre-approval is required for both the Elective Procedure Travel benefit and the use of sick leave related to the procedure. Employees must obtain this approval prior to travel.

For complete details, refer to the Alyeska Medical Summary Plan Description (SPD).

Title: Sick Pay for Employees

Number: HR-2.08

Page: 4 of 12

Revision: 9

Effective Date: 09/14/2026

4.0 Procedure

A. Accrued Paid Sick Leave

Annual Sick Pay accrual is based on the employee's years of adjusted service recognized by Alyeska, as follows:

Benefit Schedule for <u>Urban</u> Employees					
Employee's adjusted service (in years)	Alaska Sick Leave	Non-Occupational Illness/Injury		Occupational Illness/Injury	
	Hours	Hours of Full Pay	Hours of Half Pay	Hours of Full Pay	Hours of Half Pay
1	60	100	1920	1040	1040
2	60	180	1840	1040	1040
3	60	260	1760	1040	1040
4	60	340	1680	1040	1040
5	60	420	1600	1040	1040
6	60	500	1520	1040	1040
7	60	580	1440	1040	1040
8	60	660	1360	1040	1040
9	60	740	1280	1040	1040
10	60	820	1200	1040	1040
11	60	900	1120	1200	880
12	60	980	1040	1360	720
13	60	980	1040	1520	560
14	60	980	1040	1680	400
15	60	980	1040	1840	240
15+	60	980	1040	2080	0

Title: Sick Pay for Employees

Number: HR-2.08

Page: 5 of 12

Revision: 9

Effective Date: 09/14/2026

Benefit Schedule for <u>Field</u> Employees					
Employee's adjusted service (in years)	Alaska Sick Leave	Non-Occupational Illness/Injury		Occupational Illness/Injury	
	Hours	Hours of Full Pay	Hours of Half Pay	Hours of Full Pay	Hours of Half Pay
1	60	108	2016	1092	1092
2	60	192	1932	1092	1092
3	60	276	1848	1092	1092
4	60	360	1764	1092	1092
5	60	444	1680	1092	1092
6	60	528	1596	1092	1092
7	60	612	1512	1092	1092
8	60	696	1428	1092	1092
9	60	780	1344	1092	1092
10	60	864	1260	1092	1092
11	60	948	1176	1260	924
12	60	1032	1092	1428	756
13	60	1032	1092	1596	588
14	60	1032	1092	1764	420
15	60	1032	1092	1932	252
15+	60	1032	1092	2184	0

B. Sick Pay Entitlement

Upon hire (new hire status), Sick Pay benefits are prorated for the hire year and are available according to the schedule found under the tables in Section A. Accrued Paid Sick Leave. If the employee is a rehire, the adjusted service date is used to determine the benefits, and the benefits are prorated for the rehire year. At a minimum, a newly hired or rehired employee will receive 60 hours of Alaska Sick Leave.

C. Types of Sick Pay

1. Alaska Sick Leave

Employees are entitled to 60 hours of Alaska Sick Leave annually. Unused Alaska Sick Leave does not carry over from one calendar year to the next. Alyeska provides the full annual Alaska Sick Leave allocation each January 1, regardless of the employee's unused balance from the prior calendar year.

Title: Sick Pay for Employees

Number: HR-2.08

Page: 6 of 12

Revision: 9

Effective Date: 09/14/2026

Newly hired employees receive the full 60 hour allocation upon hire, regardless of their hire date; Alaska Sick Leave is not prorated for newly hired employees, except for interns.

Interns are an exception and receive a prorated Alaska Sick Leave allocation based on their anticipated hours of work during the term of their internship, consistent with applicable Alaska law.

The annual Alaska Sick Leave allocation is provided independently of Alyeska's Full and Half Sick Pay annual refresh requirements.

Alaska Sick Leave may be used by an employee for:

- a) Their own illness, injury, medical care, or preventive treatment.
- b) Caring for a family member, including:
 - o An immediate family member defined as: the spouse of the person; another person cohabiting with the person in a conjugal relationship that is not a legal marriage; a child, including a stepchild and an adoptive child, of the person; a parent, sibling, grandparent, aunt, or uncle of the person; and a parent or sibling of the person's spouse.
 - o A domestic partner
 - o A foster child, legal ward, or person to whom the employee stands in loco parentis
 - o A foster parent, adoptive parent, legal guardian, or a person who stood in loco parentis when the employee was a minor
 - o Any other individual related by blood or whose close association is the equivalent of a family relationship
- c) Absences related to domestic violence, sexual assault, or stalking, including medical care, victim services, relocation, or legal proceedings for themselves or a family member.

Use and Recording of Alaska Sick Leave

Alaska Sick Leave may be used and recorded in the minimum increments required by Alaska law. This is an exception to Alyeska's general requirement that salaried exempt employees record leave in full-workday increments.

Salaried exempt employees may use Alaska Sick Leave for the actual amount of scheduled work time missed for a qualifying reason and are not required to take or record a full day of Alaska Sick Leave solely because they are exempt employees. Alaska Sick Leave will be recorded in one-tenth (0.1) hour increments, or any smaller increment required by law or supported by Alyeska's payroll system.

Employees are not required to use another Alyeska leave benefit to cover the remainder of a scheduled workday when Alaska Sick Leave is used for only part of the day. However, employees may choose to combine Alaska Sick Leave with another applicable leave benefit to cover their full scheduled workday.

When foreseeable, employees should provide advance notice and schedule leave to minimize workplace disruption. For absences of more than three consecutive scheduled workdays, reasonable documentation may be required.

Title: Sick Pay for Employees

Number: HR-2.08

Page: 7 of 12

Revision: 9

Effective Date: 09/14/2026

2. Non-Occupational and Occupational Sick Pay (Full and Half)

When an illness, injury, or health-maintenance medical appointment prevents an employee from reporting to their work location or performing work, the employee may be eligible for Full or Half Sick Pay benefits (“Sick Pay”). This includes absences resulting from occupational injuries or illnesses, which are subject to additional coordination with OHU and Workers’ Compensation.

If an employee’s illness or injury may qualify for Family and Medical Leave (FML), the employee must notify OHU and HR and complete required FML documentation in accordance with Alyeska’s FML process.

If an emergency or catastrophic illness or injury prevents the employee from coordinating with OHU and HR before the absence begins, the employee’s ERR will coordinate with OHU as appropriate. Failure to comply with applicable FML requirements may affect FML designation or Sick Pay benefits, as permitted by law.

Employees who have exhausted available FMLA-protected leave and remain unable to return to work will be evaluated individually to determine whether additional leave, accommodation, or other obligations apply under the ADA or other applicable laws. Continued employment is not guaranteed solely because Sick Pay benefits remain available.

Sick Pay begins on the first day the employee is absent from work or unable to perform work, as determined by OHU. Sick Pay is paid at either 100% or 50% of the employee’s straight-time compensation for the applicable period based on the employee’s adjusted service. Sick Pay is not included in overtime compensation.

Employees who use the Premera BCBS Medical Elective Procedure Travel benefit for themselves under Alyeska’s Medical Plan may be eligible for Sick Pay for approved travel days, hotel stays, and recovery days associated with the procedure. The procedure must be approved through Premera BCBS, and the employee must provide the required approval documentation to OHU for verification of the Sick Pay requested.

Employees who do not use the Premera BCBS Medical Elective Procedure Travel benefit are not eligible for Full or Half Sick Pay for travel time associated with medical or dental appointments, even when the travel occurs during scheduled work hours. An employee may use available Alaska Sick Leave for qualifying travel associated with medical or dental care when permitted under the Alaska Sick Leave provisions of this procedure.

Year-end treatment of Full and Half Sick Pay

If an employee is absent due to illness or injury, or is using Full or Half Sick Pay, on the employee’s last scheduled workday in the current calendar year, any remaining Full or Half Sick Pay balance from the current calendar year will continue to apply to the qualifying absence into the new calendar year until that balance is exhausted or the employee returns to work, as applicable.

If the prior-calendar-year Sick Pay balance is exhausted before the employee returns to work, refer to the “If Leave Benefits Are Exhausted” section of this procedure.

Alaska Sick Leave is administered separately from the Full and Half Sick Pay provisions above. Use of protected Alaska Sick Leave, including Alaska Sick Leave used in partial-day

Title: Sick Pay for Employees	Number: HR-2.08	Page: 8 of 12
	Revision: 9	Effective Date: 09/14/2026

increments, will not be treated as use of Full or Half Sick Pay for purposes of this year-end provision or any Sick Pay refresh requirement, except as otherwise permitted by applicable law.

3. Parental Leave Sick Pay

An employee who experiences the birth or adoption of a child will have up to one year after birth of or adoption of the child to use up to 2 workweeks of their current Sick Leave (Full or Half) balance (up to 168 hours for field employees and up to 90 hours for urban employees, based on their work schedule).

Employees must record the use of Sick Pay in the time reporting system and add into the comment section by selecting “Parental Leave” in the drop down to document the hours and a written comment as applicable. Parental Leave usage is concurrent with any applicable FML. Parental Leave is not considered time worked and therefore not eligible for the calculation of overtime.

D. Sick Leave Annual Refresh Process

1. Urban scheduled employees:

If the employee has been working their regularly scheduled workweek, their Full and Half Sick Pay benefits for the new calendar year will refresh and become available on the first working day after January 1, unless one of the following applies:

- a. The employee is on unpaid leave (not due to injury or illness) on the employee’s last scheduled workday in the current calendar year,
- b. The employee is on leave due to injury or illness, or using sick leave on the employee’s last scheduled workday in the current calendar year , or
- c. The employee was absent for twelve (12) cumulative urban workweeks or more during the current calendar year due to illness or injury, or while using any form of sick leave for any reason—regardless of the type of leave used (e.g., sick leave, vacation, or leave without pay). This applies even if the employee returned to work before the start of the new calendar year.

In such cases, the employee’s prorated sick leave benefits for the new calendar year will become effective after:

- 1) They are granted an OHU medical release (if the absence was health related) to return to their normal work schedule and full duties, and,
- 2) They have worked six (6) consecutive urban workweeks in the new calendar year with no absences other than Alyeska Holidays, Vacation, or Alaska Sick Leave.

2. Field scheduled employees:

If the employee has been working their regularly scheduled workweek, their Full and Half Sick Pay benefits for the new calendar year will refresh and become available on the first working day after January 1, unless one of the following applies:

Title: Sick Pay for Employees

Number: HR-2.08

Page: 9 of 12

Revision: 9

Effective Date: 09/14/2026

- a. The employee is on unpaid leave (not due to injury or illness) on the employee's last scheduled workday in the current calendar year ,
- b. The employee is on leave due to injury or illness, or using sick leave on the employee's last scheduled workday in the current calendar year , or
- c. The employee was absent for six (6) cumulative field workweeks or more during the current calendar year due to illness or injury, or while using any form of sick leave for any reason—regardless of the type of leave used (e.g., sick leave, vacation, or leave without pay). This applies even if the employee returned to work before the start of the new calendar year.

In such cases, the employee's prorated sick leave benefits for the new calendar year will become effective after:

- 1) They are granted an OHU medical release (if the absence was medical) to return to their normal work schedule and full duties, and,
- 2) They have worked four (4) consecutive field workweeks in the new calendar year with no absences other than Alyeska Holidays, Vacation, or Alaska Sick Leave.

E. 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. All Occupational leave must be worked with the OHU Representative.

F. Holidays

Urban employees who are out on approved Sick Leave on a holiday shall claim Holiday time in the time reporting system 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.

G. 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 leave with supervisor approval. 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.

H. How Sick Pay is Paid

Sick Pay 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.

Title: Sick Pay for Employees

Number: HR-2.08

Page: 10 of 12

Revision: 9

Effective Date: 09/14/2026

I. What is Not Covered by Sick Pay

The limitations and exclusions in this section apply to Alyeska Full and Half Sick Pay benefits. They do not limit an employee's right to use available Alaska Sick Leave for an absence that otherwise qualifies under the Alaska Sick Leave provisions of this procedure and applicable law.

1. Non-Compensable Administrative and Case-Management Activities

Time spent by an employee outside of scheduled work hours engaging in administrative, case-management, or coordination activities related to the employee's own illness, injury, medical condition, reasonable accommodation, or Family and Medical Leave Act (FMLA) designation is not considered work time and is not compensable. This includes, but is not limited to, time spent:

- Communicating with the Occupational Health Unit (OHU), Human Resources, supervisors, management, or chain of command regarding medical status, restrictions, documentation, leave designation, or return to work matters
- Completing, submitting, reviewing, or discussing medical certifications, recertifications, or related paperwork
- Participating in case management, accommodation discussions, benefit coordination, or similar activities related to the employee's own medical condition or leave

Such time is not considered hours worked, is not paid as wages, does not qualify for straight-time pay, overtime pay, or Full or Half Sick Pay, and does not count toward overtime calculations, unless payment is expressly required by law or explicitly authorized in advance by Human Resources.

Direction or instruction to complete the activities described above does not convert such time into compensable work time, except where compensation is required by applicable law.

2. Excluded Causes and Activities

Full and Half Sick Pay also does not cover absences that result from:

- Working for another employer or engaging in 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 (unless the employee is undergoing a treatment program approved by Alyeska)
- Chronic alcoholism (unless the employee is undergoing a treatment program approved by Alyeska)
- Self-inflicted drug addiction (unless the employee is undergoing a treatment program approved by Alyeska)

These exclusions do not apply to Alaska Sick Leave. An employee may use available Alaska Sick Leave when the absence qualifies under the Alaska Sick Leave provisions of this procedure and applicable Alaska law.

Title: Sick Pay for Employees

Number: HR-2.08

Page: 11 of 12

Revision: 9

Effective Date: 09/14/2026

J. Returning to Work from a Sick Pay Absence

If an employee has been absent from work due to a Sick Pay absence for three or more days, the employee may be asked to obtain a written release from their physician before returning to work. Alyeska's OHU representative reserves the right to ask for and obtain a return to work release if absent for less than three days.

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.

K. If Leave Benefits or Job-Protected Leave Are Exhausted

An employee's eligibility for or remaining balance of Sick Pay does not guarantee continued employment. If an employee has exhausted applicable job-protected leave, including FMLA, and remains unable to return to work, Alyeska will evaluate whether additional leave, a reasonable accommodation, or other employment protections are required under the ADA or other applicable law.

If no additional job-protected leave, reasonable accommodation, or other legal obligation requires continued employment and the employee remains unable to return to work, employment may be terminated, even if the employee has remaining Sick Pay or other leave benefits available. Exceptions must be approved by the Senior HR Representative.

L. When Coverage Stops

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

End of Procedure

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> .
-----------------------------	--

Title: Sick Pay for Employees

Number: HR-2.08

Page: 12 of 12

Revision: 9

Effective Date: 09/14/2026

6.0 Revision History

Revision	Date	Revision Summary
9	9/14/2026	Clarified Alaska Sick Leave administration, including annual availability, exempt-employee partial-day reporting, and separation from Full and Half Sick Pay; updated annual refresh, documentation, FMLA/ADA, return-to-work, exclusions, and continued-employment provisions.
8	06/16/2025	Updated to add Alaska Sick Leave Language. Aligned procedure language with Alaska Sick Leave requirements. Removed section regarding Next of Kin Leave. Cleaned up other sections for clarity.
7	05/01/2025	Corrected error in Table of Contents that left out Section D. No content changes.
6	12/17/2024	Update ERR and TR designations, revised Sick Leave Annual Refresh process. Proration of new hire sick pay benefit.
5	06/01/2021	Updated eligibility language. Clarified notification requirements.
4	01/01/2021	Added Parental Leave and Immediate Family and Next of Kin Leave sections. Clarified that no overtime is associated with Sick Pay. Other minor updates to reflect current information (e.g. reference to HR-2.11 Bereavement and Emergency Leave, confirming how leave time is reported, etc.).
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.