

# MILITARY LEAVE OF ABSENCE FOR TEMPORARY EMPLOYEES

## Purpose

To inform U.S. temporary employees of Kelly Services, Inc. and its United States (U.S.) subsidiaries (collectively referred to as "Kelly") of Kelly's policy on dealing with a military leave of absence and related employment issues.

## Persons Affected

All Kelly U.S. temporary employees.

## Policy

### Eligible Employees

All Kelly temporary employees ("employee(s)") who are absent from work due to service in the "uniformed services" are eligible for reemployment rights and benefits. The "uniformed services" includes the Armed Forces (Army, Navy, Air Force, Marines, and Coast Guard), the Army National Guard, the Air National Guard, the Armed Forces Reserves, Commissioned Corps of the Public Health Service, and any other category of persons designated by the President in time of war or national emergency, or service in the National Guard under authority of state and local law. The use of the phrase "military service" throughout this policy includes all of the above-stated eligible categories of service.

### Reasons for Leave

Employees, who are away from their job, either on a voluntary or involuntary basis performing the following duties, are eligible for military leave:

- Active duty;
- Active duty for training;
- Inactive duty training;
- Full-time National Guard training;
- Examination to determine fitness for any of the above types of duty;
- Funeral honors duty performed by National Guard or Reserve members ("funeral honors duty");
- Service as an intermittent disaster response appointee of the National Disaster Medical System when employees are activated under federal authority or attending authorized training in support of a federal mission ("National Disaster Response");
- Duty performed by an intermittent disaster response personnel for the Public Health Service and approved training to prepare for this service ("Public Health Service"); and,
- If required by applicable state or local law, state active National Guard duty pursuant to an activation call or order issued by a state governor ("state/local National Guard activation")

### Notification of Leave

Employees need to submit advanced verbal or written notice of their military service obligations and need for leave to their Kelly representative. Written advance notice may be waived if "military necessity" precludes doing so or if it is "otherwise impossible or unreasonable" under the circumstances. If advance notice is not possible, employees must provide verbal or written notice of their military leave to their Kelly representative as soon as possible under the circumstances. Failure to provide proper notification may impact your rights, including reinstatement or reemployment, subject to applicable laws.

## Duration of Leave

The cumulative length of an employee's military leave absences may not exceed five years, unless otherwise required by federal, state or local law. The specific types of duty and the length of time permitted will be determined in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and applicable state or local law.

## Compensation During Leave

### Unpaid Military Leave

Kelly will provide unpaid military leave as required by federal, state, or local law. The following rules apply for Unpaid Military Leave based on the employee's status as an employee exempt from overtime ("Exempt Employees") or those not exempt from overtime ("Non-Exempt Employees")

- *Exempt Employees:* For partial week absences due to military leave, exempt employees will still receive their week's pay. However, exempt employees' salary will be offset by the amount received by employee as military pay, if any. Employees are required to provide documentation (e.g., Leave Earning Statements or other earnings documentation) to allow Kelly to offset military earnings under the Fair Labor Standards Act. Employees who fail or refuse to provide documentation may be subject to disciplinary action up to and including termination of employment.
- *Non-Exempt Employees:* Nonexempt employees will be paid for actual time worked.

Employees may voluntarily elect to use any earned, unused vacation time, holidays, or other paid time off (if applicable) in lieu of unpaid military time, including to cover an offset in salary.

### Benefits during Leave

While on military leave performing service in the uniformed services, benefit coverage will be affected for benefit-eligible employees. Some benefits may be continued at the employee's expense if the employee so chooses, subject to the requirements of the applicable benefits plan and federal, state or local law. The Benefits Department will notify the employee in writing of the benefits that may be continued and the terms, conditions, and limitations of such continuance. Detailed information regarding the impact on benefits during a military leave can be found on the Personal Leave page on KellyWeb U.S.

Eligible employees on a military leave of absence during the measurement period or on the payment date of an incentive plan are eligible for any earned incentive payout, but disbursements may be paid upon return to work, at the year-end reconciliation, or not at all, depending on the provisions of the plan. Refer to the applicable plan rules for details.

## Reinstatement and Reemployment

### Reinstatement/Reemployment Time Frames and Requirements

Kelly's military leave policy is intended to comply with the federal law, specifically the USERRA. Most states have their own related statutes, and if any state or local statute is more beneficial to the employee than federal law or applies to situations not covered by USERRA, Kelly will comply with the appropriate state statute.

To be eligible for reemployment rights under USERRA, an employee must have:

- 1) Provided appropriate notice of his or her military leave obligations;
- 2) Served for a cumulative period not exceeding five years in the uniformed services during the employee's employment with Kelly\*;
- 3) Returned to work or re-applied for employment rights within the appropriate time frame (see below); and
- 4) Completed service in the uniformed services under honorable conditions.

*\*Except for federal, state, or local law exceptions to the cumulative period of service.*

The following time frames will apply to reinstatement:

<b>Period of Military Service</b>	<b>Employee Responsibility</b>
Less than 31 days	Report for reemployment at the beginning of the first regularly scheduled workday that falls eight hours after he or she returns home. <i>Or as otherwise required by state or local law.</i>
31 - 180 days	Submit a notification of intent to return to work to Kelly no later than fourteen days following the completion of service.
Greater than 180 days	Submit a notice of intent to return to work to Kelly not later than ninety days after completion of service.

All of the above-defined time frames may be extended for up to two years if an employee is hospitalized or convalescing from a service-related illness or injury.

If submission of a timely notice of the employee's intent to return is impossible or unreasonable through no fault of the employee, the notice must be submitted as soon as possible. If the employee fails to report to work or to submit the appropriate notice of intent to return within the appropriate time frame, the employee will be considered as failing to return from an approved leave and the employment relationship will be terminated.

### **Employee Reinstatement Rights**

Kelly employees who satisfy the terms of military leave will generally be reinstated to the same position they would have held or attained had they not gone on military leave, or one of comparable seniority, status, and pay, unless conditions at Kelly have changed such that reemployment would be impossible or unreasonable. If the employee is then unqualified for that position, Kelly will make reasonable efforts (including training or re-training) to enable the employee to become qualified and/or reemploy the employee in the nearest comparable position for which the employee is qualified.

### **Kelly's Reinstatement Obligations**

If the returning employee meets the reinstatement requirements defined above, Kelly has an affirmative obligation to reemploy the employee and will comply with the reinstatement rights set forth above, unless conditions at Kelly have changed such that reinstatement would be impossible or unreasonable.

In addition, in the event an employee returns with a service-related disability, Kelly will make reasonable accommodations necessary to enable the employee to perform the essential functions of the position held prior to military service. If, despite reasonable accommodations, the employee is unqualified for the position because of the service-related disability, Kelly will place the returning employee in a position of equivalent seniority, status and pay for which he/she is qualified or could become qualified to perform. Failing this, the returning employee will be placed in the nearest comparable position in terms of seniority, status and pay.

### **Employee Protection against Discharge**

Returning employees will not be subject to a reduction in force, position elimination or other discharge without cause, depending on their length of military service, for the following time periods:

- After a leave of 181 days or more: 1 year
- After a leave of more than 30 days but less than 181 days: 6 months

If a state or local law grants employees greater protection from a reduction in force, position elimination or other discharge without cause, depending on their length of military service, that protection shall be applied.

However, regardless of the length of service, all returning employees are subject to discharge from employment for cause, as is true for any other Kelly employee.

Returning employees are further protected against adverse employment actions, discrimination, and retaliation, because of past, current or future military obligations.

## **State and Local Specific Leave Requirements**

Kelly will comply with all federal, state, and local laws regarding military service leave. Where state or local military service leave laws offer more protections or benefits to employees, the protections or benefits that are most favorable to the employee, as provided by such laws, will apply.

### **Military Leave for Family Members**

Kelly will comply with applicable state or local law(s) that require employees to be granted leave for a family member of an individual in the military service (as that term or similar terms may be defined by state or local law), subject to applicable definitions and regulations. For example, time off for an immediate family member leaving or returning from active duty outside the United States, or to attend a send-off or homecoming ceremony. Except as specifically outlined in this policy, such time shall be unpaid.

***State of Louisiana Employees:*** All employees (full-time, part-time) who are Veterans of the armed forces (including reserves), the Army National Guard, the Air National Guard, the Commissioned Corps of the Public Health Service or any other category of persons designated by the President in time of war or national emergency are eligible to take unpaid time off from work to attend medical appointments necessary to meet the requirements to receive the employee's veteran's benefits. Employees are required to request time in accordance with the time off policy, and must provide documentation of the medical appointment to HR Knowledge Center. Employees may voluntarily elect to use any earned, unused vacation time or floating holidays in lieu of unpaid time off.

## **Revisions**

Kelly reserves the right to cancel or modify this policy, in its sole discretion, at any time. Kelly reserves the right to interpret this policy as necessary. The CEO and/or the Senior Vice President/Chief Human Resources Officer must approve revisions to this policy.

## **Contact**

If you have any questions about this policy and/or related procedures, please contact your Kelly Representative.