



FAMILY AND MEDICAL LEAVE ACT POLICY

Purpose

To inform Employees of Kelly Services, Inc. and/or its subsidiaries ("Kelly" or "Kelly Services") of Kelly's policy to comply with the requirements of the Family and Medical Leave Act (FMLA) of 1993, as amended.

Persons Affected

All U.S. Kelly regular, contract, or temporary employees (collectively referred to as Employees).

Policy

Kelly recognizes that Employees may need to balance their work and family life by taking reasonable unpaid leave for certain family and medical reasons and complies with the requirements of FMLA. Kelly provides eligible Employees with up to 12 weeks of unpaid, job-protected leave in a rolling 12-month period and maintains the health care benefits during the 12-week leave period.

Once an Employee takes FMLA leave under this policy, the remaining leave entitlement would be any balance of the 12 weeks which has not been used during the immediately preceding 12 months. For example, if an Employee used four weeks beginning February 1, 2008, four weeks beginning June 1, 2008 and four weeks beginning December 1, 2008, the Employee would not be entitled to any additional FMLA leave until February 1, 2009. However, beginning February 1, 2009, the Employee would be entitled to only four weeks of leave; on June 1, 2009 the Employee would be entitled to an additional four weeks, etc.

Practice

Eligible Employees

Employees must meet the following criteria to qualify for FMLA:

- Have worked for Kelly for at least 12 months. Under FMLA, working only one day during a week is equal to working an entire week.
 - The 12 months of employment need not be consecutive months; however, employment prior to a break in service of more than seven years generally is not counted.
- Have worked a minimum of 1,250 hours (approximately 25 hours per week) in the 12 months prior to the start of the requested FMLA leave.
 - An eligible part-time Employee (less than 40 hours/week for purposes of this policy) is entitled to FMLA leave on a *pro-rata* basis only.

Leave Entitlement

Kelly grants eligible Employees up to a total of 12 weeks of unpaid, job-protected FMLA leave in a rolling 12-month period for one or more of the following reasons:

- Birth of an Employee's child, or to care for the newborn child
- Due to the placement of a child with the Employee for adoption or foster care and to care for that child
- Care of an Employee's spouse, parent (but not parent-in-law), or child with a serious health condition
- A serious health condition of the Employee that makes the Employee unable to perform the essential functions of his/her job
- A "qualifying exigency" arising out of the fact that your spouse, son, daughter, or parent is on active military duty, or has been notified of an impending call to active duty status, in support of a contingency operation

- **Military Caregiver** – caring for your spouse, child, parent, or next of kin who is recovering from a serious illness or injury sustained in the line of duty, on active military duty. This is the only type of FMLA leave that may extend beyond 12 weeks for up to 26 weeks.

Leave Entitlement Notes:

- An FMLA taken for the birth or placement of a child may be taken only within 12 months of the birth or placement.
- An Employee must meet the qualifications of a “serious health condition” as stated below in order to qualify for time off under FMLA for his/her own illness.
- “Spouse” includes husband or wife as recognized under state law, including common law relationships where recognized. “Parent” means a biological, adoptive, step, or foster parent or any individual who stood “in loco parentis” to the Employee. “Son,” “daughter” or “child” for purposes of caring for that individual when they have a serious health condition means a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the Employee is standing in loco parentis, who is either under age 18 or is incapable of self-care because of a physical or mental disability at the time leave commences. “In-laws” are excluded from these definitions.

Serious Health Condition Qualifications

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves one of the following:

- **Hospital Care** – Inpatient care in a hospital, hospice, or residential medical care facility, including any period of incapacity or subsequent treatment in connection with the inpatient care
- **Absence Plus Treatment** – A period of incapacity of more than three consecutive calendar days that also involves either (a) treatment two or more times by a health care provider, or (b) treatment by a health care provider one time which results in a regimen of continuing treatment under the supervision of a health care provider
- **Pregnancy** – Any period of incapacity due to pregnancy or for prenatal care
- **Chronic Conditions Requiring Treatment** – A chronic condition that requires periodic visits for treatment by a health care provider, continues over an extended period and may cause episodic periods of incapacity (e.g., asthma, diabetes, epilepsy)
- **Permanent Long-Term Condition Requiring Supervision** – A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective (e.g., Alzheimer's disease, severe stroke, terminal stages of a disease)
- **Multiple Treatments (Non-Chronic Conditions)** – A period of absence to receive multiple treatments from a health care provider for restorative surgery after an accident or injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment (e.g., chemotherapy for cancer, dialysis for kidney disease, or physical therapy for severe arthritis)

Leave Entitlement for Spouse

Spouses employed by Kelly are also entitled to a total of 12 weeks of FMLA during a rolling 12-month period for the following reasons.

- Birth of an Employee's child, or to care for the newborn child
- Due to the placement with the Employee for adoption or foster care, and to care for that child.
- Care of an Employee's spouse, parent (but not parent-in-law), or child with a serious health condition.

If the FMLA is requested for Military Caregiver Leave, each spouse is entitled to a combined total of 26 weeks.

Qualifying Exigencies

In general, leave may be taken because of a "Qualifying Exigency" where the Employee's spouse, son, daughter, or parent is on active duty or is called to active duty in the National Guard or Reserves for any of the following reasons:

- To address issues that arise from an impending call or order to active duty 7 or less calendar days before deployment during that 7-day notice period
- To attend an official ceremony, program, or event sponsored by the military that is related to the call to active duty or active duty of the military member
- To attend certain family support or assistance programs and informational briefings related to the call to active duty or active duty of the military member
- To arrange for alternative child care when the call to duty or active duty necessitates a change in existing arrangements
- To provide child care on an urgent, immediate basis (but not on a routine, regular, or everyday basis), when the need arises because of the call to active duty or active duty
- To enroll in or transfer a child to a new school or day care facility when necessitated by the call to active duty or active duty
- To attend meetings with staff at a school or day care facility when attendance is necessary due to circumstances arising from the call to active duty or active duty
- To make or update financial or legal arrangements to address the covered military member's absence caused by the call to active duty or active duty
- To act as the military member's representative before a government agency concerning military service benefits while he/she is called to active duty and for 90 days following termination of active duty
- To attend counseling for the covered military member or his/her child or certain other dependents
- To spend up to 5 days with the military member when he/she is granted short-term leave during the period of deployment
- To attend ceremonies and reintegration briefings and events sponsored by the military during the 90-day period following termination of active service
- To attend to issues surrounding the death of the military member
- To address miscellaneous matters that arise out of the call to active duty or active duty, provided the Employee and Kelly agree that such leave is a "qualifying exigency" and further agree as to the timing, frequency, and duration of the leave
- Additional activities as mutually agreed upon between Kelly and employee

Generally, FMLA for Qualifying Exigencies (as identified above) are permitted only where the military member is a military retiree, reservist, or member of the National Guard and called by the federal government to active duty to support a contingency operation. Thus, such leave is not available when the family member is a member of the Regular Armed Forces.

Military Caregiver Leave

An eligible Employee who is the spouse, child, parent, or the next of kin of a "covered service member" with a serious injury or illness incurred in the line of duty shall be entitled to a total of 26 work weeks of leave during a single 12-month period to care for the service member ("Military Caregiver Leave").¹

¹ Unless the service member has designated in writing another individual, "next of kin" means the nearest relative other than the service member's spouse, parent, or child in the following order: blood relatives having legal custody by court decree or statute, siblings, grandparents, aunts/uncles, and first cousins. Where there are multiple individuals in such relationship to the service member, each is considered the next of kin and all are eligible to take military caregiver leave consecutively or simultaneously.

Such leave may not be taken to care for former members of the Armed Forces, Reserves, or National Guard, or members on the permanent disability retired list.

“Care” includes both physical and psychological support. A “covered service member” means a member of the Armed Forces (including the National Guard or Reserves), who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status (i.e., assigned to a military medical treatment facility as an outpatient or a unit established for providing medical care to members of the Armed Forces on an outpatient basis), or is on the temporary disability retired list, for a serious injury or illness.

Military Caregiver Leave shall only be available once per injury basis during a single 12-month period measured forward from the day the leave begins. Additional leave may be granted during a subsequent 12-month period for a different injury to the same covered service member or for an injury to a different covered service member.

Intermittent or Reduced Schedule Leave

Employees entitled to FMLA may take it on an intermittent or reduced-schedule basis under the following circumstances:

- When medically necessary because of the Employee’s serious health condition, or to care for a seriously ill spouse, parent or child
- Prenatal care
- Bonding up to one year following the birth or placement of the child

While Kelly may also transfer the Employee to a part-time job with the same hourly rate of pay and benefits, the Employee will not be required to take more leave than is medically necessary. When a transfer to a part-time position has been made to accommodate an intermittent or reduced leave schedule, Kelly will continue group health benefits on the same basis as provided for a full-time Employee for the 12 weeks of FMLA leave. However, other benefits which are based on the number of hours worked (such as paid time off) will be proportionately reduced. Similarly, the salary of exempt Employees may be reduced for hours taken as intermittent or reduced FMLA leave.

Intermittent and reduced leave schedules are available to an Employee for an active duty qualifying exigency or a Military Caregiver Leave.

Certification

If the employee fails to provide the necessary certification and/or valid support for the requested leave, the request for FMLA will be denied. Once an FMLA request is denied for any reason, the Employee must return to work within three business days of the denial or face possible termination of employment.

Kelly has the right to seek additional information concerning any certification for clarification or authentication purposes.

Certification Related to Active Duty Qualifying Exigency or Military Caregiver Leave

An Employee who takes Military Caregiver Leave, or who has an active duty qualifying exigency, shall be required to provide, in a timely manner, appropriate certification and supporting documentation, such as active duty orders or other documentation.

Working while on FMLA Leave

Kelly prohibits Employees from performing outside/supplement employment during FMLA leave. Kelly discourages Employees from continuing to perform any of their job duties while on leave. Should an Employee request to work from home while on FMLA leave, Kelly reserves the right to request medical certification supporting such request. In addition, participation in non-work-related activities inconsistent with the qualifying reason for the leave or conduct that abuses the grant of a leave of absence may result in loss of leave approval and may subject the Employee to discipline and/or discharge.

Compensation

Sources of Pay While on FMLA

Even though time used as FMLA is generally considered unpaid, benefits may be available under Kelly's disability income plan or workers' compensation program. Eligible Employees who apply for these benefits will need to comply with the terms of the specific plan or program. Any time granted under these plans or programs will run concurrently with any available FMLA time and does not extend the amount of FMLA available.

Employees may choose to use paid time (e.g., accrued unused vacation, sick days, floating holidays) during unpaid FMLA time. This time also runs concurrently with any available FMLA time and does not extend the amount of FMLA available. Any remaining FMLA time needed to attain the 12 weeks will be provided without compensation. (For example, a regular Employee who uses 2 weeks of paid vacation during an FMLA leave can only use 10 weeks of unpaid FMLA time, for a total not exceeding 12 weeks' absence.)

Bonus Plans

Eligible regular Employees may not receive an incentive bonus plan disbursement while on FMLA. Please see the Summary Plan Document for your specific incentive plan.

If the regular Employee does not return from a FMLA (e.g., termination, voluntary resignation), he/she will not be eligible for the incentive bonus.

Continuation of Benefits

During the period of the FMLA leave, Employees are responsible for paying their portion of the health care benefits. Kelly will provide the Employee with written notice of the terms and conditions under which the Employee's portion of health and life insurance premiums must be paid. Kelly's obligation to maintain health coverage ceases if an Employee's premium payment is more than 30 days late. Any coverage cancelled due to non-payment of the premium will be cancelled retroactively to the end of the last full month for which the premium was last paid.

Retirement Plan contributions will be suspended during any period the regular Employee is not paid through Payroll. Once Payroll activity resumes, the contributions will be automatically reinstated.

Restoration to Position

Kelly will return the Employee to the same or equivalent position or assignment and employment benefits if the Employee returns to work immediately after the FMLA, unless the assignment would have naturally ended while the Employee is on leave. In that event, Kelly will attempt to place the Employee in a new position or assignment when the Employee returns to work. An equivalent position or assignment is one with comparable pay and responsibilities. An Employee is entitled to be returned to the same shift or an equivalent schedule and have the same opportunity for bonuses and other non-discretionary pay in accordance with Kelly policies. However, an Employee has no greater right to job restoration or retention or to any other benefit during or upon return from the FMLA than if he/she had been continuously at work during the period covered by the FMLA.

Failure to Return from Leave

Any Employee who is on FMLA leave and decides that he or she will not return to work upon conclusion of the FMLA leave must notify Kelly of his/her decision. For FMLA leave which extends for 30 or more continuous days, Kelly may require at reasonable intervals a report by the Employee of his/her intent to return to work.

If an Employee fails to return to work at the completion of the FMLA leave period, Kelly may recover from the Employee the portion of health care premiums Kelly paid during the FMLA leave. This may be done unless the Employee cannot return to work because of:

- The continuation, recurrence, or onset of a serious health condition for either the Employee or the spouse, parent, or child; or
- Other circumstances beyond the Employee's control, as determined by Kelly in accordance with the FMLA. This does not include a decision by a parent to remain at home with a healthy child beyond the maximum 12-week FMLA leave period.

- A condition specified in the certification provided in support of a Military Caregiver Leave.

If the failure to return to work is occasioned by an illness, as detailed above, then the Employee must recertify (see certification section).

If the Employee does not return to work immediately after the FMLA leave for reasons other than health conditions or some other reason clearly beyond the Employee's control, the absence will be considered job abandonment and the Employee is subject to termination of employment. Kelly will send a letter to the Employee confirming "voluntary termination of employment due to Employee job abandonment."

Coordination with State or Local Laws

This FMLA policy may be supplemented to comply with state or local laws that are more generous than this policy. Employees who have questions about state or local policies should contact their Human Resources Generalist for more information.

Posting

In order to be in compliance with the Family and Medical Leave Act of 1993 as amended, all Corporate locations and branch offices must place a copy of the **Your Rights Under the Family and Medical Leave Act of 1993, as amended (e1095)** poster in a conspicuous place frequented by Employees.

Revisions

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

Contact

Any questions regarding this policy should be directed to the HR Knowledge Center at 1-877-301-8460 or HRKnowledgecenter@kellyservices.com.