

# SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

## CORPORATE POLICY 6.04

### LEAVE

Chapter: 6.0 – Personnel Policies

Section: 6.04 – Leave

Effective Date: November 17, 2010

#### 1.0 PURPOSE

1.1 To establish a policy for defining and outlining leave for employees.

#### 2.0 EFFECTIVE DATE AND AMENDMENTS

2.1 This Policy shall be effective upon the approval by the BOARD. This Policy may only be amended by approval of the BOARD.

#### 3.0 PROCEDURES

3.1 The President or his/her designee is authorized to establish and disseminate administrative procedures to implement this BOARD POLICY, as applicable.

#### 4.0 POLICY

4.1 The CORPORATION shall provide two types of paid annual leave: "Permissible Sick Leave" and "Authorized Vacation Leave." All employees shall submit a Leave of Absence form to account for and request their supervisor's approval of excused absences.

4.1.1 Permissible Sick Leave is an excused absence due to an illness, injury or medical or dental care, where the employee utilizing the leave has sufficient sick leave accrued (as set forth below) to cover the absence. An employee may use accrued sick leave for absence due to the illness, injury, medical or dental care of the employee, employee's spouse, registered domestic partner, parent or child.

4.1.1.1 Exempt Employees shall submit a form when they are utilizing seven (7) hours or more of Permissible Sick Leave in a single work day.

4.1.1.2 Non-Exempt Employees shall submit a form regardless the length of time.

4.1.2 Authorized Vacation Leave is an excused absence where the employee has sufficient vacation leave accrued (as set forth below) to cover the absence.

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- 4.1.2.1 Exempt Employees shall submit a form when they are utilizing seven (7) hours or more of Vacation Leave in a single workday.
- 4.1.2.2 Non-Exempt Employees shall submit a form regardless the length of time. All excused absences for personal reasons, other than Permissible Sick Leave, shall be designated as Vacation Leave.
- 4.2 Regular Full-Time Employees shall accrue at the following rates:
  - 4.2.1 Employees with up to five (5) years of service with the CORPORATION shall accrue:
    - 4.2.1.1 Forty (40) hours of accrued sick leave per fiscal year.
    - 4.2.1.2 One hundred twenty (120) hours of accrued vacation leave per fiscal year.
  - 4.2.2 Employees with (5) five or more years of service with the CORPORATION shall accrue starting the fifth year:
    - 4.2.2.1 Forty (40) hours of accrued sick leave per fiscal year.
    - 4.2.2.2 One hundred sixty (160) hours of accrued vacation leave per year.
- 4.3 Regular or Hourly Part-Time Employees are not eligible to accrue annual leave credits.
- 4.4 Annual leave credits will continue to be added to the employee's account while the employee is on leave, but these additional credits may only be used after the employee returns to work.
- 4.5 An employee can accrue no more than three hundred (300) hours in vacation at the end of a fiscal year. The employee will be paid the cash equivalent of the amount in excess of three hundred (300) hours in the first pay period of the next fiscal year. Employees who are terminated or voluntarily separate from the CORPORATION shall receive a pay-off of the entire accrued vacation balance at the employee's current salary. The BOARD must approve all leave buy-outs to executive officers of the CORPORATION.
- 4.6 An employee shall be entitled to receive, at his or her regular wage rate, unused sick leave as additional paid compensation to be paid at the end of the fiscal year. Employees shall be entitled to carry over their unused sick leave in lieu of receiving additional paid compensation. However, upon separation of employment, no payment shall be made for

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accrued sick leave. The BOARD must approve all leave buy-outs to executive officers of the CORPORATION.

- 4.7 Excused Leave is an excused absence and shall occur when an employee has no Permissible Sick Leave on the books to cover the absence and a valid statement from a doctor or other recognized professional care provider excusing the employee from work is provided to the Human Resources Manager.
- 4.8 Unexcused Leave is an absence which is not Annual Leave or Excused Leave as set forth herein above. Unexcused Leave is an unexcused absence and will result in disciplinary action which shall be noted in the employee's personnel file.
- 4.9 Compensatory Time Off ("CTO") is time from an employee's regular work schedule instead of overtime payment for an equal amount of irregular or occasional overtime work. CTO is granted by the PRESIDENT or his/her designee.
- 4.10 Bereavement Leave may be granted at the discretion of the PRESIDENT to allow all Regular Full-Time and Regular Part-Time Employees up to three (3) days Bereavement Leave, with pay, in conjunction with a death in his/her immediate family. Immediate family is defined as spouse, registered domestic partner, parents, grandparents, parents of spouse, children, step-children, step-parents, brother, sister, and grandchildren.
- 4.11 A leave of absence shall be granted to any employee who sustains a work-related injury or illness. Such leave time will simultaneously count toward any available Family Care and Medical Leave ("FML") time if the injury qualifies as a serious medical condition. An employee returning from a Workers' Compensation leave of absence must present a physician's certificate releasing the employee to perform the essential functions of the job to which he/she is being reinstated, with or without reasonable accommodation. An employee who is released for light duty assignment and who qualifies for serious FML is not required to accept the light duty work during the period of FML coverage.
- 4.12 The CORPORATION provides eligible employees with FML for up to twelve (12) weeks per year in accordance with California's Family Rights Act 1994 and the federal Family and Medical Leave Act of 1993 ("FMLA").

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- 4.12.1 To be eligible for family care and medical leave, an employee must (a) have worked for the CORPORATION for at least twelve (12) months; and (b) have worked at least one thousand two hundred fifty (1,250) hours in the twelve (12) months preceding the leave.
- 4.12.2 FML may be used for (a) the birth or adoption of an employee's child; (b) the placement of a foster child with the employee; or (c) the serious health condition of an employee's child, spouse, parent or domestic partner. FML may also be requested for an employee's own serious health condition. A serious health condition is one that requires either inpatient care in a medical facility or continuing treatment or supervision by a health care provider.
- 4.12.3 Employees are required to use paid annual leave for all medical leaves. Employees may elect to use paid annual leave for other types of family care leave.
- 4.12.4 Provided all the conditions of this policy are met, an employee may take a maximum of twelve (12) workweeks of family care and medical leave in a twelve (12) month period. The twelve (12) month period commences on the first day on which the first family care or medical leave is taken. Spouses who are both employed by the CORPORATION may take a maximum combined total of twelve (12) weeks of FML in a twelve (12) month period for the birth, adoption or foster care of their child. The substitution of paid leave for family care or medical leave does not extend the total duration of family care and medical leave to which an employee is entitled to beyond twelve (12) workweeks in a twelve (12) month period. FML taken for the birth, adoption or foster care placement of a child must be commenced within one year of the birth, adoption or placement and may not be taken intermittently or on a reduced schedule without the approval of the PRESIDENT. FML for the employee's own serious health condition, or for the serious health condition of the employee's spouse, parent or child, may be taken intermittently or on a reduced schedule where medically necessary. If leave is taken intermittently or on a reduced schedule, the CORPORATION retains the discretion to transfer the employee temporarily to an alternative position with

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equivalent pay and benefits which better accommodate the employee's leave schedule.

- 4.12.5 Except to the extent that other paid leave is substituted for FML, FML is unpaid. During FML, the CORPORATION shall continue to pay for the employee's participation in the CORPORATION's group benefits to the same extent and under the same terms and conditions as would apply had the employee not taken leave. If the employee fails to return from the leave at the expiration of twelve (12) weeks for a reason other than the recurrence or continuation of the health condition that brought about the leave or other circumstances beyond the employee's control, the CORPORATION can recover from the employee any health premiums paid by the CORPORATION on the employee's behalf during any unpaid periods of the leave.
- 4.12.6 Employees on FML accrue leave only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual under such paid leave policies.
- 4.12.7 Employees must provide thirty (30) calendar days written notice, including the anticipated date(s) and duration of the leave, of the need for FML for foreseeable events. If the employee fails to do so, the CORPORATION reserves the right to deny the leave until at least thirty (30) days after the date the employee provides notice. For events that are unforeseeable thirty (30) days in advance, but are not emergencies, the employee must provide notification as soon as he/she learns of the need for the leave. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee may be requested to reschedule the treatment so as to minimize disruption of the CORPORATION's business. Any request for extensions of an FML must be received at least five (5) working days before the date on which the employee was originally scheduled to return and must include the revised anticipated date(s) and duration of the FML. Any requests for medical leave for an employee's own serious health condition or for family care leave to care for a child, spouse, or parent with a serious health condition must be

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supported by medical certification from a health care provider. Failure to do so may result in the denial of foreseeable leaves until such certification is provided. In the case of unforeseeable leaves, failure to provide the required medical certification within fifteen (15) days of being requested to do so may result in a denial of the employee's continued leave. Any request for an extension of the leave also must be supported by an updated medical certification.

- 4.12.8 Employees timely returning from FML are entitled to reinstatement to the same or comparable position consistent with applicable law.
- 4.13 The CORPORATION provides eligible employees with Pregnancy Disability Leave ("PDL") in accordance with the California Fair Employment and Housing Act.
  - 4.13.1 Any employee who is disabled on account of pregnancy, childbirth or related conditions may take unpaid PDL for the period of actual disability of up to (4) four months.
  - 4.13.2 An employee taking PDL may substitute any accrued annual leave for all or a portion of the PDL. The substitution of paid leave for PDL does not extend the total duration of the leave to which an employee is entitled.
  - 4.13.3 The provisions of the CORPORATION's FML policy regarding Notice and Medical Certification Requirements (Sections 3.12.7) and Reinstatement (Section 3.12.8) also apply to all PDL.
- 4.14 The CORPORATION provides eligible employees with Disability Leave as required to reasonably accommodate employees with a qualified disability under state and federal law or with a workplace injury or illness.
  - 4.14.1 In addition to medical leaves described in Section 3.12, the CORPORATION may grant a temporary disability leave of absence if necessary to reasonably accommodate a qualified individual with a disability. The terms and conditions of disability leave will be in accordance with applicable state or federal law.
  - 4.14.2 Employees taking disability leave must comply with the FML provisions regarding substitution of Paid Leaves (Section 3.12.3) and Notice and Medical Certification Requirements (Sections 3.12.7).

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- 4.14.3 During a disability leave under this section, employees are not entitled to any continued employer contributions towards any employee benefit plans. An employee, however, may elect to continue participating in such benefit plans, at the employee's own expense, to the extent permitted by such plans.
- 4.14.4 During a disability leave under this section, the CORPORATION will hold the employee's position open or fill the position temporarily, unless doing so would create an undue hardship for the CORPORATION.
- 4.15 The CORPORATION provides eligible employees with leave of other legally required absences as set forth below. Employees having questions regarding this policy should contact the Human Resources Manager.
- 4.15.1 If the employee is the victim of domestic violence or sexual assault, time off may be necessary to seek judicial relief to help ensure the health, safety, or welfare of the employee or a child. This may include efforts to obtain a restraining order or other injunctive relief from a court. If an employee needs time off from work for one of these purposes or any other purpose protected by law, reasonable notice must be provided to the Human Resources Manager. If an unscheduled or emergency court appearance is required for the health, safety or welfare of the victim or a child, the employee must provide evidence from the court or prosecuting attorney that he or she has appeared in court after the court appearance.
- 4.15.2 Employees will be granted a leave of absence as required by law for any legally required absence (e.g., voting, jury duty, appearance as a witness in a legal proceeding, military reserve duty, or appearance at school by a parent when requested pursuant to the Education Code, performance of emergency duty by a volunteer firefighter, participation in illiteracy program, or participation in a rehabilitation program). Employees are required to provide reasonable advance notice of any need for such leave and are expected to return to work each day or portion of the day that is not scheduled for jury duty or called as a witness. For Non-Exempt Employees, this leave will be unpaid. Exempt Employees will be paid as required under wage and hour laws.

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- 4.16 Employees who are the parents, guardians or custodial grandparents of a child in kindergarten through 12<sup>th</sup> grade will be granted unpaid leave from work to attend a school activity. Such leave will be limited to no more than eight (8) hours in a calendar month, up to a maximum of forty (40) hours per fiscal year. Employees must give reasonable notice of the planned leave. The CORPORATION may request that the employee produce supporting documentation to substantiate the leave.
- 4.17 Military and Military Spouse leave will be granted in accordance with state and federal Law. Employees who are required to serve in any branch of the Armed Forces of the United States will be given the necessary time off. Full-time employees will be paid the difference between their normal rate of pay and the military pay for up to two (2) weeks.
- 4.18 Employees who do not have sufficient time outside of their regular working hours to vote in a statewide or national election may request time off to vote. If possible, employees should make their request at least two (2) days in advance of the election. Up to two (2) hours of paid time-off will be provided at the beginning or end of the employee's regular workday, whichever will allow the most time for voting and the least time off from work.
- 4.19 Employees may request payments in lieu of annual leave each fiscal year which shall not exceed eighty (80) hours. The employee must retain forty (40) hours of accrued annual leave at all times. The PRESIDENT may at his/her discretion approve a payment in lieu of annual leave in excess of eighty (80) hours and/or less than forty (40) hours accrued.
- 4.20 Any Regular Full-Time/Regular Part-Time Employee duly called by public authority to serve on any jury shall be entitled to absence from work during the period of such services or while necessarily being present in court as a result of such call. The employee shall be paid the difference between his/her full salary and any payment received, except travel pay and parking, for such duty. The employee is required to turn over proof of such jury duty payment to the CORPORATION's Chief Financial Officer and will be paid the difference between his/her salary and any payment received.
- 4.21 A terminated employee shall be entitled to receive pay for accrued vacation leave. Such payment shall be made in a lump sum on the effective date of termination. For an employee who voluntarily resigns without notice or has given less than seventy-two (72)

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hours notice prior to resigning, all accrued vacation leave is due and payable within seventy-two (72) hours after the last hour of work. If the employee gives more than seventy-two (72) hours notice, all accrued vacation leave is due and payable at the time he/she leaves.

- 4.22 From time to time, the CORPORATION may close its facilities due to unforeseen circumstances beyond its control, such as uninhabitable office facilities, highway closures, fires, earthquakes or inclement weather. Employees who are absent on vacation leave or pre-authorized sick leave will be permitted to rescind this leave and use it at a later date. The rescinding of leave does not apply to those employees who submit a sick leave request at the time the office is closed.