

FAMILY AND MEDICAL LEAVE (FMLA) POLICY

What is it? The Family and Medical Leave Act is a federal law which entitles an eligible employee to take up to twelve (12) weeks of unpaid, job-protected leave for certain family, military and medically related absences and up to twenty six (26) weeks of leave to care for an injured or ill servicemember. With limited exceptions, an eligible employee generally is entitled to be restored to his or her original position, or a position that is equivalent in terms of compensation, benefits and other terms and conditions of employment, after the leave has ended. The FMLA does not supersede any state or local law or collective bargaining agreement that may provide increased protection or greater benefits. All references to “the Company” in this policy are to your Worksite Employer and you should look to your Worksite Employer for information about your rights and responsibilities under the FMLA, unless your Worksite Employer has designated another entity or organization to act on its behalf with respect to a specific issue or question.

Only Applies to Employers. Only private employers who employ 50 or more employees for each working day during each of 20 or more calendar weeks in the current or preceding calendar year are covered employers under the FMLA. Pursuant to regulations issued by the U.S. Department of Labor, [name of PEO] is not an employer for purposes of the FMLA because it performs administrative employer functions such as payroll processing, benefits administration, regulatory compliance, and promulgating generic policies without sharing or co-determining wages, working conditions, or other worksite specific terms and conditions of employment that are determined by your Worksite Employer. Therefore, unless your Worksite Employer alone meets the requirements to be deemed a covered employer under the FMLA (i.e., 50 or more employees)—and you will be informed by your Worksite Employer if it does-- you will not be entitled to the rights and protections of the FMLA merely because of the co-employment relationship between First Financial Employee Leasing Inc. and your Worksite Employer or your receipt of this Handbook.

General Eligibility Requirements. Under the FMLA, an eligible employee is one who has been employed by the Company for at least twelve (12) months and has worked at least 1,250 hours in the 12-month period directly preceding the first day of requested leave. In addition, the employee must be employed by an employer who employs 50 or more employees within 75 miles of the worksite where the employee who has requested leave works. In addition, an employee on leave due to a workers’ compensation injury will have the leave designated as FMLA leave without a specific request from the employee if the injury meets FMLA criteria. The FMLA makes it unlawful for an employer to interfere with, restrain, or deny the exercise of any right provided under the FMLA. In addition, the law prohibits discharge or discrimination against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to enforcement of the FMLA.

Basic FMLA Leave. All employees who meet the time-of-service and other requirements are eligible for FMLA leave for the following reasons:

- * birth and care of a newborn child;
- * placement of a child with the employee for adoption or foster care;
- * to care for a spouse, child, or parent with a serious health condition;

- * due to a serious health condition that renders the employee incapable of performing the functions of the job;
- * Because of any qualifying exigency (as described below) arising out of the fact that the employee's spouse, son, daughter or parent is on active duty or has been notified of an impending call or order to active duty in the Armed Forces in support of a contingency operation.

The Company uses a "rolling" 12 month period upon which FMLA leave eligibility is based. Under this method, each time FMLA leave is requested, the available leave entitlement is the balance of the 12 weeks that has not been used during the immediately preceding 12 months. If spouses are employed, FMLA leave is limited to a combined twelve (12) weeks total for both, if the leave is for the birth or care of a newborn child or the placement of a child for adoption or foster care. The Company will not grant leave for childbirth, adoption or placement after twelve (12) months have passed from the date of birth, adoption or placement.

Serious Health Condition. In general, a serious health condition is an illness, injury, impairment or physical or mental condition that involves inpatient care (e.g., an overnight stay in a hospital) and related treatment OR incapacity (defined as an inability to work, attend school, or perform regular daily activities) for three consecutive full calendar days and continuing treatment by a health care provider (at least two visits within 30 days of the first day of incapacity or one visit and a regimen of prescribed treatment). The first visit to the health care provider in either case for continuing treatment must be within seven (7) days of the first day of incapacity. The definition of serious health condition also includes any incapacity due to pregnancy or prenatal care, a chronic serious health condition (e.g., asthma, epilepsy, diabetes), a long-term condition (e.g., Alzheimer's or terminal stages of disease), or a condition that requires multiple treatments (e.g., chemotherapy or radiation for cancer, physical therapy for severe arthritis, or kidney dialysis). Ordinarily, unless complications arise, ailments such as the common cold or flu, upset stomach, headaches, or routine dental problems do not qualify as serious health conditions.

Qualifying Exigency. FMLA leave may be used for any of the following in the situation involving an employee's spouse, son, daughter or parent who is on active duty or who is called to active duty status in the National Guard or Reserves in support of a contingency operation: for situations involving short-term deployment; for attending military events or activities; for making childcare and school arrangements; for addressing financial and legal arrangements; for periods of rest and recuperation; to attend counseling provided by someone other than a healthcare provider; for attending post-deployment briefings or events; and for other activities arising out of active duty service or call to active duty that are agreed upon by the employee and the employer. The Company has the right to obtain documentation to support qualifying exigency FMLA leave and may provide forms for the employee to complete and return.

Servicemember Family Leave. In addition, an eligible employee is entitled to take up to 26 workweeks of leave during a rolling 12-month period measured backward from the date an employee uses this leave to care for a spouse, son, daughter, parent, or next of kin (i.e., nearest blood relative) who is a current member of the Armed Forces, including a member of the National Guard or Reserves, and who has been rendered medically unfit to perform his or her duties due to a serious injury or illness incurred in the line of duty while on active duty and is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list. However, during the 12-month period, such 26 workweeks is the maximum amount of leave for any qualifying reason that an employee can

take, whether due to care for an eligible servicemember or for any other reason authorized by the FMLA. In addition, if a husband and wife both work for the employer, the aggregate number of workweeks available is 26 workweeks total for both spouses. In all other respects, servicemember family leave shall be provided and regulated under the rules applicable to other forms of FMLA leave.

Notice and Documentation Requirements. An employee requesting leave should submit a written request to their supervisor or a designated Company official. The completed request must state the reason for the leave, duration of the leave, starting and return to work dates. Employees expecting a birth, adoption or placement of a child, or a planned medical treatment must submit the request for leave at least thirty (30) days before the leave is to begin. If leave is requested to begin less than thirty (30) days from the employee's request, the employee must give notice as soon as the need for leave arises. If the need for leave is unforeseen, an employee generally must provide the request as soon as practicable. A request for FMLA leave must be based on a Medical Certification form or other documentation which will be given to you in blank for you to complete and return, ordinarily within fifteen (15) days. Failure to timely request leave or submit the applicable Medical Certification or other documentation may result in denial of the leave until such time as a proper request or supporting documentation is supplied. If a Medical Certification or other supporting documentation is required and is not provided, the leave may not be considered FMLA qualified and may result in the loss of protection provided for the absence. When an employee requests leave, the Company will inform the employee whether he or she is eligible for the leave requested under the FMLA. If the employee is eligible, he or she will be given notice of any additional requirements that may apply and may be provided with additional forms to complete and return. If the employee is not eligible for the leave sought, he or she will be given a written notice stating the reason for ineligibility. If the FMLA leave is approved, the employee is expected to keep in contact with the Company during the leave, to comply with the Company's regular call-in procedures for absent employees (unless excused), and to answer inquiries from any designated Company spokesperson with regard to the employee's status and intended return date. Likewise, if there is a change in the employee's status, the employee must bring the change to the prompt attention of the Company.

Intermittent or Reduced Schedule Leave. In some cases, FMLA leave may be taken on an intermittent basis (i.e., less than a full day) if medically necessary (or deemed necessary by military authorities in the case of qualifying exigency leave) or the employee's work schedule may be reduced or restructured to accommodate the situation. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the Company's operations. Except for extraordinary cases, which require specific Company approval, intermittent leave will not be available for leave requests involving childbirth, adoption or placement. With approval and dependent on availability, an employee may be transferred temporarily to another position in the Company for which the employee is qualified to better accommodate recurring periods of leave. Seniority and employment benefits do not accumulate during an FMLA leave, but any such benefits that have accumulated before the leave is taken will not be lost.

Pay and Benefits. Leave taken under the FMLA is unpaid. However, unless the employee voluntarily chooses to do so (which is his or her right under the FMLA), the Company will require the employee to substitute any accumulated but unused vacation, sick or personal leave in conjunction with any FMLA leave, as determined by the Company's already-existing paid leave policies. The Company is not required to provide paid FMLA leave in any situation in which it would not ordinarily provide paid leave outside the FMLA context. During FMLA leave,

an employee's insurance coverage under any "group health plan" will remain in force under the same conditions as if the employee had continued working. However, the employee must continue to make any contributions that he or she made to the plan while working (such contributions will be deducted as usual if the leave is paid leave). Failure by the employee to timely pay his or her share of the premium may result in loss of coverage. Moreover, if an employee does not return to work after leave and the Company had paid any portion of the insurance in the employee's absence, the employee must reimburse the Company for the portion it paid on the employee's behalf. This does not apply if the employee does not return from leave due to a serious health condition or circumstances beyond the employee's control. Health insurance benefits will not be maintained after the twelve (12) week FMLA period expires if the employee does not return to work; however, the employee will be entitled to his or her applicable rights under COBRA.

Restoration and Return to Work. Most employees are entitled after FMLA leave to be restored to their original job or an equivalent position, generally with the same pay and benefits as when the employee went on leave. In addition, the use of FMLA leave cannot result in the loss of any employment benefit that was available to the employee prior to the start of the leave. You will be given written notice if you fall into the limited class of employees who can be denied restoration under certain circumstances (i.e., highly compensated salaried employees whose restoration would cause the employer substantial and grievous economic injury). Following any medical leave involving the employee, a fitness to return to work will be required from the treating health care provider before the employee will be allowed to return to work. If an employee fails to return to work on the day noted on the leave request (or on such date subsequently agreed for return), it will be considered a voluntary resignation by the employee. A leave request may be investigated at the discretion of the Company and any deliberate falsification of an FMLA leave request, Medical Certification, or other documentation may result in disciplinary action, up to and including termination.

Enforcement & More Information. If you have any questions about your rights or responsibilities under the FMLA, ask your supervisor or other designated Company official for assistance. An employee who believes his or her rights have been violated may file a complaint with the U.S. Department of Labor or bring a private lawsuit. General information on the FMLA also is available on the website of the U.S. Department of Labor at www.dol.gov.