



FMLA - Rolling Backwards Method For Hourly Bargaining Unit

2021/10/29



AGENDA

- Background
- 12 Month Methods - Calendar and Rolling Backward
- Transition Period
- Employee Notice
- Talking Points



BACKGROUND

FMLA is a federal statute regulated by the US Department of Labor (DOL):

- Eligible employees are entitled to up to 12 weeks of unpaid, job-protected leave during the designated leave year
 - DOL prescribes four different options for how an employer may track the leave year
- Leave may be taken for:
 - Employee's own serious health condition
 - Care of a family member with a serious health condition
 - Baby bonding
 - Certain military exigency situations
- An employer may not interfere with an employee exercising their rights under the FMLA statute; the DOL may assess penalties
- DOL regulations provide a broad definition of "serious health condition"
- DOL regulations limit an employer's ability to question the need for leave
- DOL regulations prescribe the length of time employees have to certify an FMLA claim and the length of time employers have to approve claims and adjudicate absences

FMLA eligibility requirements:

- Employee must have at least 12 months of service with their employer
 - Periods of temporary and part-time work contribute to the service requirement
- Employee must have worked 1,250 hours in the 12 months immediately preceding the first date for which FMLA leave is taken
- Employee may take leave for multiple reasons (e.g., employee takes leave for own condition and to care for family); however, the combined leave is limited to 12 weeks each year
- Employee must provide complete medical certification from a health care provider supporting the need for leave for each serious health condition and for each family member requiring care by the employee
- Employee must comply with DOL-allowed recertification requests in order to maintain eligibility
- Eligibility resets when a new leave year starts

October 12, 2011

(179) Family and Medical Leave Act of 1993

International Union, UAW

Attention: Mr. General Holiefield

Dear Sirs:

During these negotiations, the parties discussed the Family and Medical Leave Act (FMLA) of 1993, as amended. The Company assured the Union that it will comply with the provisions of the FMLA.

Pursuant to the Company's present plan for compliance with the FMLA, the Company's rights under the Act will be modified to:

- Provide that an employee on FMLA Leave will continue to accumulate seniority in the same manner as the employee also would be eligible under Section (66)(a) and (78)(a) of the Office, Clerical and Engineering and Production and Maintenance Collective Bargaining Agreements, respectively, as appropriate;
- Permit but not require employees to substitute vacation and/or excused absence allowance for unpaid FMLA Leave;
- Provide that employees who are married to each other will be each entitled to a maximum of 12 weeks of qualifying leave under the Act;
- Provide that, when a third opinion is necessary under the medical certification and dispute resolution sections of the FMLA, the neutral provider will be selected jointly by the Company and the Union from a list, provided by the appropriate local or state professional medical association, of board-certified specialists in the field of medicine in which the point of controversy exists;
- Continue Company-paid Group, Life, Accidental Death and Dismemberment, and Disability Insurance during all FMLA Leaves that are not also Chrysler-UAW Medical Leaves as if such leaves were Chrysler-UAW Personal Leaves of Absence.

In addition, the Company's plan for compliance would:

- Not automatically designate and apply absence time that is compensated under the Sickness and Accident Insurance

provisions of the Life, Disability and Health Care Benefits Program against an eligible employee's FMLA entitlement.

- Use, initially, a calendar year as the 12-month period of the leave entitlement (for example: in 1993, from the effective date through December 31, 1993; in 1994, from January 1, 1994 through December 31, 1994);
- Require repayment of the cost of health care coverage provided during the leave from employees who fail to return from FMLA Leave to the extent permitted by law.

The Company may make changes in its compliance plans to reflect final regulations and/or subsequent court decisions and the gaining of additional administrative experience but without reducing leaves provided by the Collective Bargaining Agreement.

Problems related to the implementation of this letter may be discussed by representatives of the UAW National Chrysler Department, and the Company's Employee Relations Staff.

Very truly yours,
 CHRYSLER GROUP LLC
 By A. A. Iacobelli

Accepted and Approved:

INTERNATIONAL UNION, UAW
 By General Holiefield



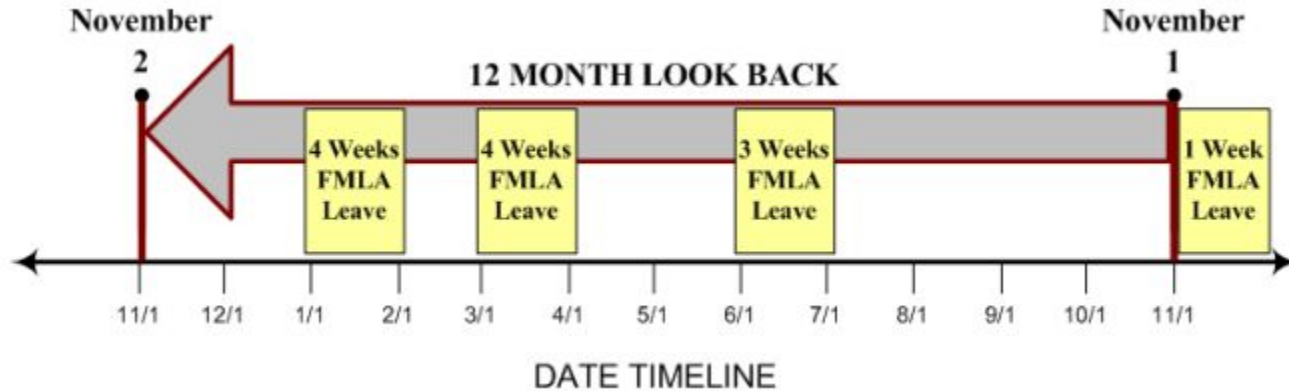
12 Month Methods - Calendar and Rolling Backward

- Under the current Calendar Year method, each eligible employee receives a new “bank” of 12 weeks of FMLA leave each January 1st, under the “rolling” 12-month period, each time an employee takes FMLA leave the remaining leave entitlement would be any balance of the 12 weeks which has not been used during the immediately preceding 12 months
- Under the Rolling Backwards method:
 - An employee is entitled to 12 weeks of FMLA leave within a 12 month period starting from their first day of absence
 - Once an eligible employee takes a day of FMLA leave, the time used is not gained back to the employee’s “bank” for 12 months
 - When the employee takes a day of FMLA leave, we look back to determine how much of their 12 weeks they have used during the preceding 12 month

Examples:

- Intermittent Leave Claim:
 - Employee misses 8 hours of intermittent time on August 19, 2021
 - This employee will not regain the hours used on August 19, 2021 until August 19, 2022
- Continuous Leave Claim:
 - Employee misses 12 weeks of FMLA for a continuous leave (8 hours per day) starting on August 19, 2021 and exhausts all available time in November 2021
 - This employee will not begin to regain the time used until August 19, 2022, at which time they will gain back 8 hours of leave time per day over 12 weeks
- Multiple Leave Claims:
 - Employee misses 8 hours of intermittent time on August 19, 2021
 - Employee misses 4 weeks (160 hours) for a continuous leave starting on September 1, 2021
 - Until August 19, 2022, the employee will have 312 hours of available FMLA time to use (480 total hours less 168 hours used)
 - The employee will regain 8 hours on August 19, 2022 and then begin to regain 8 hours per day starting on September 1, 2022

Patricia requests 2 weeks of FMLA leave to begin on November 1st. Her employer looks back 12 months to the previous November 2nd and sees that she used 4 weeks of FMLA leave beginning January 1st, 4 weeks beginning March 1st, and 3 weeks beginning June 1st. Patricia has used 11 weeks of FMLA leave in the preceding 12 month period and only has 1 week of FMLA-protected leave available. After she takes the 1 week in November, Patricia can next take FMLA leave beginning January 1st as the days of her previous January leave “roll off” the leave year.

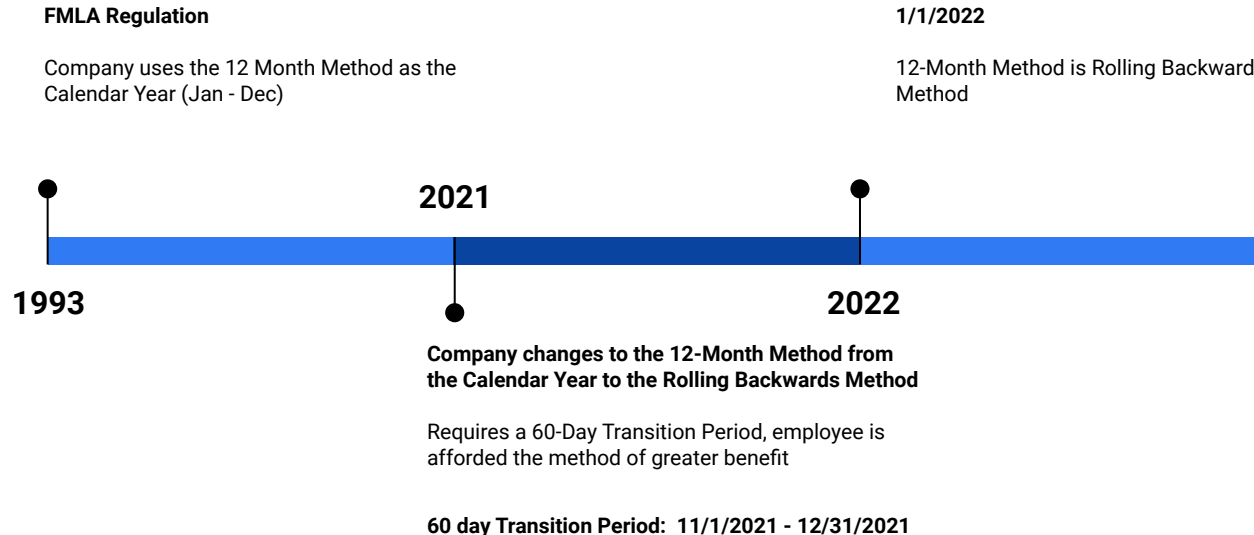




Transition Period

FMLA Reg: “An employer wishing to change to another alternative is required to give at least 60 days notice to all employees, and the transition must take place in such a way that the employees retain the full benefit of 12 weeks of leave under whichever method affords the greatest benefit to the employee.”

During the 60 Day Transition Period - We have to give employees the greater benefit of what constitutes their 12 months when we first make the change, it would be most effective to do this when employees are normally starting new claims which is 1/1/2022.





Employee Notice

Facility Posting:

NOTICE OF AN IMPORTANT CHANGE REGARDING OUR FEDERAL FAMILY AND MEDICAL LEAVE COMPLIANCE AND PLAN ADMINISTRATION

The Family and Medical Leave Act (FMLA) provides eligible employees up to 12 work weeks of unpaid, job-protected leave for qualified family and medical reasons within a 12 month period. Effective January 1, 2022, we will begin calculating an employee's entitlement on a "rolling" 12 month period, measured backward from the date of an employee's first use of FMLA leave for a given qualifying event. This letter fulfills the requirement to provide 60 days notice of the change to all employees.

This method will ensure continued access to the FMLA entitlement for eligible employees. It will provide employees with greater transparency into the process, a more efficient service delivery model and improved administration.

Current method: We use the calendar year as the 12 month measuring period for FMLA; this means that eligible employees are entitled to 12 unpaid weeks starting each January 1st which can be used through December 31st.

New Method: Beginning January 1, 2022, our method for calculating the 12 month period will change to a "rolling" 12 month period measured backward from the date of an employee's first use of FMLA leave for a given qualifying event. With this method, when an employee requests FMLA leave, we will look back 12 months and determine the total amount of FMLA used. That amount will be subtracted from the 12 week maximum and the balance, if any, is the amount of leave currently available for use. An employee will regain FMLA entitlement for time used 12 months after the date the time was used.

During the 60 day transition period, any employee who takes FMLA between now and December 31, 2021, will do so under the 12 month period which is of the greatest benefit to that employee.

For Wisconsin employees: Per Wisconsin law, leave entitlements under Wisconsin's Family and Medical Leave are calculated on a calendar year beginning on January 1st and ending on December 31st of each year. The change to the Federal FMLA calculation method will not impact how your entitlement is calculated under the Wisconsin Family and Medical Leave.

You may refer to Corporate Policy 3.9 for more information regarding FMLA rights and responsibilities.

Hourly Employees: Please direct questions you have regarding your eligibility and entitlement for FMLA to Sedgwick at (888)322-4462 or go to mySedgwick at <https://www.mysedgwick.com/FCA>.



Talking Points

The Company has the right to change the 12-month method from the calendar year to the rolling backwards method under the FMLA Regulation and Letter 179 which states the Company will use initially the calendar year method.

The 12-month Rolling Backwards method will ensure continued access to the FMLA entitlement for eligible employees. It will provide employees with greater transparency into the process, a more efficient service delivery model and improved administration.

Under the “rolling” 12-month period, each time an employee takes FMLA leave, the remaining leave entitlement would be the balance of the 12 weeks which has not been used during the immediately preceding 12 months.

Example:

- Employee requests leave on May 1, 2022.
- Sedgwick will look back 12 months to see if employee used any leave after May 1, 2021.
- Employee used 4 weeks of leave in the month of July 2021.
- Employee has 8 weeks of leave immediately available as of May 1, 2022.
- Employee will have an additional 4 weeks of leave available after July 1, 2022, as the days start dropping off and become available for use.

During the 60-day transition period, any employee who takes FMLA between 11/1/21 and 12/31/21, will do so under the 12-month period which is of the greatest benefit to that employee. Sedgwick will manage the process and determination.

Employees that are currently on an approved FMLA leave during the current Calendar Year (prior to January 2022) will continue to be in a certified and approved status through the end of the identified FMLA period. For these employees there is no need for any action to be taken, until the time already approved has ended, or additional FMLA is requested.

Refer employees to Sedgwick at (888)322-4462 or encourage them to log into mysedgwick at <https://www.mysedgwick.com/FCA> for FMLA administrative questions.