

FLEXIBLE TIME OFF (FTO)

Flexible Time Off (FTO) is provided for employees to be away from work due to vacation, illness, or other personal requirements. FTO is a combination of and substitute for sick and vacation days. The established FTO period is from January 1 through December 31 of the same year.

Eligible employees accrue FTO hours for each pay period on a pro-rated calendar year basis. Only employees regularly working 30 hours or more a week will accumulate FTO hours. Employees will not earn FTO while on any type of leave. The beginning of accumulation of FTO hours for new employees, and changes in the accumulation rate for existing employees, will take place at the beginning of the pay period on or following the qualifying date (i.e. the 1st or 16th of the month).

In a calendar year full-time employees will be granted FTO, according to the following schedule:

	<i>Full Months of Service</i>		
	0-23	24-59	60+
Hours of FTO accrued for each pay period (24 per year).	5	6.67	8.33
Maximum annual accrual.	15 days	20 days	25

The per pay period accrual rate will increase on the employee's second and fifth anniversary date.

For full-time employees working 30 to 39 hours, the FTO accumulation rate is proportionate to the number of hours worked. For example, a 32 hour/week employee will accumulate FTO hours at 80% of the normal rate (4 hours/week for new employees; 5.33 hours/week for two year employees, etc.). When such an employee takes a day off, the hours deducted from his/her FTO balance will be the number of hours normally worked on that day.

The company encourages employees to take all of their FTO entitlement each calendar year. Time away from work to relax and pursue special interests is important to everyone.

An employee who believes that they will be carrying over FTO from one calendar year to another will be required to have prior management approval. Employees are discouraged from carrying over more than a maximum of 80 hours of FTO from one calendar year to the next. The company may require an employee that has carry over in excess of the maximum 80 hours to use that time before the end of the current calendar year.

So that the company may schedule work and plan for business requirements, employees should give as much notice as possible in scheduling FTO time. If there are conflicting dates, preference will be given to the employee who has the most seniority. A more junior employee who already has an approved FTO date will not, however, be bumped by a more senior employee.

FTO hours for scheduled vacations may be used only in full day increments. Employees may have negative balances of FTO hours; managers should not approve requests for time off if this would result in more than three days of negative hours.

If planned FTO has to be canceled due to the needs of the company and an employee is unable to reschedule the FTO within the year, the company reserves the option of paying the employee in lieu of taking the canceled FTO or to allow rescheduling of that FTO or increasing the number of hours carried over to the next calendar year.

For exempt employees, working any part of the day will result in credit for working the entire day; FTO hours do not need to be used for the remainder of a day when the employee goes home sick. For non-exempt employees, hours missed will be charged against your FTO hours.

If an employee leaves the Company, he will be paid for accrued but unused FTO computed at the rate of pay earned upon separation.

Pay for FTO days will be paid on the regular pay cycle. FTO days are not used in calculating overtime hours.

For employees who are not eligible for FTO, sick and vacation days will be unpaid.