

## New Paid-time-Off Program Effective Jan 1, 2010

Schuster Company believes that drivers should have opportunities to enjoy time away from work to help balance their lives. Schuster Company recognizes that drivers have diverse needs for time off from work. Schuster Company has established this paid time off (PTO) policy to meet those needs. The policy contains provisions for vacation time and sick leave. The benefits of PTO are that it promotes a flexible approach to time off. Drivers are accountable and responsible for managing their own PTO hours to allow for adequate reserves if there is a need to cover vacation, illness or disability, appointments, emergencies or other needs that require time off from work.

### Procedure

### Eligibility

PTO is accrued upon hire or transfer into a benefit-eligible position. Eligible drivers must be scheduled to work at least forty hours per week on a regular basis. Drivers working less than 40 hours per week on a regular basis, on-call and temporary drivers are not eligible to accrue PTO.

### Availability

PTO accruals are available for use in the pay period following completion of 60 days of employment. All hours thereafter are available for use in the pay period following the pay period in which they are accrued.

### Accrual and Payment of PTO

Accruals are based upon paid hours up to 3640 hours per year. Length of service determines the rate at which the driver will accrue PTO. PTO does not accrue on unpaid leaves of absence or PTO cash outs upon termination. Drivers become eligible for the new higher accrual rate on the first day of the pay period in which the employee's anniversary date falls.

Years of Service	Accrual Rate per Week	Annual PTO Accrual*	Maximum Accrual**
Less than one year	1.08	7 days (56 hours)	7 days (56 hours)
One to Nine years	2.15	14 days (112 hours)	7 days (56 hours)
10 to 19 years	3.23	21 days (168 hours)	7 days (56 hours)
20 or more years	4.31	28 days (224 hours)	7 days (56 hours)

\*Annual PTO Accruals are based on a driver having 3640 paid hours per year (70 hours per week).

\*\*No PTO hours will accrue beyond the maximum accruals listed.

## **Use and Scheduling of PTO**

Whenever possible, PTO must be scheduled in advance for time off for vacations, personal leave appointments or other reasons. It is subject to supervisory approval, driver staffing needs and established procedures. Unscheduled absences will be monitored. An driver will be counseled when the frequency of unscheduled absences adversely affect the operations of the department. The supervisor may request the employee provide a statement from his or her health care provider at any time concerning the justification for an unscheduled absence. PTO may not be used for missed time because a driver reports late to work. PTO is paid at the previous ten weeks average. Drivers are required to use available PTO when taking time off from work with the exception of a company-required absence due to low workload or absences occasioned by the company. PTO may be taken in increments of four hours. Drivers may not borrow against their PTO banks; therefore, no advance leave will be granted. When PTO is used, a driver is required to request payment of PTO hours.

## **Payment upon Termination**

After 1 year of employment, a driver will be paid upon resignation, separation or retirement for all PTO hours accumulated but not used in accordance with state law requirements.

## **Cash Out**

After one year of service, drivers are eligible to cash out their leave. Leave balances in excessive of 56 hours must be cashed out. For leave cash out, eligible drivers are required to indicate the cash out amount on their time sheet. The benefit will be paid in the next regular pay cycle.

We understand this is a new system and might be confusing. We are changing to this system to align us with the Federal Government's proposed requirements. This system will allow drivers the flexibility to use PTO for their individual needs. Please talk to Pam, Sondra, Erica, Leon, Kent or your dispatcher regarding any concerns.

### **Month-to-Date PTO Accrual Hours**

To help address planned vacations, PTO accruals for 2010 will be posted to your PTO bank Jan. 1, 2010, and available to use immediately. Additional accruals will begin to accrue each week to be used in 2011. To show you how your PTO will accrue for 2010 to be used in 2011 please see the chart below.

To allow you to plan, cumulative accruals by months end during 2010 will be as follows:

Years of Service	Jan	Feb	Mar	Ap	Ma	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1 yr	4.32	8.64	12.96	17.28	22.68	27	32.4	36.72	41.04	46.44	50.76	56.0
2 yrs - 9 yrs	8.6	17.2	25.8	34.4	45.15	53.75	64.5	73.1	81.7	92.45	101.05	112.0
10yrs – 19 yrs	12.92	25.84	38.76	51.68	67.83	80.75	96.9	109.82	122.74	138.89	151.81	168.0
20 or more yrs	17.24	34.48	51.72	68.96	90.51	107.75	129.3	146.54	163.78	185.33	202.57	224.0

We understand this is a new system and might be confusing. We are changing to this system to align us with the Federal Government's proposed requirements. This system will allow drivers the flexibility to use PTO for their individual needs. Please talk to Erica, Sondra, Pam, Leon, or Kent regarding any concerns.