



# Your Time Off Policy

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# Introduction

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## About the Time Off Policy

This is a summary of the Kimberly-Clark Corporation (Kimberly-Clark, K-C, or the Company) policy related to time off in effect on January 1, 2020. It describes vacation benefits, holidays, and other types of time off.

Generally, all time off benefits and provisions described in this policy apply to salaried and hourly paid employees not covered by a collective bargaining agreement (CBA) and not classified as temporary/intermittent, intern or co-op. Any differences in eligibility will be noted where applicable. Hourly paid employees covered by a CBA should refer to their CBA or contact their HR Representative with questions about available time off benefits.

This policy doesn't establish processes used by mill locations to coordinate the scheduling of time off for hourly paid employees as each mill has unique scheduling needs. Refer to your mill's procedure for scheduling time off.

Time off allotment balances for vacation, negotiated leave (if eligible), flex days (if eligible and elected), personal holidays and paid sick leave can be viewed in Workday by choosing Time >View Time Off Balances.

# Vacation

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## Eligibility

You're eligible for vacation if you're an active full-time or part-time (regularly scheduled 20 or more hours per week) salaried or hourly paid employee not covered by a CBA and not classified as temporary/intermittent, intern or co-op.

## Overview

K-C's vacation policy is designed to attract and retain employees as well as promote their health and well-being by encouraging them to plan for and use time away from work.

## How You Earn Vacation

Your vacation allotment is based on the length of your continuous employment and scheduled work hours. The following charts show vacation allotment for the initial year of hire and how you earn vacation for years of completed service.

### Vacation Allotment—Initial Year of Hire

In the year you're hired, the amount of vacation you earn depends on the month in which you're hired and your regularly scheduled weekly work hours as shown below. Vacation is available as of your first day of active employment.

<b>Month of Hire</b>	<b>Allotment if regularly scheduled to work 30 or more hours per week</b>	<b>Allotment if regularly scheduled to work less than 30 hours per week</b>
January	80 hours	40 hours
February	80 hours	40 hours
March	72 hours	36 hours
April	64 hours	32 hours
May	56 hours	28 hours
June	48 hours	24 hours
July	40 hours	20 hours
August	32 hours	16 hours
September	24 hours	12 hours
October	16 hours	8 hours
November	8 hours	4 hours
December	0 hours	0 hours

### Vacation Allotment—Ongoing Years

After your initial year of hire, the amount of vacation you earn is based on your years of service and regularly scheduled weekly work hours as shown below:

Years of Service	Allotment if regularly scheduled to work 30 or more hours per week	Allotment if regularly scheduled to work less than 30 hours per week
1 – 4	80 hours	40 hours
5 – 11	120 hours	60 hours
12 – 17	160 hours	80 hours
18 – 24	200 hours	100 hours
25 or more	240 hours	120 hours

Vacation allotments are effective January 1 to December 31.

You become eligible for the following year's vacation allotment based on your employment status as of December 31. If you're on Long-Term Disability (LTD), unpaid personal leave, or extended military leave (more than 12 continuous months) on December 31, you're not eligible for the following year's vacation allotment until you return to active employment.

The amount of your vacation allotment is based on the number of years of service you'll have completed as of your anniversary date. For example, if you were hired in May 2012, your 2020 vacation allotment would be based on eight years of service. In a year when your continuous service earns you additional vacation hours, your allotment will increase as shown in the chart above.

### If You're Rehired—Restored Service

If you separate from service after at least one year of continuous service and rehire within 12 months of your separation date, here is how vacation is handled:

- Separation and rehire within the same calendar year—you're not eligible for a new vacation allotment in that year as your unused vacation balance would have been paid to you upon your separation date. You'll be eligible for a vacation allotment in the year following rehire based on total years of service.
- If you're rehired within 12 months of your separation date in a subsequent calendar year, your prior years of service will be considered for purposes of calculating your vacation allotment. In the year of rehire, your allotment will be pro-rated based on month of rehire as shown below:

Month of Hire	Percentage of Total Vacation Allotment	<b>Example:</b> If you have 12 years of prior service, your total vacation allotment would be 160 hours. If rehired in August, you'd receive 80 hours of vacation (50% of 160 hours) in year of rehire.
January-March	100%	
April-June	75%	
July-September	50%	
October-December	25%	

In the year following rehire, you'll be eligible to receive the full vacation allotment based on your prior years of service. Using the example above, you'd be eligible for 160 hours of vacation in year following rehire.

If you're rehired after 12 months of separation, prior years of service will not be considered when calculating vacation allotment. In the year you're rehired, your vacation allotment will be based on the schedule shown in the Vacation Allotment—Initial Year of Hire chart. Following years of service will be based on your rehire date.

### **Mid-Year Change to Scheduled Weekly Work Hours**

For benefit eligibility, "full-time" is defined as regularly scheduled to work 30 or more hours per week, and "part-time" is defined as regularly scheduled to work less than 30 hours per week.

**Full-Time to Part-time Status Change:** You retain your full vacation allotment based on the full-time schedule until the end of the year. Your vacation allotment for the year following your status change will be based on your scheduled weekly working hours as of December 31.

**Part-Time to Full-Time Status Change:** You'll receive an adjustment to your vacation allotment. For example, if you have 12 years of service, your total vacation allotment would be 80 hours while on a part-time schedule; upon your transition to full-time status, your total vacation allotment would be adjusted to 160 hours. Your vacation allotment for the year following your status change will be based on your scheduled weekly working hours as of December 31.

## Timing of Vacation

The scheduling of your vacation depends upon the workload in your department, so you should schedule your vacation in advance after consultation with your Team Leader. It may be necessary to restrict vacation scheduling during peak periods, but Team Leaders are generally expected to manage team schedules so that all employees can use all their vacation during the year.

Vacation may be taken in half- or partial-day/shift increments. Some mills may have specific provisions for the scheduling and amount of vacation.

While you're on vacation, don't perform any of your regular job duties.

If you're an hourly paid employee who's scheduled to work on a Company-designated holiday that falls during planned vacation, you're required to use vacation for your absence on the holiday unless other provisions are permitted by your mill.

If you're a salaried employee, you're not required, nor permitted, to use vacation on a Company-designated holiday. You're only eligible to receive your normal salary for any given day, including holidays; in other words, K-C won't pay holiday pay plus vacation for the same day.

## Using Vacation

As you use time off, here's how vacation is deducted related to other time off allotments:

1. Carryover vacation from the previous year (if applicable)
2. Vacation
3. Negotiated leave (if applicable)
4. Flex days (if eligible and elected)

If you're required to record your absences, the above order will automatically be managed by the time and attendance system when you use the vacation absence code. If you're not required to record absences in the time and attendance system, you're responsible for tracking your own time off and should apply absences using the order noted above.

## Vacation and Disability Benefits

Vacation may be used to help cover scheduled workdays/shifts that fall within the seven-calendar-day Short-Term Disability waiting period (also known as elimination period).

You may not receive vacation pay concurrently with STD benefits.

If you're transitioning from STD to LTD, you may request a one-time payout of available vacation hours. Payment for vacation can be received from K-C while you're also receiving your LTD benefits. Vacation payout doesn't impact when LTD benefits begin, nor does it reduce the amount of your LTD benefit.

The rate used for tax withholding on any vacation payout you request will be based on the federal supplemental rate (22% as of January 1, 2020) instead of the rate used for your regular earnings. This is because the payment is not associated with vacation time you're taking to be away from work. Consult with your tax advisor about any questions around withholding.

## Vacation and FMLA-Only Leave

If you're on a non-disability leave covered under FMLA, K-C paid time off will automatically be applied to your absences as outlined in the [FMLA Policy](#).

## Treatment of Unused Vacation

### **Carryover**

If you don't use your full vacation allotment by December 31, you may carry over up to 40 hours of vacation to the following year unless you work in a state that requires payout of unused vacation. Any carryover vacation hours will be used before your current year's vacation allotment.

If you're on LTD, unpaid personal leave or extended military leave as of December 31, you won't be eligible to carry over unused vacation hours until you return to active employment.

You forfeit any unused vacation in excess of 40 hours that aren't eligible to be carried over, unless prohibited by state law.

**Separation—Leaving K-C**

You receive payment of your unused vacation, including any unused carryover vacation from the prior year, at separation. You can't use your vacation to extend your separation date. The pay rate that's used for unused vacation payments is your base rate in effect at the time you separate from K-C. If your last day of work is December 30 or earlier, you'll be eligible for a full payment of any unused vacation for that year. You won't be allotted vacation for the following year since you're no longer an active employee on the accrual date of December 31.

If your last day of work is December 31, you'll accrue vacation for the following year since you're an active employee on the accrual date of December 31. Full payment of the following year's vacation allotment will be made.

## Compliance With Laws

Certain states may have different requirements relating to vacation benefits. K-C will comply with any state laws, to the extent they conflict with any provisions of this policy.



# Flex Days

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## Eligibility

You're eligible for flex days if you're an active, salaried paid employee regularly scheduled to work 30 or more hours per week.

New or rehired employees aren't eligible for flex days in the year hired/rehired since flex days can only be elected during Annual Enrollment for the following year.

## Overview

You may purchase paid time off in 4 hour increments up to a maximum of 40 hours. The benefit is called flex days and can only be elected during Annual Enrollment for use in the following year. You pay the full cost of this benefit and receive pay from K-C when you take the time off from work.

It's important to discuss your plans to purchase flex days with your Team Leader before Annual Enrollment. Flex days are subject to the vacation program policies which are in place at your location. Your use of flex days may be limited due to business requirements.

## Cost

The cost of flex days is deducted from your paychecks throughout the year on a before-tax basis. The cost of flex days is based on your base salary converted to an hourly rate as of the previous July 1, or your hire date if you were hired after July 1. You'll see your cost for flex days during Annual Enrollment on K-C Benefit Compass.

## Using Flex Days

As outlined in the *Using Vacation* section on page 6, flex days are last to be used when taking time off. You must use all flex days during the year in which you purchase; otherwise you forfeit them as flex days aren't eligible for carryover to the following year.

## Change to Scheduled Weekly Work Hours

If your scheduled weekly work hours are reduced below 30 hours per week during a year in which you elect flex days, you're no longer eligible for flex days. You'll automatically be reimbursed for the cost of any unused flex days which you've already paid. If you used more flex days than you paid for, the additional amount will be deducted from your first paycheck following notification of your change in scheduled weekly work hours.

If your scheduled weekly work hours increase to 30 or more mid-year, you won't be eligible to elect flex days until Annual Enrollment following your change in scheduled weekly work hours.

## Making Changes to Flex Days

If you take an approved leave protected by the FMLA which includes approved disability leave or military leave of absence that's expected to last for 30 continuous days or more and want to drop your flex days, contact the Empyrean Service Center through the K-C Benefits Information Line (800-551-2333) between 9 a.m. and 5 p.m. ET, Monday through Friday. You must make this request within 30 days of the effective date of the leave to be reimbursed for any unused flex days.

FMLA and military leave of absences are the only two leave situations in which you're eligible for a refund of unused flex days payments.

## Flex Days and Disability Benefits

Flex days may be used to help cover scheduled workdays that fall within the seven-calendar-day Short-Term Disability waiting period (also known as elimination period).

You may not receive flex days pay concurrently with STD benefits nor can you request a payout of flex days at transition from STD to LTD.

## Flex Days and FMLA-Only Leave

If you're on a non-disability leave covered under FMLA, flex days won't automatically be used concurrently with FMLA-approved absences like other K-C paid time off—see the [FMLA Policy](#). If all other paid time off has been used, and you'd like to use flex days to receive pay for FMLA-approved absences, you're responsible for notifying Matrix, K-C's disability/leave of absence administrator when reporting your absence.

## Treatment of Unused Flex Days

### **Carryover**

Unused flex days aren't eligible for carryover to the following year and not subject to payout under state law. The amount you pay for flex days will not be reimbursed to you if you're unable to use the time off except in cases of employment separation—see below.

### **Separation—Leaving K-C**

When you separate from service you're reimbursed for any current year flex days for which you've paid for but were unable to use. To be eligible for reimbursement, your last day of work must be December 30 or earlier. If your last day of work is December 31, you don't receive a reimbursement of unused flex days. If you've used more flex days than you've paid for, the additional amount is deducted from your last paycheck.

## Initiating a Claim

Because you purchase flex days with before-tax dollars, your benefit is subject to Internal Revenue Service rules (Section 125). Exceptions to the use and forfeiture of flex days aren't permitted unless you file a formal appeal (claim) and it's approved. You may request a Claim Initiation Form by contacting the Empyrean Service Center through the K-C Benefits Information Line at **800-551-2333**. Select the Health & Welfare option to speak to an Empyrean representative, available Monday through Friday, 9:00 am to 5:00 pm ET.

# Paid Holidays

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## Eligibility

All employees\*, including temporary/intermittent, intern or co-op, are eligible for paid Company-designated holidays.

Personal holidays are provided to active full-time and part-time (regularly scheduled 20 or more hours per week) salaried and hourly paid employees not covered by a CBA and not classified as temporary/intermittent, intern or co-op.

## Overview

K-C provides paid Company-designated and personal holidays.

### Company-Designated Holidays

K-C designates the following eight paid holidays:

1. New Year's Day
2. Memorial Day
3. Independence Day
4. Labor Day
5. Thanksgiving
6. Day after Thanksgiving
7. Christmas Eve
8. Christmas Day

The dates these holidays are observed may change from year to year based on when the holiday falls during the week. For example, if Independence Day (July 4) falls on a Saturday, salaried and day-shift (Monday through Friday) hourly paid employees would observe the holiday on Friday, July 3 while rotating-shift hourly paid employees would observe it on Saturday, July 4. The list of Company-designated holidays can be found on K-C & Me.

Unused Company-designated holidays aren't payable in cash, in lieu of time off or upon separation from K-C. You also can't carry over these holidays to use in later years.

*\*Owensboro doesn't observe designated holidays; instead, active salaried and hourly paid employees receive 96 hours of Personal Holidays.*

### Personal Holidays

In the year of hire, the personal holidays allotment depends on your month of hire and your regularly scheduled weekly work hours\*:

<b>Month of Hire</b>	<b>Allotment if regularly scheduled to work 30 or more hours per week</b>	<b>Allotment if regularly scheduled to work less than 30 hours per week</b>
January – March	32 hours	16 hours
April – June	24 hours	12 hours
July – September	16 hours	8 hours
October – December	8 hours	4 hours

Beginning the year following your hire date, personal holidays allotments are effective January 1 to December 31.

You become eligible for the following year's personal holiday allotment based on your employment status as of December 31. If you're on Long-Term Disability (LTD), unpaid personal leave, or extended military leave (more than 12 continuous months) on December 31, you're not eligible for the following year's vacation allotment until you return to active employment. If you're regularly scheduled to work 30 or more hours per week, your personal holidays allotment is 32 hours; 16 hours if you're regularly scheduled to work less than 30 hours per week.

Unused personal holidays aren't eligible for carryover to the following year nor payable in cash in lieu of time off or upon separation from K-C unless required by state law.

## Other Types of Time Off

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### Family and Medical Leave Act (FMLA) Leave of Absence

The FMLA is a federal law that entitles eligible employees to unpaid, job-protected time away from work for qualifying events like pregnancy/childbirth, bonding with a new child, care of your own or a family member's serious health condition and certain military-related events.

[View Full FMLA Policy](#)

### Paid Sick Leave

K-C provides 40 hours of paid time off per calendar year to eligible employees for qualifying absences.

[View Full Paid Sick Leave Policy](#)

### Paid Parental Leave

K-C offers 160 hours of pay following the birth or adoption of a child.

[View Full Paid Parental Leave Policy](#)

### Bereavement Leave

K-C provides paid time off when you experience the loss of a covered individual. The amount of time off depends on relationship.

[View Full Bereavement Leave Policy](#)

### Jury Duty/Testimony Leave

K-C provides up to 80 hours per calendar year of paid time off when you're summoned or selected to participate in jury duty, subpoenaed to testify or required to appear as the plaintiff or defendant in a legal matter.

[View Full Jury Duty/Testimony Leave Policy](#)

## Military Leave

K-C complies with the Uniformed Services Employment and Re-employment Rights Act (USERRA) and offers paid benefits including two calendar weeks of leave (80 hours of pay) following an active duty deployment so you can adjust to civilian life before returning to work.

[View Full Military Leave Policy](#)

## Negotiated Leave

Negotiated leave is a recruiting tool used to attract experienced talent for key roles. Negotiated leave isn't additional vacation but instead, a standalone paid time off benefit that correlates with vacation. If negotiated leave is part of an employment offer, the leave is prorated in year of hire and then allotted in following years of employment. As additional vacation hours are earned (see page 5), the amount of negotiated leave decreases.

Example: 40 hours of negotiated leave

<b>Year of Service</b>	<b>Negotiated Leave Allotment</b>	<b>Vacation Allotment</b>
Year following hire	40 hours	80 hours
2	40 hours	80 hours
3	40 hours	80 hours
4	40 hours	80 hours
5	0 hours	120 hours

As time off is taken, negotiated leave is used after all vacation has been exhausted. Up to 40 hours of unused negotiated leave can be carried over to the following year.

Negotiated leave isn't payable in cash in lieu of time off or upon separation from K-C unless required by state law.

## Unpaid Personal Leave

If you need to take time off from work without pay for personal reasons, you must have the request pre-approved by your Team Leader. You must submit your request in writing and state the reason for the request as well as the start and end date of the leave. A leave of absence won't be granted for the purpose of engaging in employment outside of K-C.

If your request is approved, submit a copy of the written request, including approvals, to Matrix, K-C's disability/leave of absence administrator using the Matrix eServices Mobile app (available for iOS and Android) or by using [matrixabsence.com](http://matrixabsence.com).

Unpaid personal leave doesn't provide job protection.

If you're on a disability leave of absence (STD or LTD), your leave is certified for a certain period based on information shared by your health care provider. If you don't return to work at the end of your certified leave period and your leave isn't extended, you're placed on an unpaid personal leave status. This means that you'll stop receiving disability benefits, and you're not eligible to use paid time off, like vacation or personal holidays while on unpaid personal leave.

You may be subject to disciplinary action, up to and including termination, if:

- your disability claim isn't extended,
- you're on an unpaid personal leave without the approval noted above,
- you don't return to work as scheduled from an approved unpaid personal leave, or
- you're without a FMLA leave approval.

You can find a copy of your Disability Summary Plan Description on [kcbenefitcompass.com](http://kcbenefitcompass.com) > Plan Information.

*K-C expects this policy to continue indefinitely. However, K-C reserves the right to make changes to and even discontinue this policy. If K-C were to terminate this policy or designate a partial termination with respect to a specific group of employees, each employee will have no further rights or obligations for future use of this policy. Employment Rights Not Guaranteed*

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