



Title: Sick Pay for Employees Number: HR-2.08 Page: 1 of 9
Revision: 6 Effective Date: 12/17/2024

Approved by: [Signature]
Fred Millen, HR Director
Applicable to:
APSC Employees

Table of Contents

1.0 Purpose..... 1
2.0 Accountable Resources..... 2
3.0 References and Definitions 2
4.0 Procedure 3
A. Accrued Paid Sick Leave 3
B. Entitlement 4
C. Types of Sick Pay..... 4
E. Coordination with Other Benefits 7
F. Holidays..... 7
G. Vacation 7
H. How Sick Pay is Paid..... 7
I. What is Not Covered by Sick Pay 7
J. Returning to Work from a Sick Pay Absence 8
K. If Leave Benefits Are Exhausted 8
L. When Coverage Stops 8
5.0 Records 9
6.0 Revision History 9

1.0 Purpose

Sick Pay helps replace all or part of an eligible employee’s compensation when the employee is unable to work because of their own illness, injury, or health maintenance doctor appointments such as well-being physicals and dental/vision exams, birth or adoption of a child, and to care for an immediate family member or next of kin, as defined in HR-2.11 Bereavement and Emergency Leave.

Although sick pay may be used for medical and dental appointments, it is the company’s expectation that, unless due to an urgent medical or dental situation, appointments for medical and dental visits are scheduled during off shift time for field schedule employees. Any appointments scheduled during a field worker’s shift may require a release from the health care provider prior to the employee being able to return to work. The amount received and length of time benefits can be collected are based on an employee’s adjusted service, compensation, work schedule and whether the illness or injury is Occupational or Non-occupational. Health maintenance doctor appointments are “non-occupational.”

As an eligible full or part-time, active employee, sick pay coverage commences on the date of hire provided the employee has been actively at work. Interns are not eligible for sick pay. The entitlement hours granted are based on the employee’s work schedule (urban or field). Sick Pay hours used are not considered hours worked and therefore are not eligible for the calculation of overtime. Being eligible for or receiving Sick Pay benefits does not guarantee employment with Alyeska.

2.0 Accountable Resources

Senior HR Representative authorizes exceptions to this procedure.

Total Rewards Representative (TRR) is the subject matter expert regarding this procedure and sick pay benefits.

Supervisor/Manager verifies sick pay eligibility for direct reports in alignment with HR and Occupational Health Unit (OHU) procedures and approves time sheets with sick pay hours.

Employee Relations Representative (ERR) interprets this procedure, assists the supervisor/manager when an employee is out on sick pay, and works with OHU on employee sick leave cases.

OHU Representative verifies medical documentation relating to sick pay and manages employee sick leave cases.

Payroll processes payroll actions related to sick pay and assists HR and OHU to manage time reporting for sick leave cases.

Employee is accountable for immediately notifying supervisor, OHU, and/or HR for any illness or injury that prevents them from fulfilling their job requirements (failure to do so may result in discipline); accountable for confirming any sick pay claimed is in alignment with HR and OHU procedures to include the required notification to the employee's supervisor when they will be out on sick leave, and inputs appropriate sick pay exception hours in the time reporting system for their supervisor's review and approval.

3.0 References and Definitions

- [HR-2.04, Holidays](#)
- [HR-2.05, Vacations for Employees](#)
- [HR-2.06, Employee Absences/Leaves](#)
- [HR-2.10, Time Reporting](#)
- [HR-2.11, Bereavement and Emergency Leave](#)

Family Medical Leave Act (FMLA) <https://www.dol.gov/agencies/whd/fmla>

Adjusted Service

Adjusted service is used to determine the amount of benefits from the Alyeska Sick Pay for Employees procedure, the Alyeska Pension Plan, and for determining service awards. Adjusted service normally begins on an employee's hire date and ends on his or her termination date. If an employee transferred directly to Alyeska from an Owner Company with prior Owner Company and Alyeska management approval, adjusted service may include the period of similar, immediately preceding Owner Company-recognized service. If an employee works less than a full-time schedule, available Sick Pay hours will be calculated commensurate with the half time or three-quarter time work schedule. Periods during an approved or unapproved leave of absence may interrupt the accumulation of adjusted service.

Exempt Job

Exempt jobs are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA). This classification is based on job duties, responsibilities, and level of decision-making authority.



Title: Sick Pay for Employees

Number: HR-2.08

Page: 3 of 9

Revision: 6

Effective Date: 12/17/2024

Non-Exempt Job

Non-exempt jobs are subject to the Fair Labor Standards Act (FLSA) provisions including the payment of overtime. Employees in non-exempt jobs are required to account for hours and fractional hours to the tenth of an hour (6-minute increments) worked and all paid and unpaid leaves whether eligible or ineligible for the payment or calculation of overtime.

Premera Blue Cross Blue Shield (BCBS) Medical Elective Procedure Travel

This benefit provides travel costs and medical services for specified non-emergency medical procedures. Refer to the Alyeska Medical Summary Plan Description (SPD) for details.

4.0 Procedure

A. Accrued Paid Sick Leave

Sick Pay annual accrual is based on the length of the employee’s years of adjusted service recognized by Alyeska as follows:

Benefit Schedule for Urban Employees				
Employee’s Adjusted service (in years)	Non-occupational Illnesses		Occupational Illnesses	
	Hours of Full Pay	Hours of Half Pay	Hours of Full Pay	Hours of Half Pay
1	160	1920	1040	1040
2	240	1840	1040	1040
3	320	1760	1040	1040
4	400	1680	1040	1040
5	480	1600	1040	1040
6	560	1520	1040	1040
7	640	1440	1040	1040
8	720	1360	1040	1040
9	800	1280	1040	1040
10	880	1200	1040	1040
11	960	1120	1200	880
12	1040	1040	1360	720
13	1040	1040	1520	560
14	1040	1040	1680	400
15	1040	1040	1840	240
15+	1040	1040	2080	0



Title: Sick Pay for Employees

Number: HR-2.08

Page: 4 of 9

Revision: 6

Effective Date: 12/17/2024

Benefit Schedule for Field Employees				
	Non-occupational Illnesses		Occupational Illnesses	
Employee's Adjusted service (in years)	Hours of Full Pay	Hours of Half Pay	Hours of Full Pay	Hours of Half Pay
1	168	2,016	1,092	1,092
2	252	1,932	1,092	1,092
3	336	1,848	1,092	1,092
4	420	1,764	1,092	1,092
5	504	1,680	1,092	1,092
6	588	1,596	1,092	1,092
7	672	1,512	1,092	1,092
8	756	1,428	1,092	1,092
9	840	1,344	1,092	1,092
10	924	1,260	1,092	1,092
11	1,008	1,176	1,260	924
12	1,092	1,092	1,428	756
13	1,092	1,092	1,596	588
14	1,092	1,092	1,764	420
15	1,092	1,092	1,932	252
15+	1,092	1,092	2,184	0

B. Entitlement

Upon hire (new hire status) Sick Pay benefits are prorated for the hire year and are available according to the schedule found under the tables in Section A. Accrued Paid Sick Leave. If the employee is a rehire, the adjusted service date is used to determine the benefits, and the benefits are prorated for the rehire year.

C. Types of Sick Pay

1. Employee Sick Pay

When illness, injury or a health maintenance doctor appointment prevents an employee from being present at their work location and/or performing work, the employee may receive Sick Pay benefits (benefits).

Title: Sick Pay for Employees

Number: HR-2.08

Page: 5 of 9

Revision: 6

Effective Date: 12/17/2024

If the employee illness, injury or health maintenance doctor's appointment is also a Family Medical Leave (FML) qualifying event the employee must coordinate with OHU and HR and complete the required documents within 30 days of the absence/leave start date. If the employee is not able to coordinate with OHU and HR in advance of the absence/leave starting, due to an emergency or catastrophic illness or injury, the employee's ERR will coordinate with OHU regarding FML. Failure to comply with the FML process may result in the denial of benefits.

Benefits start on the first day the employee is absent from work or unable to perform work, as determined by OHU. Benefits equal to 100% or 50% of the employee's compensation will be paid for a length of time based on the employee's years of adjusted service. Sick pay is not eligible for overtime.

Any employee using the Premera BCBS Medical Elective Procedure Travel benefit provided by Alyeska's Medical Plan for themselves may receive Sick Pay benefits for all travel days, hotel stays, and recovery days associated with the approved procedure (pre-approval required for the Premera BCBS Medical Elective Procedure Travel). An employee must submit a copy of their Premera BCBS Medical Elective Procedure Travel approval documentation to OHU for verification of the time claimed for sick leave.

Employees who must travel during their work time for medical or dental appointments, who are not using the Premera BCBS Medical Elective Procedure Travel benefit, may not claim sick leave for any travel associated with their appointment.

If an employee is absent due to injury, illness, or unpaid leave on the last day of their normally scheduled work week or shift in the current calendar year, the remaining balance, if any, of the current calendar year Sick Pay will continue to be used and exhausted into the following year. When the prior calendar year balance is exhausted and the employee does not return to work, please refer to "If Leave Benefits Are Exhausted" section of this procedure.

2. Parental Leave Sick Pay

An employee who experiences the birth or adoption of a child will have up to one year after birth of or adoption of the child to use up to 2 workweeks of their current Sick Leave balance (168 hours for field employees and up to 90 hours for urban employees, based on their work schedule).

Employees must record the use of Sick Pay in the time reporting system and add into the comment section by selecting "Parental Leave" in the drop down to document the hours and a written comment as applicable. Parental Leave usage is concurrent with any applicable FML. Parental Leave is not considered time worked and therefore not eligible for the calculation of overtime. Salaried exempt employees record all leave hours in full workday increments. Non-Exempt Hourly employees record leave hours in place of hours not worked on an hour for hour basis.

3. Immediate Family and Next of Kin Leave Sick Pay

An employee who needs to care for an immediate family member or next of kin, as defined in HR-2.11 Bereavement and Emergency Leave, for an illness, injury, or health maintenance doctor appointment will have up to 5 urban days annually (up to 45 hours, based on work schedule) or 5 field days annually (60 hours) of their current Sick Leave balance available to support the event.

Title: Sick Pay for Employees

Number: HR-2.08

Page: 6 of 9

Revision: 6

Effective Date: 12/17/2024

Employees must record the use as Sick Pay in the time reporting system and add in the comment section by selecting “Family and Next of Kin Leave” to document the hours and denote the relationship. Immediate Family and Next of Kin Leave usage is concurrent with any applicable FML. Immediate Family and Next of Kin Leave is not considered time worked and therefore not eligible for the calculation of overtime. Salaried exempt employees record all leave hours in full workday increments. Non-Exempt Hourly employees record leave hours in place of hours not worked on an hour for hour basis.

D. Sick Leave Annual Refresh process

1. Urban scheduled employees:

If the employee has been working their regularly scheduled work schedule, the employee’s new calendar year sick pay benefits will refresh and become available the first working day after January 1 of the new calendar year, unless:

- a. The employee is on unpaid leave not due to injury or illness on the last day of their normally scheduled work week in the current calendar year, or
- b. The employee is on leave due to injury or illness on the last day of their normally scheduled work week in the current calendar year, or
- c. Due to injury or illness the employee was absent for 12 cumulative weeks or more during the current calendar year (even if they returned to work before the start of the new calendar year).

The employee’s prorated annual refreshed benefits for the new calendar year will become effective after:

- 1) they are granted an OHU medical release back (if a medical absence) to their normal work schedule and full work duties, and
- 2) after working 6 consecutive urban workweeks in the new calendar year with no absences other than Alyeska Holidays or Vacation.

2. Field scheduled employees:

If the employee has been working their regularly scheduled work schedule, the employee’s new calendar year sick pay benefits will refresh and become available the first working day after January 1 of the new calendar year, unless:

- a. The employee is on unpaid leave not due to injury or illness on the last day of their normally scheduled work week in the current calendar year, or
- b. The employee is on leave due to injury or illness on the last day of their normally scheduled work week in the current calendar year, or
- c. Due to injury or illness the employee was absent for 6 cumulative field workweeks or more during the current calendar year (even if they returned to work before the start of the new calendar year).

The employee’s prorated annual refreshed benefits for the new calendar year will become effective after:

Title: Sick Pay for Employees

Number: HR-2.08

Page: 7 of 9

Revision: 6

Effective Date: 12/17/2024

- 1) they are granted an OHU medical release back (if a medical absence) to their normal work schedule and full work duties, and
- 2) after working 4 consecutive field workweeks in the new calendar year with no absences other than Alyeska Holidays or Vacation.

E. Coordination with Other Benefits

The Sick Pay procedure provides benefits for both Occupational (job related) and Non-Occupational (not job related) illnesses. However, Plan benefits may be coordinated with (or reduced by) disability benefits payable under any Workers Compensation law or similar law.

F. Holidays

Urban employees who are out on approved Sick Leave on a holiday shall claim Holiday time in the time reporting system for that day. Field employees who are out on approved Sick Leave on a holiday will receive holiday allowance for that holiday in addition to sick pay.

G. Vacation

If an employee becomes ill before starting a vacation and the Sick Pay absence extends into the scheduled vacation period, the employee may postpone their vacation. When the employee returns to work, they may reschedule their vacation time.

If an employee becomes ill after their vacation has started and that Sick Pay absence is certified by a physician it may count as a Sick Pay absence, not as vacation time. However, in order to have the time converted from vacation to a Sick Pay absence, all requirements as stated in HR-2.05 Vacations for Employees must be met before the Sick Pay absence will be approved.

H. How Sick Pay is Paid

Sick Pay will be paid according to HR, OHU, and Payroll procedures. The employee must input sick time on their timesheet, note the proper exception code, and the employee's supervisor must approve the timesheet.

For Field Employees who are called upon to work on their normal off week or who are required to attend a training course in their off week, no Sick Pay benefits are payable for the additional time at work or training during the off week.

I. What is Not Covered by Sick Pay

Sick Pay does not cover absences that result from:

- Working for another employer or from other business activities;
- Illness resulting from fighting, scuffling or wrestling (unless in self-defense);
- Criminal activity or illnesses that occur while imprisoned;
- War or civil disturbance while on duty in the armed forces;
- Intentional self-inflicted injury or attempted suicide (unless undergoing a treatment program approved by Alyeska);
- Chronic alcoholism (unless undergoing a treatment program approved by Alyeska); or
- Self-inflicted drug addiction (unless undergoing a treatment program approved by Alyeska).

J. Returning to Work from a Sick Pay Absence

If an employee has been absent from work due to a Sick Pay absence for five or more consecutive days, the employee will be asked to obtain a written release from their physician before returning to work. The employee may also be asked to obtain a return-to-work release from Alyeska's OHU representative if absent for less than five consecutive days as a result of:

- Heart disease of any type;
- Any type of vascular disease (strokes, paralysis, fainting, convulsions, blackouts, unconsciousness, etc.);
- Psychiatric treatment (severe neurosis, anxiety neurosis, nervousness, restlessness, schizophrenic reasons, psychotic reasons);
- Alcoholism or drug addiction;
- Back complaints, back injuries, back surgery, and loss of time due to back complaints or pain;
- Severe crippling diseases (arthritis, rheumatism) or the residual effects of injuries such as carpal tunnel syndrome;
- Eye problems (surgery, failing vision, etc.);
- Ear problems (surgery, deafness, etc.); and
- Any other illness/injury related concerns managed by OHU.

When the employee is released to return to work, the employee's attending physician completes the physician's release form and gives it to OHU. The physician's release form must be endorsed by OHU and an OHU return to work note approved before the employee may return to work.

K. If Leave Benefits Are Exhausted

If an employee exhausts or is otherwise ineligible for Sick Pay or other Alyeska paid or unpaid leave, the employee will be terminated from Alyeska employment as of the last day of leave benefits. Exceptions must be approved by the Sr. HR Representative.

L. When Coverage Stops

Coverage will stop on the date the employee terminates employment with APSC. Sick Pay, Parental Leave, and Immediate Family and Next of Kin Leave benefits cannot be cashed out upon termination.

The Alyeska physical examination benefit can serve as a basis for keeping track of the status of overall health. Alyeska pays for the following physical examinations, for eligible employees:

- An annual exam for Employees age 60 and over
- An exam every two years for Employees age 40 to 59, and
- An exam every three years for Employees age 39 and under.

Contact OHU, ext. 8668, for further information.

End of Procedure

Title: Sick Pay for Employees	Number: HR-2.08	Page: 9 of 9	
	Revision: 6	Effective Date: 12/17/2024	

5.0 Records

Biweekly Payroll Time Sheet	All records generated as a result of this document will be retained in accordance with <i>CW-200, Records Retention Schedule</i> .
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6.0 Revision History

Revision	Date	Revision Summary
6	12/17/2024	Update ERR and TR designations, revised Sick Leave Annual Refresh process. Proration of both new hire and refreshed sick pay benefit.
5	06/01/2021	Updated eligibility language. Clarified notification requirements.
4	01/01/2021	Added Parental Leave and Immediate Family and Next of Kin Leave sections. Clarified that no overtime is associated with Sick Pay. Other minor updates to reflect current information (e.g. reference to HR-2.11 Bereavement and Emergency Leave, confirming how leave time is reported, etc.).
3	12/06/2017	Removed reference to OHU-8.02 (relevant content from OHU-8.02 now included in HR-2.06 Employee Absences/Leaves). Updated time necessary for refreshing of entitlements. Clarified intent for sick leave use.
2	06/19/2016	Corrected language
1	01/22/2016	Clarified language in section E. Holidays.
0	06/24/2013	New Procedure; information from Sick Pay Summary Plan Descriptor moved to this HR procedure. This procedure replaces all previous documents and/or summary plan descriptors.