

SUBJECT:	ORIGINATING DEPT:	SECTION:
VACATION FOR SALARIED ASSOCIATES	HUMAN RESOURCES	TIME OFF
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APPROVED BY: Legal	PAGES: 4, plus 1 form	

I. POLICY/PURPOSE

The Company believes that time away from work for rest, fun and enjoyment is vital to Associates' good health and productivity. The Company, therefore, provides eligible Associates paid vacation days based on length of service, as provided in this Policy.

II. ASSOCIATES COVERED BY THE POLICY

All full-time and part-time salaried exempt and salaried non-exempt Associates of the Company are covered by this Policy based on eligibility requirements described herein, unless the Associate's sector has a sector-specific vacation or paid time off (PTO) policy, in which case sector-specific policy applies. Please refer to your sector-specific handbook supplement for additional information.

III. RESPONSIBILITY FOR ADMINISTRATION

Human Resources and all levels of management are responsible for the administration of this Policy. Managers are responsible for tracking the vacation use of their direct reports.

IV. PROCEDURES

A. Vacation Eligibility: All full-time and part-time salaried exempt and salaried non-exempt Associates will accrue vacation according to the following schedule based on length of service.

B. Vacation Accrual: Associates begin accruing vacation on the first day of employment with the Company.

Years of Service Attained Within the Current Fiscal Year

	Less Than 5 Years	5 –9 Years	10 – 24 Years	25+ Years
Salaried	Monthly Accrual	Monthly Accrual	Monthly Accrual	Monthly Accrual
	Day(s)	Days	Days	Days
Grade Less than 15	0.833	1.25	1.66	2.08
Not to Exceed	10	15	20	25
Grade 15+	1.25	1.25	1.66	2.08
Not to Exceed	15	15	20	25

Example: A salaried Associate in Grade 14 with two (2) years' service will accrue vacation at the rate of 0.833 days per month and therefore will have accrued three (3) days' vacation as of February 1st ($0.833 \times 4 = 3.33$ days).

Vacation days are accrued for each complete calendar month worked and will be taken during the current fiscal year. In states that have laws to the contrary (i.e. California), vacation accrues as work is performed including vacation accrual for partial months of service on a prorated basis. Associates on an approved leave of absence, such as, but not limited to, leave under Workers' Compensation or Family and Medical Leave, will not accrue vacation days during such leave.

- C. Advancing Vacation Days:** In addition to an Associate's accrued vacation and at management's discretion, the Company may advance up to five (5) days of vacation to an Associate as long as the advance does not exceed the Associate's maximum vacation accrual for that fiscal year. Requests for advances beyond five (5) days will be considered for unique situations only (i.e. an Associate's marriage, an Associate wishing to go home to a foreign country requiring extensive travel, or upon the birth of a child in the first six (6) months of a year) and will require approval of the Regional Vice President and Sr. Human Resources Director. The Company reserves the right and discretion to deny any such requests.
- D. Vacation Schedules:** Vacation may not be taken in less than one-half (1/2) day increments unless required by federal, state, or local laws. No Associate will be allowed to take more vacation than their current year's maximum possible vacation accrual during any one (1) fiscal year.

Associates will be permitted to take vacation days whenever possible and as determined by business needs, length of service, and/or on a first come first serve basis, respectively. Vacation time must be scheduled with and approved by the Associate's Manager. To ensure smooth and efficient operations, the final right to approve vacation is reserved by the Company.

Associates working in cash-handling positions must take vacation in increments of at least three (3) consecutive working days at least one (1) time per year.

- E. Holidays:** Should a paid holiday or company designated day off occur during the vacation period, the Associate will not be required to use vacation on the designated day.
- F. Vacation Pay:** Vacation pay will be computed on the basis of the Associate's straight time salary in effect at the time of vacation. *Vacation time for non-exempt Associates will not be counted as time worked for the purpose of calculating overtime during the week in which the vacation is taken.*

Part-time Associates will receive vacation pay based on the average number (actual hours worked in previous three (3) months, not to exceed forty (40) hours) of straight time hours normally scheduled in a work week in effect at the time the vacation is taken.

Vacation days may not be used to extend an approved leave of absence; however, they may be used concurrently with the leave for the purpose of receiving pay

- G. No Carry-Over and Reasonable Cap on Vacation Accrual:** Any accrued and unused vacation will not carry-over from year to year unless required by state or local law. If carry-over is required by law (i.e. AK, CA, MT, NE, and CO), the maximum vacation that an Associate may accrue at any time shall not exceed the accrual for a period of one (1) year and nine (9) months at the Associate's then current annual accrual rate. The accrual cap is equal to 1.75 times the annual accrual. If an Associate's accrued and unused vacation balance reaches the maximum cap, the Associate will not accrue any additional vacation. If the Associate later uses enough vacation to fall below the maximum cap, the Associate will resume accruing vacation.

H. Separations: Upon termination of employment for any reason, an Associate will not receive payment for accrued and unused vacation unless required by law. An Associate will receive payment for accrued and unused vacation upon termination of employment in the following locations: AK, CA, CO, IL, LA, MA, ME, MT, ND, NE, NM, RI, WY, and Puerto Rico. In the state of California, vacation accrual for terminations that occur in the middle of the week must be prorated to the day of termination.

Associates with a negative vacation balance at the time of separation from the Company must reimburse the Company the financial equivalent of the number of unaccrued vacation days used by the Associate to the extent allowable by law.

V. ASSOCIATE STATUS CHANGE

An Associate's change in employment status will affect an Associate's eligibility for vacation in the year in which the change occurs.

- 1. Salaried to Hourly:** An Associate changing employment status from salaried to hourly will be eligible to begin accruing vacation benefits under the *Vacation for Non-Union Hourly Associates Policy* the first day of the full month following the status change. The Associate will begin accruing paid vacation time based on the Associate's length of service and the number of months left in the fiscal year in which the change in status occurs. The Associate will retain any accrued, unused vacation at the time of the status change for use during the remainder of the fiscal year.*

*Salaried Associates whose employment status changes from salaried to hourly and have accrued vacation days that exceed the total they would accrue at the hourly Associate level, shall not accrue any additional vacation days for the remainder of the fiscal year. Otherwise, they will accrue vacation days to the extent provided in the *Vacation for Non-Union Hourly Associates Policy*.

- 2. Hourly to Salaried:** An Associate changing employment status from hourly to salaried will be eligible to begin accruing vacation benefits under the *Vacation for Salaried Associates Policy* the first day of the full month following the status change. The Associate will begin accruing paid vacation time based on the Associate's length of service and the number of months left in the fiscal year in which the change in status occurs. The Associate will retain any accrued, unused vacation at the time of the status change for use during the remainder of the fiscal year.
- 3. Associate Transfers between Sectors:** An Associate transferring from one sector of the Company to another sector (i.e. Chartwells to Morrison) may transfer up to five (5) days of accrued unused vacation to the new sector. If the transferring Associate has more than five (5) days of accrued unused vacation in their bank, the Associate will receive a lump sum payout of their accrued unused vacation balance to be paid out by the Associate's home unit prior to the transfer. By way of example, if an Associate has eight (8) accrued unused vacation days, five (5) vacation days would transfer to the receiving sector and three (3) vacation days would be paid out by the releasing sector. The payout of any accrued unused vacation will be computed on the basis of the average hours worked by the Associate and the Associate's straight time pay rate in effect at the time of the payout.

VI. PROCEDURES FOR SECTORS USING "SCHEDULING, TIME, AND ATTENDANCE FOR FOODSERVICE AND FACILITIES" ("MySTAFF")

In addition to all other policies and practices noted in this Policy, for operations that are using MySTAFF for timekeeping, the following provisions apply.

A. Vacation Accrual

Associates begin accruing vacation on the first day of employment with the Company. Vacation days are accrued for each month worked; the number of days accrued per month is dependent upon the Associate's years of service. Unless required by state or local laws, vacation accrued in the current fiscal year must be taken during the current fiscal year. **Note:** Length of service for Salaried Associates is based on years of service attained within the current fiscal year.

B. Vacation Pay

1. Vacation pay for salaried non-exempt Associates is based on the average hours* worked by an Associate and the Associate's straight time pay rate in effect at the time vacation is paid. Managers are required to approve and record vacation time taken in MySTAFF to ensure vacation balances are properly adjusted and accurately reflected on the Associate's pay stub to avoid overpayments at the time of the Associate's separation from the Company.

***Definition of average hours worked:** Average hours worked is used in the computation of vacation pay. It is defined as the total number of hours worked in the previous three (3) months divided by the total number of days worked in the previous three (3) months; however, the final calculation shall not exceed eight (8) hours. Vacation days taken and paid sick days taken are considered time worked for the purposes of accruing vacation.

2. Associates may not receive pay in lieu of taking vacation time except as noted in Section V. 3 above.

C. Separations

Upon termination of employment for any reason, an Associate will not receive payment for accrued and unused vacation unless required by law. An Associate will receive payment for accrued and unused vacation up, on termination of employment in the following locations: AK, CA, CO, IL, LA, ND, NE, NM, MA, ME, MT, RI, WY, and Puerto Rico. Associates with a negative vacation balance at the time of separation from the Company must reimburse the Company the financial equivalent of the number of unaccrued vacation days used by the Associate to the extent allowable by law. Managers are required to review and approve an Associate's vacation payout (if applicable) in MySTAFF prior to the Associate's separation from the Company.

Federal, State, and Local Laws and Regulations: Where federal, state, or local laws and regulations require more stringent regulations regarding vacation benefits, the laws and regulations will supersede Company policy and the Company will comply with such laws and regulations.

End of Policy

Forms Needed for Policy Implementation

CA Vacation Bank Form

CALIFORNIA VACATION BANK FORM

Effective September 1, 2005, the maximum amount of vested vacation that a California Associate can accrue is calculated by multiplying the Associate's annual accrual rate by 1.75. If an Associate has accrued the maximum amount of vacation allowed under the Policy, the Associate will no longer accrue vacation until either: (1) a portion of the currently accrued vacation has been used, or (2) the weekly accrual rate for the Associate is increased upon reaching the applicable anniversary date.

This form is a permanent record of the days accrued as of _____.

It cannot be changed without proper documentation and without the approval of a Sr. HR Director.

Name: _____ Personnel # _____

Cost Center Name: _____ Cost Center #: _____

As of _____ (date), you are accruing vacation at a rate of _____ days per month. The total vacation accrued and unused by you on this date is _____.

Associate Signature

Date

Manager Signature

Date

Manager Title

Managers: File the original of this approved form in the Associate's personnel file and provide a copy of this approved form to the Associate.