

Global Paid Time Off Programs Governance

Overview

The purpose of this Governance document is to provide a detailed description and overview of the roles, responsibilities and duties of the global benefits team related to paid time off programs and policies.

Programs covered under the Global Paid Time Off governance:

- Vacation/annual leave/PTO
- Holidays
- Sick/wellness plans

Employee groups covered under the governance:

- All employees except Percepta

Roles and Responsibilities of the Global Benefits team:

1. Policy development
2. Compliance and legislation adherence
3. Benchmarking of programs
4. Analysis and monitoring
5. System testing and set up
6. Ongoing maintenance of policies
7. Liability management
8. FAQ creation and trainings
9. Reporting
10. Manager and employee communications

Principles:

- Common sense of purpose and direction
- Clear understanding of roles and responsibilities
- Clear about the responsibility and authority

Policy stages included in the governance:

- New policy creation
- Legislative/requirement changes
- On going activities

New Policy creation process

The policy for paid time off will be part of the overall employee policies and guides.

1. The benefits team will be responsible for the initial drafting of the policies related to any vacation/annual leave/PTO, sick time and holiday programs for a new country to be included policy guides, employee guides, and any other documents needed, etc.
 - a. The benefits team will work with local brokers/consultants to determine what is competitive and market relevant related to the programs
 - b. Benefits team will consult with legal on any compliance, regulatory and/or clarification on programs
 - c. Benefits will work with payroll and timekeeping if there are any clarifications, examples, simplification needed on the programs
 - d. Benefits will work with local P&C on specific requirements or operations request related to the programs
2. Benefits will be responsible for working with IT on any Business Requirements Document (BRD) to ensure the system set up is compliant with the policy
3. If changes or revisions come up during the review of the guides that cause a change in any of the program requirements, benefits will update the information and ensure that all related documents are updated.
4. New policies will contain a version tracking on the main page with the dates, who has made the changes, what revisions have been and review tracking.
5. Approvers of Paid Time Off Program Policy-
 - a. Executive Director of Global Benefits
 - b. VP of Total Rewards
 - c. Local P&C leader
 - d. Payroll lead for the country or executive director of global payroll
6. Benefits will coordinate the posting of the final approved policy to mosaic- a standard naming convention will be used for all policies (TBD)

Legislative/Requirement changes

In the event we have legislative or required changes that will require updates to an existing policy and system configurations.

1. Benefits team will be responsible for understanding the legal and regulatory changes and how they impact the current program and set up
 - a. Benefits team will meet with legal to ensure understanding of the provisions
 - b. Benefits team will meet with IT review the changes and impact to systems and accruals
 - c. If the legal or regulatory change impacts vacation/annual leave or holiday time off the benefits team will work with finance team and P&C leaders to determine the financial impact of the change on the business

- d. Benefits will update the existing policy-
 - i. review with legal and payroll for any changes or edits that need to be made or if not then receive their approval on the change
- 2. no financial impact-
 - a. policy approved by
 - i. Legal
 - ii. Payroll
 - iii. Local P&C
 - iv. Executive Director Global Benefits
- 3. Financial impact-
 - a. Policy approved by
 - i. Payroll
 - ii. Legal
 - iii. Finance
 - iv. Local P&C leader/GVP of P&C
 - v. Executive Director Global Benefits
 - vi. VP of Total Rewards
- Will need system to be able to track the legislative changes that are happening across the US.

Ongoing Activities

The benefits team will be responsible for ongoing activities to ensure oversight of the policy and programs.

1. Review liabilities for all countries and ensure that the amounts match with accounting and what is posted to the P&L
2. Regular audits on the PTO data and process to ensure ongoing compliance and effectiveness
3. Leader dashboard with balances and direct reports- sent out every other month
4. Biweekly reporting on employee balances and time taken
 - a. Specific call out on excessive balances or negative balances- P&C and legal to receive report
5. Annual review of policies and making updates to keep fresh and relevant
6. System fixes for issues that arise
7. Documents created outside this governance, are not governed by the benefits team
8. Local P&C will handle all country specific employee questions on paid time off programs except for the United States and Canada. System correction tickets or email should come to benefits team for triage and correction.

** Percepta is not included unless they confirm if they follow the paid time off policies in place for the country.

Escalation Procedure

To ensure effective resolution of complex issues related to Paid Time Off programs, the following escalation procedure should be followed:

1. First Level: Local P&C

- Initial point of contact for employee PTO issues
- Handles routine inquiries and standard policy interpretations
- Resolves simple system errors or discrepancies

2. Second Level: Global Benefits Team

- Addresses complex policy interpretations
- Handles cross-border PTO issues
- Manages system-wide errors or discrepancies

3. Third Level: Executive Director of Global Benefits

- Resolves policy conflicts or ambiguities
- Approves exceptions to standard policy
- Addresses escalated employee complaints or disputes

4. Fourth Level: VP of Total Rewards

- Final internal arbiter for major policy disputes
- Approves significant policy exceptions with financial impact
- Handles escalations involving senior leadership

5. Fifth Level: Legal and Compliance

- Consulted for legal interpretations and compliance issues
- Involved in cases with potential legal ramifications
- Provides guidance on regulatory changes affecting PTO policies

Escalation Triggers:

- Unresolved employee disputes after second level
- Policy exceptions with significant financial impact
- Cross-border issues affecting multiple regions
- Potential legal or compliance risks
- System-wide errors affecting multiple employees

Escalation Process:

1. Document the issue clearly, including all relevant details
2. Attempt resolution at each level before escalating
3. Communicate the escalation to all involved parties
4. Set clear timelines for resolution at each level
5. Maintain a log of all escalations for future reference and process improvement

Resolution and Communication:

- Decisions made at higher levels should be clearly communicated back down the chain
- Update policies or FAQs if the resolution has wider implications
- Ensure consistent application of resolutions across similar cases

Review and Improvement:

- Conduct quarterly reviews of escalation logs to identify trends
- Use insights from escalations to improve policies and processes
- Update the escalation procedure annually or as needed