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|  | Category: PMH Company-Wide Policy | Human Resources PMH SVP, CHRO |
| | Title: Temporary Covid-19 Paid Time Off Donation Program | Effective Date: 4.10.2020 |

I. PURPOSE

Prospect recognizes that employees may be having significant challenges due to the Covid-19 crisis that may result in a need for additional time off in excess of their available sick/personal time. To address this need, all eligible employees will be allowed to donate accrued paid time off hours from their unused balance. Employees facing a hardship can apply for additional paid time off if they have exhausted all of their own existing accrued time off.

II. SCOPE

This policy applies to all company-wide employees. The exceptions include temporary and/or per diem employees who do not receive paid time off benefits from a Prospect facility.

Each Prospect region's donation programs will apply to employees within their organization. Corporate paid time off donations will be available to regions.

Employees can donate up to 50% of their paid time off Balance, but no more than 80 hours of paid time off donation. At least 40 hours (48 hours in California due to sick-time regulations) must remain in an employee's paid time off bank immediately after the donation is made. Paid time off hours will be converted to cash based on the donator's rate of pay.

Employees who are facing hardship due to personal or family illness related to Covid-19, flexing or furloughing resulting from disruptions caused by Covid-19, and do not have paid time off time, Sick Time, workers compensation or State Short-Term disability (if applicable) can apply for a grant of paid time off. Paid time off will be granted based on availability and hardship in amounts that shall not exceed 80 hours of additional paid time off per individual recipient.

III. TERMS AND CONDITIONS

- A PTO donation is strictly voluntary and irrevocable.
- Donated paid time off will go into a donation bank for use by eligible recipients (see criteria).
- Recipient and donor identities will be confidential.
- The maximum number of hours that can be donated is no more than 50% of the donating employee's available paid time off balance not to exceed 80 hours. At least 40 hours (48 hours for California due to sick-time regulations) should remain in an employee's paid time off bank immediately after the donation. Certain executives may be allowed to donate more than the amounts specified herein if they wish to do so. If permitted, those executives must keep a minimum of 40 hours (48 hours for CA employees) in their paid time off bank immediately after the donation is made. In accordance with IRS rules, no employee may donate more hours in a year than that employee accrues during the calendar year in which the donation(s) is made.

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- Employee hardship hours will be granted up to 80 hours based on their needs and available funds in the donation pool
- Employees can donate and recipients can receive donations once every 6 months, however, given available funds and particular circumstances, this may be modified.
- Employees cannot borrow against future paid time off to donate.
- No cash will be granted in lieu of paid time off.
- Employee cannot donate to a specific employee. Donations will be placed in a pooled account.
- In accordance with IRS rules, donors will not be taxed on the donated paid time off. Any excess donations after the end of Covid-19 will be returned to donors on a pro rata basis, except in the event the amount is so small as to make accounting for it unreasonable or impractical.
- In accordance with IRS rules, recipients will receive paid time off at their regular rate of pay, which will be subject to regular tax withholdings and any other deductions required by law.
- In accordance with IRS rules, this program is temporary and shall last no longer than two weeks after the end of the national state of emergency declared on March 13, 2020 or the lifting of local health-related restrictions on gatherings and business activity, whichever is later.

V. PROCEDURE

- Both Donors and Recipient will complete a request forms requesting paid time off donations.
- All requests will be sent to local human resources for administration.
- Human Resources will work with Payroll to facilitate the conversion of donated hours and distribution of hours to requestees.
- Request forms are available through Human Resources.
- Each region will form a small decision-making committee consisting of one operation, compliance and human resources leader. The committee will be led by the HR leader.

V. HARDSHIP CRITERIA

- Flexed, Furloughed, non-work related Covid-19 personal illness or quarantine, care for illness of a family member with Covid-19.
- Exhausted all paid time off and/or sick balances (as applicable).
- All financial means have been exhausted: (Not eligible for workers compensation, state short term disability, a hardship 401(k) withdrawal or loan, delay or shortfall in unemployment benefits).
- Unable to sustain basic life needs (shelter, utilities, food, medical bills).