



MILITARY LEAVE

Policy Owner:	<i>Human Resources, Benefits</i>	Effective Date:	<i>April 2022</i>
Contact:	<i>Benefits and Compensation Department</i>		

Objective/Purpose:

To comply with all aspects of the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Policy Statement:

The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 prohibits employers from denying any initial employment, reemployment, retention in employment, promotion, or any benefit of employment to an individual on the basis of his or her membership, application for membership, performance of service, application for service, or obligation for service in the uniformed services.

Summary:

Intact Insurance Specialty Solutions employees who are called upon or who volunteer for service in the Armed Forces have certain rights to employment and reemployment under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). This policy is meant to comply with USERRA in all respects.

Military service includes all categories of military training performed on a voluntary or involuntary basis and applies to all individuals serving in active components of the Armed Forces. Military service includes service in the commissioned corps of the Public Health Service, service as a cadet or midshipman at a service academy, and any other category that the President may designate during a period of war or national emergency.

Military service includes services performed as an intermittent disaster-response appointed under the National Disaster Medical System or participation in an authorized training program even if the employee is not a member of the uniformed services.

Military service does not include service with the National Guard under authority of state law. It only includes National Guard service subject to federal authority.

Some states have laws governing military leave duration and benefits. State regulations that are more generous take precedence over this Military Leave policy and may run concurrently with Military Leave, to the extent permitted by applicable law. This policy is intended to provide general guidance regarding Intact Insurance Specialty Solutions' treatment of its employees who are engaged in certain military service, including an outline of applicable law; this policy is not intended to confer any contractual rights. No attempt is made in this policy to cover all possible situations and circumstances that may arise in connection with the military service of an employee. Therefore, as military leave situations arise, employees should consult with Human Resources for complete details regarding their military leave rights.

Entitlements During Military Leave:

Under Intact Insurance Specialty Solutions' Military Leave policy, there are two classifications of leave, Peace Time Leave and Leave during Declared National Emergency. The company, at its own discretion, will determine whether a leave is categorized as a Peace Time Leave or Declared National Emergency leave.

Under Peace Time leave, the company will offset an eligible employee's regular base pay¹ by any military pay received for up to 10 days per year, subject to receipt of required documentation of military pay. Any military leave beyond two weeks is unpaid, but employees may use any accrued PTO during this period. Peace Time Leave is applicable to any and all military leave subject to USERRA.

"Declared National Emergencies" refers to leaves where the employee is called upon as a result of a national emergency. The employee may or may not be deployed overseas. During National Emergency leave, the eligible employee will remain on the company payroll and receive his/her regular base pay, subject to an offset for military pay, for the duration of that military leave up to a maximum of six months. Employees must provide required documentation of military pay during this period. Employees may use any accrued PTO during any period of unpaid National Emergency leave.

Reinstatement and Reemployment:

Subject to certain exceptions,² USERRA requires that upon returning from service, members of the armed services and their reserve components must be reinstated to their job without loss of seniority or benefits and without any break in service for pension purposes (if applicable) so long as the employee's cumulative length of absence does not exceed five (5) years. A returning employee who is eligible for reemployment will receive a base pay at least at the rate it would have been had the employee remained continuously employed with the company. Accordingly, if an annual base pay increase is due during the leave period, the employee will receive that increase upon return from leave.

Treatment of Benefits:

The following changes will occur to the benefits of employees out on military leave:

- **Life Insurance Benefits (Supplemental Life, Spouse/Dependent Life and Child Life)** – The employee will be given the option if he/she wants to maintain the benefits for the first six months of military leave. After the six-month period is over, the benefits will be terminated.
- **Accidental Death and Dismemberment (AD&D)** – If employee is enrolled in the AD&D benefit, it will terminate the first day of military leave (other than during a Peace Time Leave). The AD&D plan contains an Act of War exclusion. Therefore, benefits would not be paid if injury or death is due to an act of war.
- **Flexible Spending Accounts – Health Care and Dependent Care** – The employee will be given the option if he/she wants to maintain the benefits for the first six months of military leave. After the six-month period is over, the benefits will be terminated.
- **Disability Benefits (Short-Term Disability, Basic Long-Term Disability, Supplemental Long-Term Disability)** – The disability benefits also have an Act of War exclusion; the claims for injury due to an act of war will be denied. Therefore, the benefits will terminate on the first day of military leave (other than during a Peace Time Leave).
- **Health and Dental Benefits** – An employee taking leave of absence for military service is entitled to elect health continuation coverage for 24 months. The employee pays the active rate for the first six months on military leave, and the remaining 18 months are at the full COBRA rate. After the 24-month period, health and dental benefits are terminated.
- **Retirement/Pension Benefits** –
 - Intact USA Retirement Savings Plan – Intact Insurance Specialty Solutions will notify the third-party administrator to prevent a break in service or the default of any plan loan.

- **Paid Time Off** - PTO does not accrue while on unpaid military leave, but upon return the employee will return to accruing at the appropriate rate based on total service as if continuously employed with the company.

Employee Responsibilities When Requesting Leave:

Employees should provide at least 30 days' notice of any requests for Military Leave, when possible. If 30 days' notice is not possible because of military service necessity or for other reasons, employees must provide as much notice as possible under the circumstances. Failure to provide appropriate notice under this policy may result in an employee's loss of eligibility for reinstatement or reemployment.

Employees are responsible for providing Human Resources with a military pay voucher showing details of all military pay and allowances during any period of Military Leave. Failure to provide appropriate pay documentation may result in a delay or denial of pay during any paid period of Military Leave.

Employees must notify Human Resources of their intent to return to employment in a timely manner. Failure to report to work under the time limits outlined below will result in the employee being subject to Intact Insurance Specialty Solutions' attendance policies.³ Intact Insurance Specialty Solutions may extend these time limits for reasons such as service-related disability or other circumstances beyond the returning employee's control. These time limits are:

- For services of 1 to 30 days, employees must report back to work at the beginning of the employee's next regular shift on the first full workday following release from service, subject to certain travel and rest period exceptions.
- For services of 31 to 180 days, employees must report back to work or submit an application for reemployment no later than 14 days after completion of service.
- For services of more than 180 days, employees must report back to work or submit an application for reemployment no later than 90 days following completion of service.