Hello and welcome to an overview of the Paid Sick Leave Program.

We know you're busy and we appreciate you taking the time to learn about this new law going into effect for your associate.
Starting September 29th, 2018, all hourly and temporary associates and over the road drivers working in New York City, New York and Minneapolis, Minnesota will be provided paid and job protected time away from work under Walmart’s Paid Time Off (PTO) and Paid Sick Leave (PSL) program. Associates will be able to use this time off for things such as when they or a family member are sick or injured; when schools, businesses, or other places of care are closed for a public health or safety reason; when they or a family member are going through domestic violence, abuse or stalking; and other reasons without incurring any attendance ramifications.
Let’s take a look at how the Paid Sick Leave is earned by each of the associate groups.

For Hourly associates, their PTO accrual will be separated into two buckets within the GTA Portal; PTO and Protected PTO. Newly hired associates will continue to have a 90 day wait before PTO begins to accrue. Protected PTO, however, will begin accruing upon hire. Both PTO and Protected PTO will become available to use on the 90th day of employment.

For over the road drivers, PTO will look just like it does today in the system. Like hourly associates, all available PTO is paid out upon termination to drivers with at least one year of service or according to state law. All PTO accrued can be used for paid sick leave reasons as outlined in the policy.
Let’s take a look at an example to help you better understand how it works.

Jack is a 7 year associate working 80 hours this pay period. Based on his tenure, he accrues one PTO hour for every 10 hours worked and earns 8 hours of PTO in a pay period.

Beginning on September 29, 2018, Jack’s earned PTO is split into two buckets of time – PTO and Protected PTO.

- 5.3 of the 8 earned hours goes into the PTO bucket
- 2.7 of the 8 earned hours goes into the Protected PTO bucket

Total PTO: 5.3 + 2.7 = 8 hours

On September 29, 2018 Jack’s 8 hours of PTO earned each pay period will be split into PTO and Protected PTO. The majority of the time, 5.3 hours, earned will go into the PTO bucket and the other 2.7 hours will go into the Protected PTO bucket.

The accrual rates by tenure have been updated in the Paid Time Off – Hourly Associates policy on the WIRE to reflect what portion of accruals will be accrued as PTO and what portion accrues as Protected PTO.
Now that you understand how PTO and Protected PTO are accrued by hourly associates, what can the Protected PTO be used for?

Protected PTO can actually be used for any reason, just like regular PTO, but the reason code determines which PTO bucket gets used first. So, if associates request time off for reasons of Sick or Family Care, the Protected PTO will automatically be used first. If there is not enough Protected PTO available, then it will then dip into the PTO bucket. On the other hand, if associates request time off as Vacation or Personal, PTO will automatically be used first and then Protected PTO if there is not enough regular PTO available.

Any available time in the personal bucket can will still be used if there is not enough PTO or Protected PTO.

Any time another bucket (PTO, Protected PTO, Personal and/or Sick) is needed to satisfy a time off request, the GTA system will look at the additional buckets on the last Friday of the Pay Period. Do not be concerned if you do not see the time coming out of the other buckets right away on the day of the request.

At the end of each PTO plan year, associates’ regular PTO will continue to follow the carry over and cash out process it does today. The full Protected PTO balance, however, will be carried over, regardless of the number of hours available.

If an associate leaves the company, any unused and accrued PTO and Protected PTO will be paid out as long as the associate has been employed for a year, or in accordance to any specific local laws.
Associates will transition from their current paid sick leave program to this new program effective September 29, 2018.

The transition is a one time transition. Movement from the regular PTO bucket into the Protected PTO bucket will NOT reoccur every year.

Associates’ PTO buckets will transfer and be split into the Protected PTO bucket and the regular PTO bucket. Up to 80 hours will be transferred into associates’ Protected PTO buckets. So, if an associate has a total PTO balance of 100 hours (10 carried over from last year and 90 hours accrued this PTO plan year), on September 29, 2018 the 80 hours that were accrued this plan year will transfer into the Protected PTO bucket. PTO balances that were carried over from last year, will not be transferred into the protected PTO bucket.

If an associate has 80 hours or less, only the available balance will transition. For example, if an associate only has 10 hours of PTO available that was accrued this Plan year, then 10 hours will transfer into the Protected PTO bucket.

The amount of PTO transferred into the Protected PTO balance will count towards the associates Protected PTO accrual max for the year but it will be subtracted from an associates regular PTO accrual max for the year.

Please remember, Protected PTO can be used just like PTO. If an associate has vacation scheduled after September 29, 2018 but has little or no regular PTO, the system will automatically use any available time from their Protected PTO bucket, Personal and/or Sick to satisfy their time off request. This automatic look at other balances happens on the last Friday of the pay period.
Again, no PTO time is lost.
Let’s dive a little deeper into how the end of the year carry over and cash out process will work. The protected PTO balance is not eligible for cash out so as we said earlier, the entire Protected PTO balance will carry over year after year, but how does this work for the PTO bucket carry over and cash out?

If an associate’s Protected PTO balance is equal to or greater than 80 hours for full-time or 48 hours for part-time, then the full Protected PTO balance carries over and any time in the regular PTO bucket is automatically paid out to the associate in cash.

If an associate’s available Protected PTO is less the 80 hour and 48 hour limits, then the full Protected PTO balance is carried over and additional hours from their regular PTO bucket to get them to the carry over maximum. Then any remaining hours in the regular PTO bucket are cashed out.

In all cases, associates do not lose any PTO they have earned.
Let’s take a look at a couple of examples for Cash out when Protected PTO is involved.

When the Protected PTO balance is less than 80 hours, a portion of the PTO balance will carry over to bring the total carried over up to 80. The remainder will be cashed out. So, let’s say a full-time associate has 30 hours Protected PTO and 90 hours regular PTO at the end of the year. The full Protected PTO balance of 30 hours is carried over. An additional 50 hours from the regular PTO bucket is carried over for a total of 80 hours carried over and then the remaining 40 hours of regular PTO are paid in cash to the associate.

When the Protected PTO balance is 80 hours or more, all of the PTO bucket will cash out. So, if at the end of the year a full-time associate has 90 hours of Protected PTO and 30 hours of regular PTO, then the 90 hours of Protected PTO will be carried over into the next year and the associate will be paid cash for the remaining regular PTO 30 hours.
Let’s talk about when associates working in a paid sick leave program area, transfer to another area.

If an associate transfers to a state that does not have a Paid Sick Leave Program, such as Arkansas, then the Protected PTO and regular PTO balances are combined into one PTO balance. The associate is then subject to the PTO limits and guidelines of that state.

If an associate transfers to another state with a Paid Sick Leave Program, the Protected PTO and regular PTO balances transfer over as separate buckets and the associate’s balances are then subject to the limits and guidelines of that state’s Paid Sick Leave Program.
Beginning September 29, 2018,

Hourly associates will see their protected PTO displayed as Protected Paid Time Off in the GTA system.

They will also see the combined total of their Protected PTO and PTO time.

Lastly, All associates will see how much PTO and/or Protected PTO they have accrued YTD!

Since Drivers do not have a protected PTO balance they will not see any details pertaining to that balance.
Starting September 29, 2018, Hourly associates will see a couple changes to their paystub to align with the change in balance names on GTA Portal.

- Any Protected PTO used by will display as “Prot PTO Pay”
- The Protected PTO balance will display as “Protected PTO Avail”
- The amount of Protected PTO an associate has used year to date will display as “Prot PTO Used YTD”

Also good news for drivers and salaried associates, they will not see any changes to their paystub.
Associates will be able to use Protected PTO to have an absence approved when they:
Submit a time off request for their missed shift or tardiness (late in/early out)
The time off reason for the absence is listed as PTO- Sick or PTO- Family Care
Uses enough Protected PTO to avoid an unauthorized absence under your segment’s attendance policy
Time off Requests must be submitted within 14 days (7 days for logistics) of the absence and no documentation is required when Protected PTO is requested
No Call, No Show absences should still receive an occurrences for the no call, no show but they should not receive an occurrence for the absence
The absence approval reason code should be “Exception Covered by Time Off Policy” or “Manager Approved”

How does your PSL provide job protected time away from work?

- Use of Protected PTO will result in an approved absence if an associate:
  1. Submits a time off request for their missed shift or tardiness (late in/early out)
  2. The time off reason for the absence is listed as PTO- Sick or PTO- Family Care
  3. Uses enough Protected PTO to avoid an unauthorized absence under your segment’s attendance policy
- Time off Requests must be submitted within 14 days (7 days for logistics) of the absence and no documentation is required when Protected PTO is requested
- No Call, No Show absences should still receive an occurrences for the no call, no show but they should not receive an occurrence for the absence
- The absence approval reason code should be “Exception Covered by Time Off Policy” or “Manager Approved”

Walmart
- For a Full Occurrence: Enough Protected PTO to reduce the total missed time down to 120 minutes
- For a Half Occurrence: Enough Protected PTO to reduce the total missed time down to 60 minutes

Logistics & Ecommerce
- For an Absence or Tardy: Enough Protected PTO to reduce the total missed time down to 0 minutes

Sams
- For a Full Absence: Enough Protected PTO to cover 50% or more of the missed shift. (If the PTO does not reduce the total missed time to 9 minutes, resulting in an incomplete shift, manual tracking of the incomplete shift will be required)
- For an Incomplete Shift: Enough Protected PTO to reduce the total missed time down to 9 minutes

Associates will be able to use Protected PTO to have an absence approved when they:
Submit a time off request for their missed shift or tardiness (late in/early out)
Enter a time off reason of PTO- Sick or PTO- Family Care
Use enough Protected PTO to avoid an unauthorized absence under your segment’s attendance policy as shown below and
Submit the time off request within 14 days (7 days for logistics) of the absence. No documentation is required when Protected PTO is requested.

Associates with a No Call, No Show absence should still receive occurrences for the no call, no show portion, but they should not receive an occurrence for the absence itself.

When approving the absence, the absence approval reason code should be “Exception Covered by Time Off Policy” or “Manager Approved”
## Examples of how does your PSL provide job protected time away from work?

<table>
<thead>
<tr>
<th>Walmart Stores</th>
<th>Attendance Occurrence</th>
<th>Missed Shift After Protected PTO</th>
<th>Excuse or Unexcused?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Missed Shift</strong>&lt;br&gt;8 Hours&lt;br&gt;Protected PTO Used&lt;br&gt;8 Hours</td>
<td>Full Occurrence</td>
<td>8 hours missed – 8 hours protected PTO = 0 hours missed</td>
<td>Excuse Occurrence</td>
</tr>
<tr>
<td><strong>Missed Shift</strong>&lt;br&gt;8 Hours&lt;br&gt;Protected PTO Used&lt;br&gt;5 Hours</td>
<td>Full Occurrence</td>
<td>8 hours missed – 5 hours protected PTO = 3 hours missed</td>
<td>Occurrence Not Excused</td>
</tr>
<tr>
<td><strong>Missed Shift</strong>&lt;br&gt;30 Minutes&lt;br&gt;Protected PTO Used&lt;br&gt;15 Minutes</td>
<td>Half Occurrence</td>
<td>30 minutes missed – 15 minutes protected PTO = 15 minutes missed</td>
<td>Occurrence Not Excused</td>
</tr>
</tbody>
</table>

* Associates Use Protected PTO by Submitting a PTO Request for PTO - Sick or PTO - Family Care. The request must then be approved by management.
### Examples of how does your PSL provide job protected time away from work?

<table>
<thead>
<tr>
<th>Sams Club</th>
<th>Attendance Occurrence</th>
<th>Missed Shift After Protected PTO</th>
<th>Excuse or Unexcused?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Missed Shift</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Hours</td>
<td>Full Absence</td>
<td>8 hours missed – 8 hours protected PTO = 0 hours missed</td>
<td>Excuse Full Absence</td>
</tr>
<tr>
<td><strong>Protected PTO Used</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Hours</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Missed Shift</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Hours</td>
<td>Full Absence</td>
<td>8 hours missed – 5 hours protected PTO = 3 hours missed</td>
<td>Excuse Full Absence</td>
</tr>
<tr>
<td><strong>Protected PTO Used</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Hours</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Missed Shift</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 Minutes</td>
<td>Incomplete Shift</td>
<td>30 minutes missed – 15 minutes Protected PTO = 15 minutes missed</td>
<td>Incomplete Shift Not Excused</td>
</tr>
<tr>
<td><strong>Protected PTO Used</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Minutes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Associates Use Protected PTO by Submitting a PTO Request for PTO – Sick or PTO – Family Care. The request must then be approved by management.
<table>
<thead>
<tr>
<th>Logistics &amp; Ecommerce</th>
<th>Attendance Occurrence</th>
<th>Missed Shift After Protected PTO</th>
<th>Excuse or Unexcused?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missed Shift</td>
<td>Absence</td>
<td>8 hours missed – 5 hours</td>
<td>Absence Not Excused</td>
</tr>
<tr>
<td>8 Hours</td>
<td></td>
<td>protected PTO</td>
<td></td>
</tr>
<tr>
<td>Protected PTO Used</td>
<td></td>
<td>3 hours missed</td>
<td></td>
</tr>
<tr>
<td>8 Hours</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Missed Shift</td>
<td>Absence</td>
<td>8 hours missed – 8 hours</td>
<td>Excuse Absence</td>
</tr>
<tr>
<td>8 Hours</td>
<td></td>
<td>protected PTO</td>
<td></td>
</tr>
<tr>
<td>Protected PTO Used</td>
<td></td>
<td>0 hours missed</td>
<td></td>
</tr>
<tr>
<td>8 Hours</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Missed Shift</td>
<td>Tardy</td>
<td>30 minutes missed – 15 minutes</td>
<td>Tardy Not Excused</td>
</tr>
<tr>
<td>30 Minutes</td>
<td></td>
<td>protected PTO</td>
<td></td>
</tr>
<tr>
<td>Protected PTO Used</td>
<td></td>
<td>15 minutes missed</td>
<td></td>
</tr>
<tr>
<td>15 Minutes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Associates Use Protected PTO by Submitting a PTO Request for PTO – Sick or PTO – Family Care. The request must then be approved by management.
To determine if an associate has used enough Protected PTO to cover their absence occurrence:

1. Log into GTA Timesheet and enter in the associate’s WIN to find their timesheet details.
2. Navigate to the day of the absence occurrence where Protected PTO has been submitted.
3. Look at the “PSL” amount to determine how much available protected PTO was applied to the request.
4. Determine if the PSL amount excuses the missed time under your segment’s attendance policy.

Example: Sam is a Walmart associate who received an occurrence for missing his 9-hour shift because he was sick. Sam submits a time off request for PTO – Sick in order to have his occurrence excused by protected PTO.

Following the steps below, Sam only has 5:00 hours of Protected PTO to cover his absence. That is not enough to cover his 8-hour missed shift since 3 hours of his shift remains as absent. Sam would receive an attendance occurrence.
So what about FMLA?

FMLA and Paid Sick Leave are separate laws that may overlap when providing job protection to an associate. This means an associate’s Protected PTO may deduct even if they are on an approved FMLA if they use their Protected PTO for the appropriate paid sick leave reasons outlined in the Protected PTO policy.

In order to be compliant with both laws, associates should always choose the appropriate reason code for the reason they are absent.
Some laws require us to provide associates visibility to their Protected PTO and PTO balances and a notice of their rights.

Associates will be able to see their Protected PTO and PTO balances through GTA Portal and their paystubs, as they do today. The new Protected PTO policy will be published on the WIRE so associates can know how they can use Protected time and accrue Protected PTO.

A poster is required to be posted in a public place. Posters will be sent out by GovDocs before your law's effective date. If you have not received a poster or require a replacement poster, please request one by going to:
Knowledge Center > People Support > HR Services > Employment > Employment Compliance > Standard > Employment Posters > State Required Employment Posters > [Your Location] Paid Sick Leave Poster

In addition, new associates and existing associates may be required to receive a notice informing them of their rights. These notices can be printed from the Wire by going to:
Knowledge Center > People Support > HR Services > Employment > Employment Compliance > Standard > State Specific Employment Standards > [Your Location] Paid Sick Leave Notice
There are several resources available for you on the WIRE and WalmartOne to help you learn, understand, and manage these new policy and guidelines.

All policies are updated on the program effective date for your location. Therefore you will not see updated policies for Austin, Texas until September 29, 2018.

The training guide for management and the associate resource are available now!
For additional information please call the People Services – PTO Team! They are always happy to answer any PTO related questions you may have!

ptoadjst@wol-mart.com

800-421-1362
Thank you again for taking the time to learn about his new law and paid time off policy. We appreciate you and all you do to support HR and your associates.