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## **Military Leave Policy**

Effective date: January 1, 2017

Belk provides time off and benefits for all associates to serve in the uniformed services of the United States.

### **Eligibility**

- You are eligible for Military Leave when it is necessary to be absent from work to serve in the uniformed services of the United States, including weekend reserve duty and annual reserve training, in accordance with applicable law.
- The uniformed services include: Armed Forces, Reserves, Army National Guard and Air National Guard, Commissioned Corps of the Public Health Service and any other category designated by the President in time of war or national emergency.
- The performance of duties on an involuntary or voluntary basis constitutes service in the uniformed services of the United States.

### **Applying for Military Leave**

First, contact your manager and follow the specific requirements of your line of business regarding reporting an absence or leave.

Second, contact the Leave of Absence Administrator to initiate a leave by phone at 1.800.588.3700 option 1 or through the self-service portal.

Leave is granted based on your advance notice. Generally, oral or written notice is required unless notice is prevented by military necessity or it is unreasonable or impossible to do so. You may be asked to provide a copy of your applicable military documentation and/or commanding officer's information. Leave begins when you report for military duty.

### **Extension of Military Leave**

During an approved leave and prior to the expected return to work date, if need to extend Military Leave, you should contact your manager to provide an updated anticipated return date. In addition, you should contact the Leave of Absence Administrator to request an extension of the leave.

### **Pay**

Military Leave provides eligible associates differential (or supplemental pay) for up to six months. Any pay you receive while on Military Leave will be paid through the regular payroll process. Most payroll deductions, including required contributions for health and insurance coverage, 401(k) contributions, payroll tax withholdings (except for Federal Insurance Contributions Act known as FICA, for leaves that exceed 30 days) and garnishments will continue.

Differential pay will be calculated by taking the difference between military gross base pay and your Belk gross base pay. Military gross based pay does not include special allowances (such as allowances for housing, subsistence, etc.). For Belk to determine differential pay, you must provide Belk with a copy of your military earnings statement. Belk base pay is based on your standard hours. For commissioned associates receiving effective hourly rate (EHR) for other benefits like paid time off, Belk base pay is based on the annual benefits base rate determined for each associate by Belk for benefits purposes.

If military gross pay cannot be determined by Belk, you will be classified as being on an unpaid Military Leave. If the military gross base pay information is provided within one year from the date the leave began, you will receive differential pay calculated on a retroactive basis as long as you are employed with Belk at the time of documentation submission. You will not be eligible for retroactive payment if the military pay information is received after your employment with Belk has ended or more than one year from the date the leave began.

**Notice of Disclaimer:** *This policy is subject to change at any time with or without notice, and Belk reserves the right to interpret the policy at its sole discretion. This policy does not establish enforceable employee rights, contractual or otherwise.*



Differential pay while on Military Leave will cease when you are released from active duty or when six months of such pay have been provided, whichever comes first. You will be placed on unpaid Military Leave if you remain on leave after paid leave ends.

To be eligible for paid leave, you must provide any requested documentation and cooperate fully with requests for information, including the status of the leave. Any pay you receive for which you are not eligible will be considered a pay advance or overpayment. The overpayment amount will be reconciled from pay, or otherwise recovered, to the extent permitted by law.

### **Military Leave Provisions**

- Paid Time Off hours days do not accrue while on Military Leave.
- You are not eligible for any paid holidays that are observed during paid or unpaid leave.

### **Benefits Coverage during Leave**

While on Military Leave, you are eligible to continue participating in most health and insurance plans provide through the Belk Group Benefits Program. You must continue to pay any required contributions. During the unpaid portion of the leave or if the cost of group benefits contributions exceeds the differential pay; you will be billed each month for your required contributions. If you do not pay required contributions during this unpaid period, coverage may be cancelled. Belk will continue to pay the company's portion of your health and insurance benefit coverage as long as you pay your required contributions. While on an unpaid leave of absence, where applicable, Flexible Spending Account (FSA) and Health Savings Account (HSA) contributions cease, and Long-term Disability coverage stops. If employment ends, you may elect to continue group health plan coverage through COBRA.

### **Return to Work & Re-Employment Rights**

The following re-employment eligibility conditions must be met before you are eligible for re-employment when returning from Military Leave:

- You left Belk in order to serve in a United States uniformed service.
- You are generally not gone for a period longer than five years.
- You are not dishonorably discharged from the military service.
- You gave advance written or oral notice that you were entering the military except when precluded by military necessity.
- You provide documentation of length and character of service if requested and timely return to work.

In general, you will be returned to a position you would have held had you remained continuously employed (provided you are qualified), the same position you left or a position of like seniority, status and pay.

- Re-employment will depend on length of service and the applicable circumstances. If you are on Military Leave for five years or more, you will be required to provide documentation that you qualify for one of the exceptions to the general five-year reemployment eligibility limitation.
- If your position is eliminated, there may not be a position for you. This will be determined when you apply for re-employment.
- Federal requirements for military leave include an escalator principle requiring that:
  - You be returned to the position you would have attained if you never took military leave.
  - You be given salary increase(s) or promotion(s) that with reasonable certainty you would have received during the time on military leave.

If benefits were cancelled, the health and insurance plans provided through the Belk Group Benefits Program can be reinstated upon your return to work. The benefits information included in this policy is a summary of certain plan provisions. If any information in this policy conflicts with the applicable official plan documents, the official plan documents will govern.

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