

---

## **IBEW SCU-8 Military Leave of Absence Policy**

---

### **Philosophy**

The Company supports its employees who serve in the various branches of the military, and honors their service by extending certain benefits to employees who must take a leave of absence from work to fulfill their military commitments. This Policy provides guidance regarding pay, benefits and reinstatement rights for employees who are on military leaves of absence (as described in the Policy). Although the Company provides certain benefits that exceed what the law requires, this Policy is intended to comply with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and related laws, and shall be interpreted, operated and administered consistent with that intent.

### **Definitions**

"Service" means the performance of duty on a voluntary or involuntary basis in the Uniformed Services under competent authority and includes active duty, active duty for training, inactive duty training, full-time National Guard duty, a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty, and a period for which a person is absent from employment for the purpose of performing funeral honors duty as authorized by law. (38 U.S.C. 4303(13)).

"Uniformed Services" means the Armed Forces, the Army National Guard and the Air National Guard (when engaged in active duty for training, inactive duty training or full-time National Guard duty), the commissioned corps of the Public Health Service and any other category of persons designated by the President in time of war or national emergency. (38 U.S.C. 4303(16)).

### **Eligibility**

This Policy applies to all active U.S. employees of the Company, as defined by USERRA, who are performing Service in the Uniformed Services.

### **Approved Reasons for Military Leave**

Consistent with USERRA, the Company grants employees a leave of absence for Service in the Uniformed Services with reinstatement rights as set out therein.

When called to, or volunteering for, Service in the Uniformed Services, the employee (or the appropriate officer of the branch of the military in which the employee will be serving) must provide advance notice to the Company that he or she is leaving the job for Service in the Uniformed Services within 30 days prior to departure or as soon as administratively possible if providing such notice is impossible, unreasonable, or precluded by military necessity.

### **Requesting a Military Leave of Absence**

A Military Leave of Absence (MLOA) should be requested for ANY type of intermittent or continuous military leave including, but not limited to, annual boot camp training, other voluntary or involuntary training requirements or active duty. Employees have two options to request a Military Leave of Absence:

1. Submit an electronic claim initiation form located on the Employee Center, Employee Leaves/Time Away from Work Portal page; OR
2. Contact the Liberty Mutual Leave Service Team at 888-465-1300 and select the *Leaves, Disabilities and FMLA* option to speak to a Leave Specialist.

Employees requesting a MLOA should state the reason for the leave and give the expected duration. An employee requesting a MLOA must provide orders and/or other documentation related to the MLOA. A Leave Specialist will

---

## IBEW SCU-8 Military Leave of Absence Policy

---

review the documentation and determine eligibility for military pay continuation or pay coordination. Each leave will be evaluated on a case-by-case basis.

Once the leave is established, employees must use appropriate leave / military paid or unpaid time codes in the time reporting system to align with time taken off for military leave.

### Pay Continuation/Coordination

USERRA does not require employers to pay employees while they are on a MLOA. However, to show support of employees in the military and provide assistance to them and their families, the Company provides pay continuation or pay coordination for regular, full-time, part-time and fixed term employees “called to United States national active duty,” which is defined as:

In time of war or emergency (as designated by the President of the United States), employees who are either involuntarily called to United States national active duty by military orders or are already members of the Uniformed Services and volunteer for such national active duty, where the “active duty” means the employee is deployed to the site of war or emergency, is ordered on “standby” for deployment while serving active duty in the U.S. directly supporting the war or emergency military work, is required to attend pre-deployment training or is otherwise serving active duty that is directly associated with the war or emergency. Non-deployment related training or service and regularly-scheduled weekend only military commitments do not qualify for pay coordination.

Pay continuation or pay coordination for eligible employees called to United States national active duty will be applied as follows:

- **Annual Training Pay Continuation** - Up to 80 regularly scheduled work hours per calendar year at 100 percent of base or straight-time pay for non-deployment related training or service (e.g., annual two weeks, voluntary training, weekend, etc.) including training duty performed on a voluntary or involuntary basis, in time of peace or war. This is in addition to any compensation received from the military. Pay continuation for training should not exceed 80 hours within a calendar year period. The military training code should be applied in the time reporting system as time is used. If the military training balance is exhausted, vacation or personal holidays can be used to continue pay.
- **Active Duty Pay Coordination** – The Company will pay the difference between the employee’s regular base Company pay and the employee’s military pay (total entitlements including military base pay and special allowances such as housing, etc.) if any, for up to five years per leave for each deployment including pre-deployment training.
  - At the beginning of the MLOA, the employee will be placed on paid leave and provided with 100 percent of base or straight time pay for a total of two full pay periods.
  - During those first two pay periods, the employee must provide a military pay stub to the Liberty Mutual Leaves Service Team. Pay coordination will begin during the third pay period of the leave.
  - If the employee fails to provide a military pay stub or if military pay is greater than the employee’s regular base Company pay, the employee will be placed on unpaid leave (i.e., no pay coordination).
  - If an employee’s military pay changes during the MLOA, the employee must submit a new pay stub to the Liberty Mutual Leaves Service Team so the pay coordination calculation can be revised.
  - If the employee’s military pay stub is submitted past the end date of pay continuation, retroactive processing of the pay coordination will occur upon receipt of military pay stub.
  - If the employee returns to work and the military leave has been closed, there will be no retroactive processing for pay coordination not processed while the leave was active.

---

## **IBEW SCU-8 Military Leave of Absence Policy**

---

### **New Enlistees**

When an employee voluntarily enlists in the military, pay continuation/coordination may be applied as follows.

- If a new enlistee's initial orders include training and continuous deployment, he/she will not qualify for pay continuation, except for the 80 regularly scheduled work hours for initial training.
- If a new enlistee completes training and returns to full time employment with the Company while he/she is in the reserves, he/she may qualify for pay coordination if he/she is called to national active duty on a continuous leave basis.

### **Benefits and Other Information**

#### **Short-Term Incentive and Long-Term Incentive Goal Programs**

Employees are eligible for incentives while they are on a MLOA, as described in the applicable plan documents. The incentive amount is based on their eligible earnings, including any earnings received from the Company while on leave.

#### **Vacation**

Employees receiving pay continuation or pay coordination under this Policy cannot receive vacation pay at the same time, or otherwise "stack" benefits. Employees on a MLOA will be allowed to carry over or receive accrued vacation pay in the same manner as provided in the Company's Leave of Absence Policy. Employees on military leave earn the full year's vacation if they work during the calendar year. The employee may take all or part of the full year's untaken vacation before the leave begins, or upon return from leave in the same calendar year, they may take any untaken vacation on dates approved by their supervisor. If an employee's leave of absence will carry over into the new calendar year, the employee may carry over up to 80 hours of vacation and choose to be paid for any vacation above the 80 hours before they go on leave. [An employee may carry over vacation in excess of 80 hours only in extenuating circumstances with Department VP approval.] Employees who are on MLOA for an entire calendar year will not earn or accrue vacation during that year, regardless of whether they received pay continuation/coordination.

If an employee would have been eligible for additional weeks of vacation (due to length of service) during a calendar year in which they were on a MLOA for the entire year, the additional weeks of annual vacation will be effective beginning the year that they return from military leave. Vacation balances for employees on a MLOA will be tracked and monitored in the same way as for employees who are not on leave.

#### **Health Coverage and Other Benefits**

The following benefits should be administered as described below when an eligible employee is enrolled in health coverage or other benefits and is on a MLOA for which pay coordination is available. Notwithstanding anything in this Policy to the contrary, if any statement about health coverage or other benefits in this document conflicts with the governing plan documents, the plan documents will govern to the extent that the plan documents are not inconsistent with the requirements of USERRA.

These benefit provisions apply to each MLOA for which pay coordination is available, whether intermittent or continuous. Prior to the commencement of pay coordination, an eligible employee who is on a MLOA may not make any changes to his or her health coverage or other benefits, unless such changes are otherwise permitted under the terms of the applicable coverage or other benefit. Once pay coordination begins, employees will be billed for their benefits. When an eligible employee is enrolled in health coverage or other benefits and is on a MLOA for which pay coordination is not available, the employee will be treated the same as any other similarly-situated employee on a paid or unpaid leave of absence, as applicable.

## IBEW SCU-8 Military Leave of Absence Policy

Plan	Upon Start of Pay Coordination	After 6 Months of Pay Coordination
Medical	Continue: Employee will be billed for employee portion of contributions for coverage selected	Continue: Employee will be billed for full cost of coverage selected
HSA	Discontinue: Payroll deductions discontinue (employee can make contributions directly to bank)	N/A (previously ended)
Dental	Continue: Employee will be billed for employee portion of contributions for coverage selected	Continue: Employee will be billed for full cost of coverage selected
Vision	Continue: Employee will be billed for employee portion of contributions for coverage selected	Continue: Employee will be billed for full cost of coverage selected
HCSA	Continue: Employee contributions are required to continue coverage	Continue: Employee contributions are required to continue coverage
DCSA	Discontinue: DCSA contributions cannot be continued while on military leave	N/A (previously ended)
Long Term Disability	Discontinue: Coverage ends on the last day worked and cannot be continued while on active military duty NOTE: Disability coverage is provided under the military's program	N/A (previously ended)
Basic Life (Company-paid)	Continue: Company continues to pay the total cost for coverage.	Continue: Company continues to pay the total cost for coverage
Supplemental Life (employee-paid)**	Continue: Employee will be billed for the cost of coverage selected	Continue: Employee will be billed for the cost of coverage selected
Spouse Life (employee-paid)**	Continue: Employee will be billed for the cost of coverage selected	Continue: Employee will be billed for the cost of coverage selected
Child Life (employee-paid)	Continue: Employee will be billed for the cost of coverage selected	Continue: Employee will be billed for the cost of coverage selected
Basic AD&D (Company-paid)*	Continue: Company continues to pay the total cost for coverage	Continue: Company continues to pay the total cost for coverage
Supplemental AD&D (employee-paid)*	Continue: Employee will be billed for the cost of coverage selected	Continue: Employee will be billed for the cost of coverage selected
Spouse AD&D (employee-paid)	Continue: Employee will be billed for the cost of coverage selected	Continue: Employee will be billed for the cost of coverage selected

## IBEW SCU-8 Military Leave of Absence Policy

Child AD&D (employee-paid)	Continue: Employee will be billed for the cost of coverage selected	Continue: Employee will be billed for the cost of coverage selected
----------------------------	---	---

\*Note: These coverages have exclusions for losses caused or contributed to by service in the armed forces of any country or international authority, except the United States National Guard.

Note: Eligible employees have the option to discontinue benefits during the period of pay coordination and reinstate benefits upon return from leave.

Note: \*\*Some benefits will require evidence of insurability in these cases.

### Retirement Benefits

The retirement benefits should be administered as described below when an eligible employee is a participant in the applicable plan and is on a MLOA. Notwithstanding anything in this Policy to the contrary, if any statement about the retirement benefits in this document conflicts with the governing plan documents, the plan documents will govern to the extent that the plan documents are not inconsistent with the requirements of USERRA.

#### Duke Energy Retirement Savings Plan/Savings Plan for Employees of Florida Progress Corporation ("the Plan")

Eligible pay for purposes of employee contributions (before-tax, Roth and after-tax), Company matching contributions, and any Company non-elective contributions to the Plan does not include military leave of absence pay (based on pay code). In general, an employee's military leave of absence pay includes the employee's pay coordination. Once the employee returns to work, any Company non-elective contributions that were not made on account of the MLOA automatically will be made to the participant's Plan account and the employee can make-up employee contributions that could have been made and receive any corresponding Company matching contribution. If an employee who has returned to work makes regular before-tax and Roth contributions in excess of the amount necessary to receive the maximum regular company matching contribution for a plan year, the before-tax and Roth contributions will automatically be treated as military make-up contributions to the extent eligible for prior year Company matching contributions. Make-up contributions are determined using the Plan eligible pay rate that the Company determines the employee generally would have received had the employee not gone on MLOA. An employee has a period equal to three times the period of their MLOA, but not to exceed five years, to make-up employee contributions to the Plan.

While on a MLOA, if an employee has any loans from the Plan, loan payments will be suspended. Interest on any outstanding loans will continue to accrue, although the employee may limit the interest as discussed below. Once the employee returns to work, any suspended loan, including accrued interest, will be re-amortized and loan payment deductions will resume immediately. If desired, an employee can prepay all or part of any unpaid loan balance in a lump sum payment, at any time, without penalty.

While on a MLOA, if an employee has any loans from the Plan with interest exceeding 6%, the employee can contact the myHR Service Center at 1-888-465-1300 and request that the loan interest be reduced to 6% for the MLOA. Choosing to limit interest repayments to 6% may result in investment returns (including interest repayments) being significantly less than originally anticipated when the loan was initiated.

#### Retirement Cash Balance Plan/Other Pension Issues

While an employee who is a participant is on a MLOA, pay credits to the employee's Retirement Cash Balance Plan account will be suspended. After the employee returns to work in accordance with USERRA, the Retirement Cash Balance Plan account will be recalculated to include pay credits and related interest credits that the employee would have received had the employee not gone on military leave. Such pay credits are

---

## IBEW SCU-8 Military Leave of Absence Policy

---

determined using an eligible pay rate that the Company determines the employee generally would have received had the employee not gone on MLOA. Participants in any traditional defined benefit pension plan sponsored by the Company also will be treated in a manner consistent with USERRA. Upon reemployment within the time frames outlined in USERRA, all time spent on military service will be added to the former Company service and the participant will not be considered to have a break in service. Further, benefits based on length of service as well as Union seniority will be provided as though the employee was actively employed during the time of the leave. General and periodic pay increases will be calculated in accordance with USERRA based on the MOA.

### Returning From a MLOA

An employee should contact his/her supervisor and the Liberty Mutual Leave Service Team in advance regarding plans to return to work and to discuss position reinstatement. Per USERRA, employees have time limits for returning to work:

- **Less than 31 days service:** By the beginning of the first regularly scheduled work period after the end of the calendar day of duty, plus time required to return home safely and an eight hour rest period. If this is impossible or unreasonable, then as soon as possible.
- **31 to 180 days:** The employee must contact the Company regarding reinstatement/reemployment no later than 14 days after completion of military service. If this is impossible or unreasonable through no fault of the employee, then as soon as possible.
- **181 days or more:** The employee must contact the Company regarding reinstatement/ reemployment no later than 90 days after completion of military service.
- **Service-connected injury or illness:** Reporting or application deadlines are extended for up to two years for persons who are hospitalized or convalescing.

An employee on approved military leave will remain on approved military leave status during the USERRA defined return to work period. If military pay changes during the return to work period, the employee should provide an updated pay stub or notification of pay change (e.g. military pay concludes) to the Liberty Mutual Leave Service Team so the pay coordination calculation can be revised. Pay coordination will not exceed the timeframe of five years from the original deployment.

Discharge orders should be provided to the Liberty Mutual Leave Service Team. The employee's reemployment rights and benefits upon release from military duty in the Uniformed Services will be determined by applicable state and federal law at the time of their reporting to work or submitting an application for reemployment.

### Employment Date/Service Date

An employee's original or adjusted employment date at the beginning of the MLOA will not be affected if the employee is reinstated in accordance with these leave provisions and USERRA.

### Company Required Physicals

When an employee returns from a MLOA, the employee may be required to undergo a physical examination if there is a business necessity (i.e., based on an occupational clearance). When an employee's work function requires an occupational medical clearance physical exam or a physical functional skills test, the employee must notify Medical Services or Human Resources following any significant personal medical event, any significant change in the use of prescription medication, or any significant change in his/her health that affects an employee's ability to maintain medical clearance before returning to work. This notification is necessary in order to have the adequacy of the required medical clearance exam re-verified.

## **IBEW SCU-8 Military Leave of Absence Policy**

---

### **Drug Screen**

Any employee who is on a continuous leave for more than 180 days will have a drug screen before returning to work. Employees with Department of Transportation, Nuclear, or other regulatory clearances who are normally subject to random drug screening may have a drug screen when required by regulation following any extended absence from work.

### **System and Facility Access**

During leaves lasting more than 30 calendar days, system access may be temporarily suspended or invalidated. However, access to facilities via an employee ID badge will not be terminated, except for employees with unescorted access to the Company's nuclear facilities. In accordance with Nuclear Regulatory Commission (NRC) requirements and the Duke Energy Nuclear Access Program, unescorted access to the Company's nuclear facilities will be terminated when an individual has not been covered by an approved behavior observation program for greater than 30 days. To regain unescorted access, the individual must complete the reinstatement process as required by the NRC and the Duke Energy Nuclear Access program. In most cases, this will consist of completion of a self-disclosure form. In some cases a drug and alcohol screen is required.

### **Training**

Once an employee returns from a MLOA, he/she will be required to complete any compliance or other types of required training missed during his/her leave of absence.

### **Outstanding Cash Advances/Travel Expenses**

Prior to an employee beginning a MLOA, outstanding cash advances and travel expense reports should be processed, if the leave is foreseeable.

### **Service Awards**

Employees are eligible to receive any service award earned for service during the MLOA.