

Voluntary Personal Leave (VPL)

Purpose

Voluntary Personal Leave (VPL) provides employees the opportunity to take unpaid time off. The purpose of the program is to reduce Company payroll expenses, while allowing employees more time away from work.

Eligibility and Participation

All full-time exempt and nonexempt (hourly) employees (including management) with at least three months (90 days) of service are eligible to participate in the VPL program. Part-time employees are not eligible to participate in VPL.

Business units are encouraged to offer VPL, but each business unit and/or specific location may exercise discretion and make a determination based on business needs.

Participation in the program is strictly voluntary.

VPL will be offered year-round.

Program Details

Employees may take up to two weeks of unpaid voluntary personal leave each quarter with approval of their manager. The leave may be taken in a single block of time or sporadically in the following minimum amounts:

- 8 hours for exempt employees
- 4 hours for full-time hourly employees

If VPL is used in minimum amounts each week, the 90-day reduced hours rule for the number of consecutive weeks an employee may work a reduced work schedule before changing status to part-time still applies. In addition, in order to maintain full-time status and benefits, employees must not exceed an annual maximum of 20 weeks on a reduced work schedule.

VPL is offered in addition to PTO, and there is no requirement that PTO days be exhausted before participating in the program.

Employees on VPL may not perform any type of Grainger related work while on leave. "Work" includes the performance of routine daily activities, checking or sending e-mails, or voice messaging. Managers should not allow or request employees to perform work during VPL.

Impact on Benefits

Full-time employees taking VPL in sporadic increments (day here and there) will continue to have their benefit contributions deducted from their paychecks. Full-time hourly employees taking leave in full week increments will have benefits contributions for that time period deducted from their first paycheck upon return to work. If full-time exempt employees take the two weeks in a single block of time that falls within a single bi-weekly pay period, then benefit contributions for that time period will be deducted from their first paycheck upon return to work. However, if the two weeks of VPL straddles two biweekly pay periods, the benefit contributions will be deducted from their paychecks just as they normally would.

Taking VPL may impact benefits eligibility or benefits received if it impacts an employee's status as full-time. Legally, per the plan rules, we are unable to offer full-time benefits to employees that are working part-time. VPL can be used weekly in 4 hour increments for full-time hourly employees for a maximum of 13 consecutive weeks before changing status to part-time. In addition, in order to maintain full-time status and benefits, employees must not exceed an annual maximum of 20 weeks on a reduced work schedule.

VPL time will have no impact to health and welfare benefits eligibility providing employee status as full-time is not impacted. VPL will have an impact on any benefits calculated using annual compensation, such as the PST plan. The chart below outlines potential impact by employee group:

Benefits	Full-Time Exempt	Full-Time Non-exempt
PTO	No impact, PTO will continue to accrue.	
Holidays	No impact	If the voluntary unpaid leave is scheduled in advance, any Holiday that lands within the period of unpaid leave will be paid.
PST Participation	Mid-year full-time new hires could be impacted if not yet at 1,000 hrs before taking unpaid time - these employees need to monitor their "year to date hours" under other information on their pay stub.	
PST Benefits	Reduced compensation for the current year will result in a lower employer contribution to the PST.	
Health & Dental	No impact (providing employee status as full-time is not impacted). Payroll deduction for the coverage will be taken in the next payroll period after the employee returns to work if an employee is gone for a full bi-weekly pay period.	No Impact (providing employee status as full-time is not impacted). Payroll deduction for the coverage will be taken in the next payroll period after the employee returns to work if VPL is taken for 1-2 weeks.

Requesting VPL

It is the employee's responsibility to request VPL, and all requests must be voluntary. Employees requesting VPL must obtain manager approval and schedule time in advance. The timeframe for submitting requests is at the discretion of the manager, but decisions must be approved by the end of the prior day's shift.

All decisions regarding VPL are made at manager discretion, but managers are encouraged to grant VPL to employees as long as business needs can still be met. It is recommended that managers grant requests on a first come, first served basis.

Participation in the VPL program will not impact attendance records, providing the employee receives prior manager approval.

VPL time must be entered in ESS using absence type **Vol Pers Leave—Unpaid (0301)**. Employees must enter the number of hours of VPL for each day they are taking unpaid leave. For exempt employees, this must be a minimum of 8 hours. Nonexempt employees may take leave in 4 hour increments. Managers must verify that participating employees entered VPL into ESS.

If you have any questions about this program please contact the Employee Service Center at 535-HR4U.