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**Policy Title:** Hardship Time Off Cash Out Plan

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**Scope:** Team Members as set forth below

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**Policy Number:** HR-POL-6005

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**Policy Sponsor/Manual:** People & Culture

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## **I. POLICY STATEMENT**

The Company (“AlerisLife”) understands that there are times when unforeseen circumstances may cause a hardship in the lives of our team members such as a thing or circumstance that causes ongoing suffering or difficulty. To assist team members during these difficult times, The Company is instituting the Hardship Time Off Cash Out plan which will enable, under certain circumstances, for team members to convert available time off balances into a cash payout. This document describes the program in detail, to include eligibility, application process and terms. **This program is different than the “VIP” annual PTO payout program that requires you to elect in the November/December timeframe for payout the following year.**

Team Members who have an available time off balance of more than their scheduled weekly hours may be eligible to request a cash out due to hardship outside of the designated sell back periods twice per rolling backward 12-month period. Hardship is defined as an extreme financial need because of catastrophic events beyond the team member's control, and the requested funds are necessary to satisfy that immediate financial need. The amount of the cash out will be limited to the amount necessary to meet the emergency. All hardship request and payout will be reviewed and if appropriate approved at the discretion of the We Really Care Team.

Documentation of hardship circumstances will be required for review prior to making an eligibility determination. The time off hours to be paid out will be deducted from the team member's available time off balance. These hours will be converted to dollars based on the team member's current base pay rate excluding any shift differential. The time off payout amount is subject to all applicable payroll taxes, outstanding arrears and 401K retirement contributions. The PTO cash out will be distributed via normal payroll distribution channels.

A team member must submit a Workday request and supporting documents to apply for the program. All requests will be reviewed by the We Really Care team to determine whether the team member meets program eligibility requirements. Team members will be updated on the status of their application and notified of approval or denial within three business days of submission.

## II. ELIGIBILITY

All team members who are on an eligible PTO (paid time off) or vacation accrual plan and who have been employed for at least six months may apply for an emergency-based payout of their time off after showing immediate financial hardship due to unforeseen circumstances and need. Any sick time programs that a team member may be eligible for are not included in this program. Those requesting a Hardship Paid Time Off Cash Out must have made a reasonable attempt to address the emergency on their own and must meet with the We Really Care team to discuss their needs in detail and explore all other applicable internal or external options available to them, such as enrollment in the [PayActiv Flexible Paycheck program](#), or a 401K Hardship Withdrawal, if eligible.

Use of this program is limited to available time off hours in excess of your weekly scheduled hours as listed in Workday. A time off balance will not be allowed to drop below the scheduled weekly Workday hours because of the cash out.

Team members must hold an appointment and/or position that accrues PTO or vacation time; must have accrued unused hours equal to or greater than the number of hours being requested for cash out (up to a maximum of 80 hours) as of the date of submitting their application; and must maintain a PTO balance equal or greater than the standard weekly hours are listed in Workday.

Below are the hardship categories due to events beyond your control:

- A. Eviction or Foreclosure**
- B. Major Injury or Illness**
- C. Natural Disaster**
- D. Death of a Family Member**
- E. Other Catastrophic Life Event**

If you have experienced one of the above hardships, you must demonstrate that it has resulted in an extreme immediate financial need impacting ability to meet basic needs related to:

- Food, Shelter, and/or Utilities
- Transportation to and from work.
- Funeral expenses of family members covered under the Bereavement Leave Policy
- Medical expenses
- Childcare

Examples of acceptable documentation may be:

- Foreclosure notice
- Utility Bill
- Medical Bill or Explanation of Benefits
- Picture or insurance claim
- Death certificate
- Court orders, police reports

### **III. APPLICATION PROCESS**

Interested team members must apply and upload supporting documents through Workday. The completed application includes the requested number of hours sought for payout under this plan and supporting documentation that the team member's request for participation in the program is being made on account of a hardship with an immediate financial need resulting from one of the categories above.

### **IV. APPLICATION TERMS**

Requests for Hardship cash out must be made in whole hours. Any applications for fractions of an hour will be automatically adjusted down to the closest available whole-hour increment that the applicant has available in their time off balance. Applicants should account for any pending or upcoming time off since the requested hours will no longer be available for use. Once an application has been reviewed, the team member and their supervisor will be informed that the request has been approved, modified, or denied. Time off accrual payments are taxed as supplemental income and subject to all applicable withholdings and deductions.

#### **Time Off Balance**

If the application is approved

- 1) The team member's accrued time off hours will be reduced by the number of hours requested for cash out.
- 2) The team member will receive a lump-sum payment reflecting the available time off less applicable withholdings and deductions.
- 3) Payment will be made by either check or direct deposit as an "off-cycle" payment as soon as administratively feasible.
- 4) Team members will not be able to "buy back" their paid-out time off hours later.

### **V. RELATED DOCUMENTS**

PTO Hardship Cash Out Frequently Asked Questions

**Date of Origin:** 1/1/24

**Prior Revision Date:** 1/1/24

**Effective Date:** 1/1/24