

Arkema Inc.
Human Resources


Revision No.: 1 – February 10, 2021
Document No.: HR-100
Original Issue Date: January 1, 2020

Title:
Parental Leave Policy

Revision History

Revision Number	Purpose of Revision	Date
0	Original	January 1, 2020
1	Changes in process, modifications for Adoption and add of benefit for foster care placement, update to Appendix A State Benefits	February 10, 2021

Prepared by	Reviewed/Revised by	Approved by
Jennifer Trolley <i>Manager, Corporate HR</i>	Diane Linke <i>Manager, Health and Welfare Benefits</i> Louise Harman <i>Sr. Director, Total Rewards</i> Sandra Auffray <i>Sr. Director, HR and Talent Management</i>	Chris Giangrasso <i>SVP, HR, Communications and Site Services</i>

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1.0 Purpose

The purpose of paid parental leave is to enable Arkema employees to care for and bond with a newborn, a newly adopted child or a new foster child placement. This policy will run concurrently with Family and Medical Leave Act (FMLA) leave, as applicable. This policy will be in effect for births or adoptions of children occurring on or after January 1, 2020. The addition of benefits for children placed for foster care is effective January 1, 2021.

2.0 Applicability

A. Eligible employees for Parental Leave must meet the following criteria:


1. Be a full-time or part-time (working 20 hours per workweek or more) regular employee on the Arkema payroll with at least 6 months of consecutive service as a regular employee working 20 hours per workweek or more.
2. In addition, regular employees meeting the above criteria must meet one of the following criteria:
 - a. Have given birth to a child
 - b. Be a non-birthing parent.
 - c. Have adopted a child age 17 or younger.
3. Contractors, Co-ops/interns and temporary employees are not eligible for parental leave benefits outlined in this policy.

3.0 Definitions

Regular Pay - An employee's regular base pay, excluding overtime, in effect at the time Parental leave of absence begins. Employees whose regular schedule requires them to work more than 40 hours in any week will receive their scheduled amount of straight time pay for those weeks until they have used their maximum of 160 hours of parental leave hours. Employees whose regular schedule requires them to work 40 hours or less in a week will receive their regular pay for their regularly scheduled hours at straight time.

Parental Leave Pay - Compensation equal to employee's regular base pay, excluding overtime, received in accordance with Arkema's Parental Leave policy and program. It does not include reimbursement for any expenses associated with the birth, placement of a child for adoption or for a foster care placement.

Parental Leave Differential Pay – For employees who work in states that are subject to state specific paid family leave laws – defines the difference between an employee's regular parental leave pay as defined above and state law specified levels of paid family leave.

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4.0 Responsibilities

- A. To qualify for Paid Parental Leave, an employee must do the following:
1. Eligible employee must provide, to Direct Manager/Supervisor and their Human resources representative at least 30 days' written notice prior to the proposed date(s) of parental leave (or if the leave was not foreseeable, as soon as possible).
 2. Eligible employee must timely notify Lincoln Financial Group, Arkema's Family Medical Leave (FMLA) & Salary Continuation Administrator, of planned parental leave timeframes and initiate a parental leave claim (see Family Medical Leave Act (FMLA) Policy for details on how to initiate an FMLA claim).
 - a. For employees who have given birth to a child, they must also follow notification procedures to Direct Manager/Supervisor, HR Representative and Lincoln Financial Group as associated with Arkema's Salary Continuation (Short Term Disability) policy.
 3. Employee must notify their manager/supervisor, HR Representative and Lincoln Financial Group of plan to return to work after parental leave, as early as feasible and at least 1 week prior to returning to work.
 - a. For employees who have given birth to a child, a doctor's note with release to return to work is required. Employee to refer to Arkema's Salary Continuation (Short Term Disability) policy for guidelines on this.
- B. Arkema Inc's Parental Leave policy will comply with and run concurrent with all state specific family leave laws and programs in which Arkema employees' are based for work. State specific family leave laws that Arkema will comply with and run concurrent with are referenced in Appendix A at the end of this policy document.
1. Eligible employees who work in states that have designated state laws on parental and/or family leave should work with their HR Representative to discuss and understand available parental/family leave time off and pay, noting concurrent nature of Arkema's policy and state family leave laws.


5.0 Requirements

- A. Parental Leave Pay - Eligible employees will receive a maximum of four (4) weeks of paid parental leave per birth, placement of a child for adoption or foster care placement.
1. Approved paid parental leave must be taken during the twelve (12) month period immediately following the birth or adoption date. Paid parental leave for a birth, adoption placement or foster care placement event will not be extended beyond this twelve (12) month timeframe. If an employee completes their 6 month eligibility for parental leave within the year following birth, adoption or foster care placement event, the employee is eligible for parental leave as long as they take it after they are eligible and within a year of the event.

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2. An employee may not receive more than four (4) weeks of paid parental leave in a rolling 12-month period, regardless of whether more than one birth or adoption occurs within that rolling 12-month timeframe.
 3. Pay: Each week of paid parental leave is compensated at one-hundred (100%) percent of the employee's Regular Pay, as defined above. Paid parental leave will be paid to eligible employee on regularly scheduled payroll dates.
 - a. For eligible employees who work in states where state laws exist for paid family leave, please refer to Parental Leave Differential Pay section below for determination of pay associated with Parental Leave.
 4. Usage: Approved paid parental leave must be taken in increments equal to a full payroll work-week. For employees who work rotating 12 hour shifts, parental leave hours must be taken in full shifts with a maximum of 160 hours. If the employee on this type shift has hours for only a partial work week, they will have to fill the hours with vacation or other PTO.
 5. Examples of Parental Leave Usage:
 - a. Birth event - In the event of an employee who has given direct birth to a child, some or all of paid parental leave may commence at the conclusion of any salary continuation (short term disability leave) benefit provided to the employee for the employee's own medical recovery following childbirth. Employee who has given birth may choose to use parental leave consecutively or broken up into weekly increments.
 - b. Placement of child for Adoption or Foster Care Placement – In the event of an employee who adopts a child or receives a foster child placement, parental leave may be scheduled and taken consecutively, following the date of a child for adoption or foster care, or be broken up into weekly increments.
- B. Parental Leave Differential Pay** – Some states where employees work have specific state laws requiring certain levels of pay related to family leave. In addition, Arkema Inc.'s Parental Leave Policy runs concurrently with all state parental and family leave laws. Eligible employees in these states may be eligible for parental leave differential pay, defined as the difference between an employee's regular parental leave pay (under Arkema's policy) and state law specified levels of paid family leave. Arkema will provide parental leave pay at the greater of the two amounts.
1. Employee eligibility for parental leave differential pay will be reviewed, determined and communicated by Lincoln Financial Group to employee and Arkema's human resources department. If employee is eligible, Lincoln Financial will provide guidance to employee on employee's responsibilities and steps to be taken to obtain parental leave differential pay.
- C. Parental Leave and FMLA**: If employee has available FMLA leave time, Parental Leave will run concurrent with FMLA until FMLA leave is exhausted.

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- D. Bonding time beyond Parental Leave, including unpaid leave:** Employees may use Parental leave in weekly increments (see notes regarding 12 hour employee leave usage) anytime within the twelve (12) month timeframe after the birth or placement date of a child/children for adoption or foster care date. However, once Paid Parental Leave is Exhausted, or after the initial twelve (12) months, an employee wishing to take further time off must use accrued but unused vacation days before requesting to take an unpaid leave of absence (please refer to Arkema’s Family Medical Leave Act (FMLA) policy for further guidance unpaid leave). Employees should discuss and coordinate with their HR Representative.
- E. Bonding time - states with specific family leave laws:** For those eligible employees who work in states where state family leave laws specify number of weeks of family leave time, please discuss with your HR representative what time off options may exist beyond the Parental leave period (noting Arkema’s parental leave policy runs concurrent with state parental and family leave laws).
- F. Upon termination of employment** at the company, an employee will not be paid for any unused parental leave for which he or she was eligible.
- G. Time Accruals:** Time while on parental leave is still counted as service credit to Arkema, to help determine eligibility for all other benefits that are dependent upon length of service.
- H. Coordination with Other Policies:**
- Legal/Company holidays:* If a company/legal holiday occurs while the employee is on paid parental leave, such holiday pay will not extend the total paid parental leave entitlement nor will the employee be paid for the holiday in addition to parental leave where the two overlap.
- Family and Medical Leave Act (FMLA):* New parents eligible for parental leave should contact Lincoln Financial Group to determine FMLA eligibility and if parental leave will run concurrent with FMLA. Please refer to the Family Medical Leave Act (FMLA) policy for further guidance on submitting an FMLA claim with Lincoln Financial Group.
 - Use of accrued time (vacation) and unpaid leave of absence:* If employee receives notification from Lincoln Financial Group that they are eligible and approved for FMLA, please refer to the Family Medical Leave Act (FMLA) policy regarding the use of vacation time and/or unpaid leave of absence.
 - Use of vacation outside of FMLA approved time: Employee should follow standard notification and approval procedures with their manager as noted in Arkema’s Vacation policy.
 - Adoptions:* Please refer to the [Adoption Assistance Policy](#) for additional information about other employee benefits related to the adoption process.

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I. Replacement Hire for Employee on Parental Leave: The Company may hire a temporary replacement worker, through Arkema’s designated temporary employee or contractor management vendors, while an employee is on parental leave.

1. The temporary worker must be notified that their assignment will cease upon the employee’s return from leave. Management and HR will ensure that the vendor company who supplies and manages the temporary worker is notified and has communicated this in advance and at time of departure.

J. Returning to Work after Parental Leave: An employee returning from parental leave will generally be reinstated to the same or equivalent position, with equivalent pay, benefits, and other terms and conditions of employment. Failure to return to work may result in termination of employment. For leaves that run concurrent with FMLA, please refer to Arkema’s Family Medical Leave Act (FMLA) policy for more detail on return to work.

Non-Discrimination and No Retaliation

The Company will not discriminate or retaliate against any employee who exercises their rights under this policy. The Company will also comply with federal and state specific laws, including those which govern privacy and confidentiality of, as well as non-discrimination and non-retaliation for reproductive health decisions made by employees and/or their dependents.

Employees Who Are Covered by Collective Bargaining Agreements


For union employees, refer to your collective bargaining agreement. Parental leave is a negotiated program. Amounts of parental leave and how it’s to be taken will be determined by the CBA.

Compliance with Laws

To the extent that parental leave is governed by federal, state or local law, such law shall govern.

Modifications and Amendments

Nothing in this policy creates a contract, either express or implied. Arkema Inc. reserves the right at any time to change, suspend, terminate, or amend this procedure for any reason in its sole discretion.

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**Appendix A – As of January 1, 2021 - Statutory designs
(State specific Family Leave programs where Arkema employees work)**

****To be updated as state family leave designs are updated and implemented under state laws.**

****Eligibility is determined under state guidelines as noted on state specific government websites.**


	Arkema	New York	New Jersey	California
Employee Weekly Benefit Calculation	100% (in combo with State paid leave programs for states with paid family leave programs)	60% of Average Weekly Wage (up to NY state average weekly wage)	66.67% of Average Weekly Wage (up to NJ State Average Weekly Wage)	Approx 60% to 70% of weekly wages depending on employee's income
Maximum Weekly Benefit to Employee	Amount equal to regular wages of employee for a normal full work week	\$971.61 for 2021	\$667	\$1,300
Maximum Length	4 Weeks	10 weeks	12 weeks	8 weeks
Employee Cost/Contribution (for State Family Leave Programs)	None	0.511% of gross wages per pay period for 2021– max annual deduction of \$385.34	.16% of state maximum wage cap – max annual deduction of \$215.84	1% of gross annual taxable wages – max annual deduction of \$1,229.09

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	Arkema	Massachusetts – 1/1/2021
Employee Weekly Benefit Calculation	100% (in combo with State paid leave programs for states with paid family leave programs)	Approx 55% of weekly gross wages depending on employee's income
Maximum Weekly Benefit to Employee	Amount equal to base pay of employee for a normal full work week	\$850
Maximum Length	4 Weeks	12 weeks
Employee Cost/Contribution (for State Family Leave Programs)	None	.14% of gross annual taxable wages for family leave only (based on SS max wage - \$142,800 in 2021)*

*this is family leave portion only. Additional deduction is taken to cover medical leave payments.

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ANNUAL POLICY AND PROCEDURE REVIEW FORM

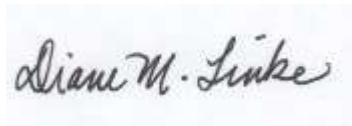
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I have conducted the annual review of this document and have made recommendations as noted in the revision history.

Reviewer

Print Name: Diane M. Linke



Date: January 1, 2021

Approver

Print Name: Christopher Giangrosso


 Christopher Giangrosso
 SVP, HR, Communications and Site Services
 610.205.7840

Date: February 10, 2021

* Typographical changes (e.g., spelling errors, punctuation) are not considered changes for the purposes of this review.