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Approved By: *Paula Hubbel*

HUMAN RESOURCES POLICY AND PROCEDURES

Benefits for Rehired Teammates

PURPOSE:

The purpose of this policy is to provide consistent application of policies and procedures for teammates being rehired by McLane.

APPLIES TO:

This policy applies to all McLane Home Office, McLane Grocery (excluding CD Hartnett), McLane Foodservice, and McLane Foodservice Distribution, Inc. teammates.

EXCEPTIONS:

Exceptions to this policy require the approval of the SVP, Human Resources and Division President, General Manager or Corporate Officer. Exceptions will be made if federal, state or local law otherwise governs any aspect of this policy. McLane reserves the right to change or modify this policy at management's discretion.

CONTENTS:

- I. Vacation and Service awards
- II. 401 (k)
- III. 401 (k) Match
- IV. Medical, dental, vision, life, and spending plans
- V. Paid Sick Leave
- VI. Transfers
- VII. Bid Positions
- VIII. Compensation

DEFINITIONS:

For purposes of this policy, the following definitions apply:

ORIGINAL HIRE DATE is the first date a teammate is actively employed with McLane Company.

REHIRE DATE is the date a teammate is actively re-employed with McLane Company.

BENEFITS ADJUSTED DATE is used only for determining Profit Sharing eligibility and vesting date.

VACATION ELIGIBILITY DATE is used for determining vacation eligibility date and service awards.

POLICY GUIDELINES:

I. Vacation and Service Awards

- A. Teammates who are rehired by McLane Company are given adjusted vacation eligibility dates depending on the length of the absence. The vacation eligibility date for teammates who were separated for less than twenty-four (24) months, will be adjusted by the amount of time they were away from McLane.

- B. The vacation eligibility date will be set to the most recent rehire date for teammates separated from McLane for more than twenty-four (24) months.

II. 401(k) only

- A. Teammates who are rehired by McLane are given a benefit adjusted service date depending on the length of the absence.
- B. Teammates rehired within five (5) years of their separation date, who were eligible to defer 401 (k) funds, are eligible to defer immediately upon rehire.
- C. Teammates rehired after being separated for more than five (5) years must fulfill the ninety (90)-day waiting period before they can defer 401 (K) funds.
- D. Teammates rehired within five (5) years of their separation date continue to accrue vesting when they come back.
- E. Teammates rehired after being separated for more than (5) years start over for 401 (k) vesting.

III. For 401(k) Match

- A. Refer to the 401 (k) Summary Plan Description.

IV. Medical, Dental, Vision, Life, and Spending plans only

- A. Teammates who are rehired by McLane are eligible for health and welfare benefits depending on the length of the absence.
 - 1. Rehired teammates who are gone less than ninety (90) days are eligible for Health and Welfare benefits, if they were eligible on the day of termination. If they were not eligible on the day of termination, then the teammate will be required to complete the waiting period, if applicable for eligibility purposes.
 - 2. Rehired teammates gone more than ninety (90) days must satisfy the waiting period for Health and Welfare benefits as if he/ she were a new hire.
- B. Rehired teammates who have benefit premium arrears on the date of termination and who are rehired will have the arrears deducted from current paychecks until they are paid in full.

V. Paid Sick Leave

- A. If a teammate separates from McLane and is rehired by McLane, previously accrued and unused paid sick leave hours shall be reinstated if the teammate is rehired within ninety (90) days or if otherwise required by a state or local law and according to such law. See the Paid Sick Leave policy for all rehire accrual and usage details.

VI. Transfers

- A. For teammates who transfer between divisions there is no break in service for rehire date, vacation eligibility or health and welfare benefits. (Refer to the Transfer and Promotion policy.)

VII. Bid Positions

- A. This policy does not apply to the bid process. (Refer to the Employment Procedures Policy for Rehire Policy)

VIII. Compensation

- A. Rehire to the same position - In most cases, if a former teammate is rehired within ninety (90) calendar days of their separation date, the teammate will start at the same compensation they had upon termination. If a former teammate is rehired after ninety (90) days, they will be treated as a new hire.
- B. Rehire in to a different position - The teammate would be treated as a new hire.

