

Family Medical Leave Act

Chrysler LLC Policy

Policy Number: 3 - 9

Purpose:

To establish uniform understanding of the Family Medical Leave Act for all Chrysler Group LLC employees.

It Is a Policy of Chrysler LLC:

This statement of policy applies to all employees of Chrysler LLC who are eligible to receive Family Medical Leave Act (FMLA) leave and who are employed within any State of the United States, the District of Columbia or any Territory or possession of the United States and, to any other eligible employee as required by applicable law. This policy supersedes and replaces all prior written policies.

All rights and obligations under the FMLA and this policy will be interpreted according to applicable law. In addition, to the extent that Chrysler LLC has agreed in an applicable collective bargaining agreement to any modifications of its rights under the FMLA, those provisions, if applicable, shall apply to covered employees notwithstanding the language in this policy, provided that the agreements otherwise comply with the law.

Providing any false or misleading information relative to a requested or approved FMLA leave will be cause for disciplinary action, up to and including discharge.

Leave allowed. Consistent with the provisions of the Act, Chrysler LLC will grant an "eligible" employee up to twelve (12) weeks of unpaid leave during any calendar year for the following reasons:

- (1) because of the birth of and to care for the employee's newborn child;
- (2) because a child is placed with the employee for adoption or foster care;
- (3) to care for the employee's spouse, child or parent with a serious health condition;
- (4) because of an employee's own serious health condition that prevents performance of his or her job functions; or
- (5) because of a qualifying exigency when a qualified family member is on or called to covered active duty. A qualified family member includes a parent, spouse, or son or daughter. "Covered active duty" means duty by a member of the regular Armed Forces during deployment to a foreign country. In the case of a member of the reserve component of the Armed Forces, "covered active duty" means duty during deployment to a foreign country under a call or order to active duty.

Leave for the birth of and to care for a newborn or because of placement of a child with the employee for adoption or foster care must be taken within twelve (12) months of the birth or placement, and may not be taken intermittently.

An employee who is a qualified family member (parent, spouse, son or daughter, or next of kin) of a covered service member may be eligible for leave of up to 26 weeks during a single twelve (12) month period to care for a covered service member with a serious injury or illness. These 26 work weeks of leave shall be a combined 26 work weeks of leave in the single twelve (12) month leave period for all available FMLA leave to which an employee is entitled. Nothing shall limit the availability of leave for other reasons to a single twelve (12) month period.

Serious Health Condition - a serious health condition is an illness, injury, impediment or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy or a chronic condition. Other conditions may meet the definition of continuing treatment under some circumstances.

Covered Service Member - a covered service member is defined as a current member of the Armed Forces, National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious illness or injury. A covered service member is also a veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness and who was a member of the Armed Forces, including a member of the National Guard or Reserves, at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation or therapy.

Serious Injury or Illness - In the case of the a member of the Armed Forces, a serious injury or illness mean an injury or illness incurred by a service member in the line of duty on active duty, or that existed before the active duty and was aggravated by service in the line of duty on active duty, that may have render the member medically unfit to perform the duties of the member's office, grade, rank or rating. In the case of a veteran who was a member of the Armed Forces at any time during the period of 5 years preceding the date on which the veteran undergoes medical treatment, recuperation or therapy, a serious injury or illness means an injury or illness that was incurred by the service member in the line of duty on active duty in the Armed Forces or that existed before the active duty and was aggravated by service in the line of duty of

active duty, and that manifested itself before or after the service member became a veteran.

Qualifying Exigency - a "Qualifying Exigency" may include leave that is necessary as a result of the family member's call to active duty including short notice deployment (seven days or less), attending certain military functions and related activities, arranging for alternative child-care and school issues, addressing certain financial and legal arrangements, attending counseling, rest and recuperation, post-deployment activities, and additional activities agreed to between the employer and employee.

Questions about whether a condition is covered as a serious health condition, a serious illness or injury in the case of care for a covered service member, or whether the need for a leave is due to a qualifying exigency, should be directed to your local Human Resources Representative and/or Sedgwick.

Concurrent Use of Leaves - an employee may choose to use paid leave concurrently with unpaid FMLA leave. (See Use of Paid Time section). Leaves for which an employee receives insured benefits under a short or long term company sponsored disability compensation plan or under workers' disability compensation are not automatically designated as FMLA leave.

The following rules apply:

Eligible Employees - to be eligible for a leave, an employee must be employed by Chrysler for at least twelve (12) months, whether or not consecutive. (A break in service that exceeds seven (7) years may disqualify the previous periods of service. Breaks in service should be discussed with Human Resources). An employee must also have had at least 1,250 hours of service during the twelve (12) month period before the requested leave and must be employed at a Chrysler work site with at least fifty (50) Chrysler employees within a 75 mile radius.

Notice and Documentation Requirements - Employees must provide 30 days advance notice of the need to take FMLA leave to when the need for leave is foreseeable. Where 30 days advance notice is not possible, the employee must provide notice as soon as is practicable and must also comply with the Company's normal call-in or other procedures for requesting leave absent extenuating circumstances. Employees must provide sufficient information to allow the Company to determine if the leave may qualify for FMLA protection as well as the anticipated timing and duration of the leave. For example, sufficient information may include that the employee is unable to perform job functions; the family member is unable to perform daily activities, the need for hospitalization or continuing treatment or circumstances supporting the need for military leave. Employees must also inform the Company if the leave is for a reason for which FMLA leave was previously taken or certified. If an employee fails to give the required notice with no reasonable excuse, the leave may be delayed or denied depending on the circumstances. During any FMLA leave, the Company will

require employees to periodically report on their status and intent to return to work.

If the length of an FMLA leave needs to be extended, the employee must give as much notice of the need for additional leave as is practicable.

If the reason for the leave is to care for an employee's spouse, child or parent with a serious health condition, or for the employee's own serious health condition, the employee must have the following respective forms completed:

- 1) health care provider is to complete the appropriate Medical Certification Form for the employee's own or a family member's serious health condition or;
- 2) health care provider is to complete form for the serious injury of a Covered Service member, the Certification of illness or injury (or alternative forms); or
- 3) for leave due to a qualifying exigency of Covered Service Member, the Certification of Qualifying Exigency form, as applicable.

Chrysler LLC reserves the right to request authentication, clarification, or completion of any of the submitted forms. Upon written notice, the employee must provide the additional information within seven days (absent extenuating circumstances).

Further, in the case of a serious health condition of the employee or a family member, Chrysler may request certification (i.e. second opinion) by another health care provider specified by Chrysler at its expense. In the case of a conflict between two health care providers, Chrysler at its own expense may obtain a third certification by a health care provider approved by Chrysler and the employee. The third physician's opinion will be binding on both Chrysler and the employee.

If the absence exceeds five work days, before an employee may return to work from a medical leave caused by the employee's serious health condition, the employee is required to provide a certification from his/her doctor that the employee is able to resume work and address the employee's ability to perform essential job functions. Any stricter return to work requirements in a bargaining agreement may also be required to the extent allowed by law.

Any additional documentation or requirements required by any other applicable Chrysler Group LLC leave policies, attendance or absence policies are still effective for periods in which the employee is seeking or using paid leave (insured or uninsured) or leave which extends beyond the FMLA period pursuant to that policy. Employees must follow all other regular and customary rules and procedures regarding notification of absences or leaves.

Failure of an employee to provide the requested certification, an incomplete or unclear certification, or to provide requested completion or clarification, or any other lawfully required form, may result in delay or denial of FMLA leave and/or denial of any pay pursuant to any Chrysler Group LLC policy for paid leave which the

employee might otherwise be eligible during the FMLA leave. Failure to timely return the requested forms and any clarifications or completions can result in absences not being protected by the FMLA and otherwise subject to discipline, up to and including discharge.

If the employee needs an extension of time in which to return any certification or supporting documents for FMLA leave, it is the employee's responsibility to contact the appropriate person. Hourly employees need to contact Sedgwick CMS and Salaried employees need to call their Human Resource Representative. This must be done prior to the expiration of the initial fifteen (15) day period or any other agreed upon within the time period provided, but employees will be given fifteen (15) calendar days to do so (absent extenuating circumstances). The forms can be mailed, faxed or e-mailed as instructed above. An extension may be given if there are extenuating circumstances. The failure to take these steps could result in a determination that the employee has not made a good faith effort to comply with the deadline. Failure to make a good faith effort could result in the delay or denial of an extension and denial of the leave.

Failure of an employee to return to work upon expiration of an authorized leave may result in termination of employment in accordance with applicable Chrysler Group LLC policies.

In addition to the denial or delay of the leave, failure of an employee to timely return requested certifications, recertifications or clarifications may result in the lost time being subject to disciplinary action up to and including discharge.

Use of Paid Time - an employee may choose, or Chrysler may require, use paid time for which the employee is otherwise eligible, i.e., vacation, PAA, or insured benefits, if otherwise applicable, during an FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the Company's normal paid leave policies.

A collective bargaining agreement employee ("BU employee"), both hourly and salaried, will be subject to the terms of applicable collective bargaining agreement on the use of paid time.

Intermittent or Reduced Schedule Leave - if the reason for a requested leave is due to the serious health condition of either the employee or a spouse, child, or parent of the employee, if the leave is for a qualifying exigency due to a call to active duty of a qualified family member or if the leave is for a qualified family member to care for a covered service member, the employee may request FMLA leave on an intermittent or reduced schedule basis. Leaves due to a serious health condition or a serious illness or injury to a covered service member are permitted only where medical necessity is established by written documentation subject to verification, and the employee makes every reasonable effort to schedule the treatment so as not to disrupt the business operation of the department. Chrysler may temporarily transfer an employee

who requests intermittent leave or leave on a reduced schedule for planned medical treatment to an available alternative position with equivalent pay and benefits that better accommodates recurring periods of leave than the employee's regular position. The leave may not exceed a total of twelve (12) weeks in a calendar year (or twenty-six (26) weeks in the case of care for a covered service member).

Generally, on employee's use of unpaid intermittent/reduced schedule FMLA leave will be accounted for in the minimum increment required for other forms of leave, but not greater than one hour. However, if an employee chooses to substitute paid leave, the Company's minimum increments for paid leave use will apply and the entire amount of paid leave taken will count against the employee's FMLA entitlement.

Recertification - Chrysler reserves the right to request recertification regarding an employee's FMLA leave in certain circumstances but not more than once every 30 days except under those circumstances specified by the Act at the employee's expense.

Spouses Working for the Same Employer - if both spouses work for Chrysler LLC, Chrysler's policy is that each eligible spouse may take (12) weeks of qualifying leave regardless of the Act's provisions for combined leave in certain cases.

Benefits - during FMLA leave, employee group health plan coverage (medical, hospital, surgical, drug, vision and dental benefits or benefits provided through Flexible Benefits Program, as applicable) will be maintained at the level and under conditions coverage would have been provided except for the leave. Any share of health insurance premiums, which had been paid by the employee prior to commencing leave, shall be paid during the leave. If premiums are raised or lowered, the employee will be required to pay new premium rates. If the leave is paid, the employee's share may be deducted from payroll or from benefits checks. If unpaid, the employee must pay the premiums on regular payroll dates or as otherwise agreed between employee and Chrysler LLC. If an employee's premium payment is more than thirty (30) days late, coverage under the applicable plan may cease after proper notice to the employee.

If an employee is not able to return to work after exhaustion of his/her FMLA leave, Chrysler LLC may recover premiums it paid for maintaining group health plan coverage, unless the reason the employee does not return to work is due to the continuation, recurrence, or onset of a serious health condition, or other circumstances beyond the employee's control.

If an employee is not able to return to work or if the employee is eligible for additional leave under a company policy, he/she may be eligible to participate in the group health plan coverage at his/her own expense under COBRA. Chrysler LLC will not continue the coverage at its expense beyond the FMLA period provided by law,

except as otherwise required by an applicable collective agreement or as stated in any company policy.

Whether an employee is eligible to continue to participate in other insurance benefits or company programs or whether such programs continue while an employee is on an FMLA leave of absence, shall be determined by the terms of the applicable plan and/or terms of applicable collective bargaining agreements, as well as the reason for the FMLA leave and whether it is paid or unpaid. For additional information regarding other benefits while on leave contact your local Human Resources representative.

Restoration to Position - upon return from an FMLA leave, the employee will be restored to his/her former position or equivalent position with equivalent pay, benefits, and other terms and conditions of employment. Key employees may be denied restoration if Chrysler LLC determines that restoration to employment will cause substantial and grievous economic injury to its operation. No employee returning from an FMLA leave will lose any employment benefit that the employee earned or was entitled to before going on such leave. Represented employees shall remain subject to the terms and conditions of their Collective Bargaining Agreement.

If the employee's leave extends beyond the FMLA leave, his/her employment will be terminated in accordance with applicable company policy. The employee may be eligible for leave under other applicable policies or agreements provided that the employee has timely applied for such leave in accordance with the applicable policy or agreement and provided that the employee has given timely notice of a continued absence.

An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the FMLA period.

Company Responsibilities - for additional information about your rights and responsibilities with respect to taking of Family Medical Leaves, please see the attached notice of Employee Rights and Responsibilities under the Family Medical Leave Act. Any employee who has a question regarding eligibility for or use of FMLA leave or who believes the Company's FMLA policy has been violated should immediately contact Human Resources.

Definitions:

Scope: Chrysler Group LLC reserves the right to amend this policy and its procedures in implementing the policy to the extent that it may in accordance with the applicable law and any applicable collective bargaining agreements.

Sponsored By: Corporate Diversity Office

Related Policy Statements:

Forms or Attachments:



FMLA - Employee Rights & Responsibilities.pdf

Delegation of Responsibilities:

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Diversity Office

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Committee

Latest Revision: 012/15/2009

For Further Questions or Concerns Contact:

The Business Practices Office

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