

## Vacation Policy - Frequently Asked Questions

### How is vacation time determined?

Vacation is based on an employee's date of hire. Employees accrue (earn) vacation per pay period based on their annual vacation allotment.

### How many hours of vacation is accrued each pay?

The number of hours accrued each pay is based on the annual allotment.

Annual Vacation Allotment (in Days)	Hours	Hours Accrued Per Pay
1	8	0.31
2	16	0.62
3	24	0.92
4	32	1.23
5	40	1.54
6	48	1.85
7	56	2.15
8	64	2.46
9	72	2.77
10	80	3.08
11	88	3.38
12	96	3.69
13	104	4.00
14	112	4.31
15	120	4.62
16	128	4.92
17	136	5.23
18	144	5.54
19	152	5.85
20	160	6.15
21	168	6.46
22	176	6.77
23	184	7.08
24	192	7.38
25	200	7.69
26	208	8.00
27	216	8.31
28	224	8.62
29	232	8.92
30	240	9.23

**Does vacation need to accrue before it can be used?**

No. Your entire vacation allotment is available for use as of January 1. For example, an employee with a vacation allotment of 15 days has a 10-day vacation scheduled to begin January 7. The employee can use 10 days of their allotment for a vacation beginning January 1. If the employee terminates after using vacation, but before it is accrued, final wages will be reduced by the amount of used and not accrued vacation.

**What vacation do I get paid for if I leave the company?**

At termination of employment or retirement unused and accrued vacation is paid out.

**Once I decide to leave the company, can I use vacation time?**

Vacation cannot be used to extend employment. Employees are expected to work through their last day of employment.

**What happens if I used vacation that was not accrued, and I leave the company?**

Vacation used and not accrued will be withheld from your final pay.

**As a new hire, how much vacation do I have and when can I begin using it?**

New hire offer letters will include the number of vacation days available to you to use. Vacation time can be used immediately, with manager notification.

**Is Lubrizol permitted to withhold money from my final pay if I used vacation that was not yet accrued?**

Yes. As new hires, employees receive a notification to review the vacation policy and the related recovery process when vacation that was not accrued is used prior to termination or retirement. The notice is completed using Career Essentials Learning.

**If I do not leave the company but have unused vacation time at the end of the year, can I carry it over to the next year?**

Generally, no. Up to five days (40 hours) of accrued but unused vacation may be carried over as an exception. The request to your manager to carry over vacation must be made by December 1 and should be based on documents and unforeseen business demands. Exceptions require approval by a member of the Lubrizol Executive Leadership Team (LELT). Purchased vacation is not eligible for carry over.

**Can I view what I accrued to date in eTime?**

No. While the annual allotment is displayed in eTime, the number of hours accrued year to date is not.

**How can I calculate the number of vacation hours earned year to date?**

A calculator is located on the benefits website [here](#). Select “Estimate earned accrued vacation hours.”

**Can you give me examples of how this policy works?**

**Example 1:**

Employee with a 30-day (240 hours) vacation allotment wants to use 10 days of vacation beginning January 20. His accrued vacation to date is 9.23 hours (9.23 X 1 pay period = 9.23 hours). Although he has not accrued the time, he can use all or part of his 240-hour allotment. If he remains employed through 12/31 of the year, he will accrue his entire 30-day (240 hour) allotment.

Example 1: Active Employee – Vacation time use prior to accrual			
Vacation Allotment	Time off beginning date	Vacation accrued as of scheduled time off	Vacation time available for use January 1
30 days (240 hours)	January 20	9.23 hours	30 days (240 hours)

**Example 2:**

Employee with a 20-day vacation allotment used 8 days of vacation as of November 15. She has an additional 5 days scheduled for use in December. She does not think she can use the other 7 days prior to December 31 due to unforeseen business demands and would like to carry them over in the next year. She can request carryover of up to 5 days (40 hours).

Active Employee – Request for carryover				
Vacation Allotment	Time off used year to date	Additional vacation scheduled	Carry over request	Carry over options
20 days (160 hours)	8 days (64 hours)	5 days (40 hours)	7 days (56 hours)	Request must be submitted to manager prior to December 1 and should be driven by a documented unforeseen business need. Maximum number of days eligible for carryover is 5 (40 hours). Request must be approved by LELET member

**Example 3:**

Employee with a 15-day (120 hours) vacation allotment terminates July 3. Prior to termination of employment, he used 10 days (80 hours) of allotted vacation.

As of his termination date he has accrued vacation for 13 pay periods.

4.62 hours/pay period X 13 pay periods = 60.06 hours accrued

60.06 accrued hours – 80 hours accrued vacation used = -19.94 hours to be withheld from final pay at termination. The same formula applies to a retiring employee.

<b>Terminating and Retiring Employee – Vacation used exceeds YTD accrual</b>						
<b>Vacation Allotment</b>	<b>Vacation available January 1</b>	<b>Termination or Retirement Date</b>	<b>Vacation accrued as of Termination/Retirement Date</b>	<b>Vacation used prior to termination/Retirement</b>	<b>Vacation withheld from Final Pay</b>	<b>Vacation to be paid to employee</b>
15 days (120 hours)	15 days (120 hours)	July 3	13 pay periods @ 4.62 hours per pay = 60.06 hours	10 days (80 hours)	80 hours used – 60.06 hours accrued = 19.94 hours	0

**Example 4:**

Employee with a 30-day (240 hours) vacation allotment retires November 25. Prior to retiring he used 25 days (200 hours) of allotted vacation.

As of his retirement date he has accrued vacation for 23 pay periods.

9.23 hours/pay period X 23 pay periods = 212.29 hours accrued

212.29 accrued hours – 200 hours accrued vacation used = 12.29 hours to be paid at retirement. The same formula applies to a terminating employee.

<b>Terminating and Retiring Employees – Vacation used is less than YTD accrual</b>						
<b>Vacation Allotment</b>	<b>Vacation available January 1</b>	<b>Termination or Retirement Date</b>	<b>Vacation accrued as of Termination/Retirement Date</b>	<b>Vacation used prior to termination/Retirement</b>	<b>Vacation to be withheld from Final Pay</b>	<b>Vacation to be paid to employee</b>
30 days (240 hours)	30 days (240 hours)	November 25	23 pay periods @ 9.23 hours per pay = 212.29	25 days (200 hours)	0	212.29 – 200 = 12.29 hours

**Example 5:**

Employee with a 20-day (160 hours) vacation allotment that includes 5 days of vacation buy terminates July 17. Prior to termination of employment, she used 10 days (80 hours) of allotted vacation.

As of her termination date she has accrued vacation for 14 pay periods.

6.15 hours/pay period X 14 pay periods = 86.10 hours accrued

86.10 accrued hours – 80 hours accrued vacation used = 6.10 hours to be paid at termination. The same formula applies to a retiring employee.

<b>Terminating and Retiring Employees – With vacation buy</b>						
<b>Vacation Allotment</b>	<b>Vacation available January 1</b>	<b>Termination or Retirement Date</b>	<b>Vacation accrued as of Termination/Retirement Date</b>	<b>Vacation used prior to termination/Retirement</b>	<b>Vacation to be withheld from Final Pay</b>	<b>Vacation to be paid to employee</b>
15 days + 5 days bought (160 hours)	20 days (160 hours)	July 17	86.10	80	0	6.10