



## Paid Parental Leave Policy

### Purpose

This policy describes the Paid Parental Leave benefit that Cummins provides to eligible employees for purposes of bonding with and ensuring the well-being of their newborn or adopted/foster child.

### Scope

A U.S. employee of Cummins who is classified as a full-time or part-time regular employee scheduled to work 20 hours/week and is not covered by a collective bargaining agreement. Subject to agreement by unions, U.S. employees who are union members shall be eligible for this benefit according to the same terms offered to non-union employees.

### Effective Date of Policy

This Paid Parental Leave policy is effective for the birth, adoption or foster care placement of a child/children on or after April 1, 2018.

### Definitions

**Family and Medical Leave Act (FMLA)** - FMLA provides 12 weeks of unpaid job-protected leave for the birth or adoption of a child to employees who have been employed for 12 months and have worked at least 1,250 hours in the year prior to requesting leave. (See Cummins HR-05-03-05 Family and Medical Leave Policy)

**Parent** - A birth mother, spouse, domestic partner (opposite or same sex), or an adoptive or foster parent.

**Paid Parental Leave** - A consecutive period of paid leave that does not reduce an eligible employee's balance of other paid company-provided leave such as sick, vacation or personal days for the purpose of bonding with and ensuring the well-being of a newborn or newly-adopted or foster-placed child under the age of 18.

**Primary Caregiver** - The parent who assumes the most responsibility in caring for the child's daily needs and health and well-being following the birth, placement through adoption or a foster care arrangement. To qualify for this leave, you must be the primary person responsible for the care of the child for the duration of the leave period. Only one parent can be a primary caregiver, regardless of whether one or both work for Cummins.

**Secondary Caregiver** - The parent, other than the primary caregiver, who also has responsibility for the care of a child following birth, placement through adoption, or a foster care arrangement.

### Policy Statements

An eligible employee who is the **Primary Caregiver** may take up to **12 weeks** of paid parental leave per birth, adoption or foster placement of a child/children.



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An eligible employee who is the **Secondary Caregiver**, may take up to **6 weeks** of Paid Parental Leave per birth, adoption or foster placement of a child/children.

The fact that a multiple birth, adoption or placement occurs (e.g., the birth of twins or adoption of siblings) does not increase the total amount of Paid Parental Leave granted for that event. In addition, in no case will an employee be eligible for more than the 12 or 6 weeks of total Paid Parental Leave, as described above, in a rolling 12-month period.

Each week of Paid Parental Leave is compensated at 100% based upon the employee's current base salary/hourly rate and determined by standard hours of the position. The benefit must be utilized in a continuous period up to the applicable amount of time off and may not be taken intermittently. Additionally, the leave cannot extend beyond the amount of time that the child is in the care of the caregiver. For example, if a foster child is placed in a home for two weeks, the maximum Paid Parental Leave an employee is eligible to receive is two weeks.

### **Eligibility**

Full-time or part-time regular U.S. Cummins employees working 20 or more hours per week, and not covered by a collective bargaining agreement are eligible for Paid Parental Leave.

Paid Parental Leave may be taken for one of the following reasons:

- Birth of a child to the employee, the employee's spouse, or the employee's domestic partner;
- Placement of a child with the employee and/or spouse/domestic partner for adoption or foster care.

If both parents are employees of Cummins and meet the eligibility requirements, both parents may take the applicable amount of Paid Parental Leave under this policy; however, only one parent may claim the Primary Caregiver designation.

Paid Parental Leave must be completed within 12 months of the child's birth/adoption/placement date.

Pay in lieu of leave is prohibited under this policy.

An employee must be in active status on the date the Paid Parental Leave is scheduled to begin. Paid Parental Leave will automatically terminate upon the end of an employee's active employment with the Company.



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### **Exclusions**

Employees who are not full or part-time employees or who are scheduled to work less than 20 hours/week are not eligible for Paid Parental Leave.

An individual that adopts a spouse's or partner's child(ren) is not eligible for this benefit.

Temporary employees are not eligible.

Surrogate mothers and sperm donors are excluded from coverage under this policy.

In the event a question arises regarding whether and to what extent an employee is eligible for Paid Parental Leave the Company in its sole discretion will determine eligibility.

### **Coordination with Other Benefits**

**Family and Medical Leave Act:** Employees must take available leave under FMLA concurrently with Paid Parental Leave. Paid Parental Leave shall not be used to extend an employee's FMLA entitlement.

**Disability:** Birth mothers may also be eligible for short-term disability benefits during the first six to eight weeks (depending on delivery) after the birth of a child. Disability benefits will not affect Paid Parental Leave eligibility except that Paid Parental Leave may not be taken by the birth mother until STD benefits have been exhausted. Please refer to your disability benefit summary plan description for additional details.

**State and Local Paid Family Leave:** The Paid Parental Leave benefit will run concurrent with any state, county, city or municipality with a paid family leave law and will offset for any paid benefits from those jurisdictions for parental leave.

**Holiday Pay:** If a holiday occurs during the eligible employee's Paid Parental Leave, the eligible employee will receive holiday pay in lieu of a paid parental day, provided the Eligible Employee is in pay status the day before and the day after the holiday. Use of holiday pay during a Paid Parental Leave will not extend the length of the leave.

**Benefits Continuation:** Because the employee remains in full pay status during approved Paid Parental Leave, Cummins will continue to pay the employer portion of previously elected benefits during this leave, and the employee will remain responsible for the employee portion. The employee will continue to earn service credit and will have retirement contributions paid by the Company during the approved Paid Parental Leave.



## **Paid Parental Leave Policy**

### **Request for Paid Parental leave**

The employee must provide his or her direct supervisor and Human Resources representative with written notice of a request for Paid Parental Leave at least 30 days prior to the proposed date of the leave (or if the leave was not foreseeable, as soon as possible).

If the employee is eligible for FMLA leave, the FMLA notice requirements will govern and an applicable claim shall be initiated.

Contact CBS for detailed instructions.