

## OCU Part-time Guidelines

### Purpose

The following sets forth a procedural framework for U.S. Office Committee Union hourly employees who would like to use a part-time arrangement on a regular basis for a minimum of three months.

### Scope

Southern Indiana Office Committee, non-probationary employees

### Reference

HR-05-04-01 -- Tuition Assistance Policy 

Office Committee Collective Bargaining Agreement (Base Business & CMEP)

### Definitions

OCU Office Committee Union

PTO Paid Time Off

CMEP Cummins MidRange Engine Plant

BB Base Business

### Part-time Employee

Works at least a 50% workload (minimum of 20 hours per week). Part-time employees may be employed where the nature of the work or working hours are well suited for part-time employment.

### Part-time Position

The workplan must reflect the part time arrangement. An arrangement between the manager and employee considering the following criteria:

- The needs of the Company, work group, and job
- The employee's past and present levels of performance are acceptable standards
- The employee can manage their workload

Part-time employment may not involve a reduction in the number of scheduled weeks or months per year. Co-workers will not be unduly inconvenienced nor assume increased workloads to accommodate this arrangement.

The Part-Time Agreement does not constitute a contract of employment, either expressed or implied. The employee's responsibility to deliver their workplan will not be affected by this arrangement

### Policy Statements/Statement of Work

Cummins considers part-time work to be a viable work arrangement in cases where employee, job and manager success factors are well suited to such an arrangement. Part-time offers Cummins a variety of business advantages, including increased retention, reduced turnover, a recruiting advantage, creative

staffing options, increased commitment from employees, reduced absenteeism and phased return from leaves.

The part-time policy will be applied in accordance with any prevailing laws and/or labor contracts.

Part-time accommodation is at the sole discretion of the manager.

Managers may limit the number of part-time arrangements within their own organizations.

### **Compensation**

Weekly compensation is based on the percentage of hours worked during the 40-hour work week. Hourly pay rate is not affected by part-time status.

Example: Employee's part time schedule is 24 hours (60%) @ \$16.00 per hour

% of time working X 40 hours X hourly rate.

$(60\% \times 40 \text{ hours}) \times \$16.00$

Variable compensation will be calculated on actual eligible compensation earned during the calendar year, which will have been reduced to reflect the part-time status.

### **Benefits**

Holidays - Holiday dates are the same as those for full-time employees. Part-time employees will receive holiday pay based on the % of time they allocated on the proposal form.

Example: Employee works a schedule of Monday – Wednesday 8 hours a day (24 hours = 60%). For Thanksgiving Day and the Friday following, this employee would receive 60% of an 8-hour day for holiday pay for Thursday (Thanksgiving Day) and 60% of an 8-hour day for holiday pay for Friday.

Example: Employee works a schedule of Monday – Wednesday 8 hours a day (24 hours = 60%). For Labor Day this employee would receive 60% of an 8-hour day for holiday for Monday.

Two PTO (Paid time off, Base Business only) & Floating Holiday – Two PTO and one Floating Holiday are the same as those for full-time employees. Part-time employees will receive pay based on the % of time they allocated on the proposal form.

### **Vacation**

Eligibility for current vacation allotment time is pro-rated by the percentage of time worked, when the part-time arrangement is for a full calendar year.

If the part-time arrangement commences throughout the calendar year, vacation will be calculated on the remaining vacation hours in the current vacation hours allotment, using the percentage identified on the agreement of the part-time status.

Current vacation available (at the time the employee chooses to be part-time, if the agreement is not for a full calendar year) will be adjusted to the period when the employee is part time.

## **Banking vacation Hours and Pay**

For Base Business OCU employees, in accordance with the current Collective Bargaining Agreement

Vacation may be banked up to a maximum of 80 hours total. Bank vacation will be paid at the wage rate in effect at the time the vacation is taken. Banked vacation may not be waived; it shall be paid only at the time it is taken.

For CMEP OCU employees, in accordance with the current Collective Bargaining Agreement

Employees may elect to bank up to 200 hours of vacation from one year to the next. Banked vacation will be paid at the wage rate in effect at the time the vacation is taken. The banked vacation time will be subject to the same scheduling rules as all other vacation time.

## **Additional Benefits**

- Non-contributory and contributory life insurance - Coverage, eligibility and contributions (for the contributory portion) are based on the part-time base salary.
- Short-term disability – Salary is continued at the part-time hourly rate at 75% of the part-time work schedule.
- Long-term disability - Salary is continued at 60% of the part-time eligible compensation.
- Medical, dental, and vision - Benefits are the same as for full-time employees, with no changes in charges or deductibles.
- Cash Balance Plan - Same as full-time, based on part-time eligible compensation.
- Contributions to the RSP (401k) plan - Same as full-time, based on part-time eligible compensation.
- Leaves of absence – Per Collective Bargaining Agreement
- Tuition reimbursement - Eligibility is a pro-rated basis. Reference HR-05-04-01.
- The Perfect Attendance day is earned by full-time employees only

## **Review Process**

### **Part-time Arrangement**

Will include an initial three-month period to begin at the start of the part-time arrangement. After the three-month period, the arrangement will automatically be renewed based on continuous business needs, employee's performance and manager approval.

The manager's review of the part-time arrangement should be included as a part of regular work plan reviews.

Factors to consider in the review:

- The availability and continuation of the part-time arrangement is contingent on business needs and management approval. Therefore, ensure all conditions agreed upon at the time of the proposal are still valid.
- The number of hours or workload agreed upon in the part-time arrangement may be changed as needed with the same notice mentioned in section noted above.

## **Scope of work plan**

Additional reviews are necessary if any of the conditions originally agreed upon have changed, including work plan or schedule. If the part-time arrangement is changed or denied, the Part-Time Agreement Form must be updated with the new information.

### **Employee's Performance**

Evaluation during the three-month period may include daily interaction between the employee and the manager to discuss work progress and challenges. Managers may also require progress reports to document accomplishments and project status.

Evaluation beyond the three-month period will be consistent with the review process in place for employees working full-time.

### **Termination of a Part-Time Agreement**

Employees wanting to terminate a part-time arrangement should discuss the request with his/her manager at least 30 days prior to the desired date, unless there are issues/concerns which could necessitate a shorter notice.

Once agreement is reached by the employee and manager to terminate the arrangement the employee should update the Workplan status to CANCELLED and document in the objective comments the reason for termination.

Notify the Line HR Manager and advise of the reason and terms for termination. Line HR Manager is responsible for documenting and retaining records per document retention guidelines.

Managers wanting to terminate a part-time arrangement should give at least 30 days' notice prior to the desired date, unless there are issues with performance or business needs change, which could necessitate a shorter notice. The manager should complete the following:

- Document the termination reason and details in the employee's Workplan Objective comments section.
- Review the termination with the employee and Line HR Manager.
- The Line HR Manager must notify SIPS to make the necessary changes in OneSource related to headcount.

### **Special Circumstances**

Exceptions to this policy must be approved in writing by the area Director of Human Resources.

### **Measures of Performance**

Full compliance with the terms of the arrangement as detailed in this document and as documented in the employee's Workplan Objectives. Failure to comply may result in disciplinary action process.

Management at Cummins reserves the right to discontinue this arrangement at any time for any reason at Cummins' sole discretion, with appropriate notice as identified in this policy.