

## Minnesota Paid Family and Medical Leave (PFML)

The Minnesota Paid Leave Law (PFML) is a mandatory statewide program that provides paid leave of absence benefits to eligible employees in Minnesota. The law allows employers to choose a private plan that provides equivalent benefits. Bluestone has elected a private plan administered through our vendor partner, Unum, to provide the best experience possible for employees. Through this partnership, Unum will pay PFML benefits directly to eligible Bluestone employees.

### Eligibility Requirements

Employees are eligible for PFML if they: (1) earned at least 5.3% of the state's average annual wage over their base period (typically the four most recent completed quarters before the effective date of their application with Unum) and (2) work 50% or more in Minnesota or live in Minnesota and do not work 50% or more in any one state. Bluestone's private plan administrator, Unum, is responsible for determining whether an employee is eligible for benefits and the amount of any benefits payable.

### Entitlement

Employees are eligible for up to 12 weeks of PFML for certain covered family or medical leave reasons during the course of a benefit year, or a combined total of up to 20 weeks if the employee needs leave for both covered medical leave and family leave in the same benefit year. The benefit year is the a 12-month period measured back from the date of any PFML leave used.

PFML may be taken for any one (1), or a combination, of the following reasons:

- *Up to 12 weeks of family leave:*
  1. To care for a family member with a serious health condition or who is a military member (family care leave);
  2. To bond with the employee's child after the child's birth, adoption, or placement (bonding leave);
  3. To respond to certain issues related to domestic violence, sexual assault, or stalking of the employee or a family member (safety leave); or
  4. For a qualifying exigency arising out of a family member's active-duty service or notice of an impending call or order to active duty in the Armed Forces.
  
- *Up to 12 weeks of medical leave for the employee's own serious health condition or medical care related to pregnancy, including prenatal care or incapacity due to pregnancy or recovery from childbirth, stillbirth, miscarriage, or related health conditions.*

A "covered family member" includes the employee's spouse or domestic partner, child, parent or legal guardian, sibling, grandchild, son-in-law or daughter-in-law, the employee or employee's

spouse's parent or grandparent, an individual who has a personal relationship with the employee that creates an expectation and reliance that the employee care for the individual without compensation, whether or not the employee and the individual reside together, as defined by law.

A "serious health condition" is a physical or mental illness, injury, impairment, condition, or substance use disorder that involves inpatient care in a hospital, hospice, or residential medical care facility or continuing treatment or supervision by a health care provider.

"Safety leave" includes leave from work because of domestic abuse, sexual assault, or stalking of the employee or employee's family member, provided the leave is to:

1. Seek medical attention related to the physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking;
2. Obtain services from a victim services organization;
3. Obtain psychological or other counseling;
4. Seek relocation due to the domestic abuse, sexual assault, or stalking; or seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual assault, or stalking.

"Qualifying exigencies" may include providing for the care or other needs of the military member's child or other dependent, making financial or legal arrangements for the military member, attending counseling, attending military events or ceremonies, spending time with the military member during a rest and recuperation leave or following return from deployment, or making arrangements following the death of the military member.

A "covered military member" includes a current or former member of the United States armed forces, including a member of the National Guard or reserves, who, except for a deceased military member, is a resident of the state and is a family member of the applicant taking leave related to the qualifying exigency.

Except for a claim for benefits for bonding leave, any claim for benefits must be based on a single qualifying event of at least seven (7) calendar days. Bonding leave must be taken within one (1) year of the birth or placement of the employee's child.

Benefits are financed through employer and employee contributions to the PFML program. The total premium is an annually established percentage of gross wages, up to the Social Security cap. Employers can withhold a portion of the premium from their employees. Employers who withhold premiums from their employees may withhold up to 50% of the total contribution rate set by the state each year. The employer is responsible for paying the remainder. Bluestone will calculate and withhold premiums from employees' paychecks.

While on PFML, employees are entitled to partial wage replacement at a portion of their average weekly pay. No employee shall receive a weekly benefit that exceeds the statewide Average Weekly Wage set by MN every year. Unum calculates weekly benefits as a sum of the following:

1. The portion of the employee's average weekly wage that is equal to or less than 50% of the state average weekly wage shall be replaced at a rate of 90%;
2. The portion of the employee's average weekly wage that is more than 50% of the state average weekly wage but does not exceed 100% shall be replaced at a rate of 66%; and
3. The portion of the employee's average weekly wage that exceeds 100% of the state average weekly wage shall be replaced at a rate of 55%

Except for bonding leave, the first seven (7) days of a consecutive leave or seven (7) consecutive or nonconsecutive or a combination thereof for intermittent leave is considered the "initial paid week period" and is retroactively paid after the employee meets the seven (7) day qualifying event. The retroactive payment will be included in the employee's first benefit payment.

Any employee is not eligible for PFML benefits for any portion of a typical workweek in which they worked for pay, were incarcerated, or received or is receiving unemployment insurance benefits. Additionally, employees are not eligible to receive benefits for any portion of a week in which they received or will receive workers' compensation benefits for loss of wages equal to or in excess of the employee's PFML benefit. Employees who collect social security disability benefits may be eligible for PFML benefits in certain circumstances.

### **Usage**

PFML can be taken in a continuous block of time or intermittently in increments of 1 minute. Employees requesting an intermittent leave must make a reasonable effort to schedule the intermittent leave so as not to disrupt unduly the operations of Bluestone. Bluestone will limit the hours of intermittent leave to 480 hours in a benefit year. However, employees are entitled to take their remaining leave entitlement continuously.

### **Notice**

Employees must provide Bluestone **and** Unum at least 30 days' notice before their PFML is to begin if the need for PFML is foreseeable. Employees must provide the Company notice as soon as is practicable when 30 days' notice is not practicable, such as because of a lack of knowledge of approximately when PFML will be required to begin, a change in circumstances, or a medical emergency. The notice must contain at least the anticipated timing and duration of the PFML.

Whether PFML is to be continuous or is to be taken intermittently, notice need only be given one (1) time, but the employee must inform Bluestone as soon as is practicable if dates of the scheduled PFML change, are extended, or were initially unknown.

## **Employee Application to Unum**

After providing notice to Bluestone by emailing HRLeaves@BluestoneMD.com, employees should apply for their PFML with Unum (online at <https://portal.unum.com> or over the phone at 866-868-6737) for administration of their leave and benefits. Employees are required to use the forms provided by Unum and Bluestone. Human Resources will ask employees to complete and return a form that provides the Company notice of leave dates, supplemental pay preferences, and important benefits information.

Unum will request the necessary information to support their review of the leave request. The employee's application for benefits may not be processed unless and until the application for benefits includes all necessary items for Unum's processing. Employees will need to provide Unum with the following information:

- Information about themselves and their job;
- The reason and the type of leave they are applying for;
- The expected length of leave; and
- Certification from a medical professional, service provider, or other supporting documentation about the reason for their leave.

It is the employee's responsibility to provide Unum with timely, complete, and sufficient information, certifications, or other documents supporting the need for leave. Any time the employee applies for PFML benefits, the application must be supported by documentation or certification as required by applicable law.

## **Supplemental Benefits During PFML**

Bluestone offers the following supplemental benefits to employees who are receiving PFML, in order of application: Paid Parental Leave, Short-Term Disability (STD), and Paid Time Off (PTO). Employees may elect to use these benefits to supplement PFML benefits up to a combined maximum of 100% of the employee's regular pay for each workweek.

To be eligible to receive the supplemental benefits under Bluestone policy, employees must apply for all statutory or voluntary sources of wage replacement benefits available under any applicable state/local law, including PFML. The benefits provided under this policy are coordinated with all wage replacement benefits under any statutory or voluntary source of wage replacement benefits so that an employee may not receive more than 100% of their base compensation at any time.

### Bluestone Paid Parental Leave

Bluestone provides supplemental pay for the first 5 days of approved parental leave. Paid Parental Leave taken under this policy coordinates with any PFML benefits employees may be eligible to receive and/or any other income replacement programs, such as Short-Term Disability. Bluestone will deduct State mandated paid leave benefits or other income programs from the Paid Parental Leave program to bring the employees total income up to 100% of their regular weekly wages. Bluestone will determine supplementation based upon actual benefits paid, as provided through Unum, and the employee will then be paid through Bluestone payroll on the next regularly scheduled pay cycle. Additionally, Bluestone's Paid Parental Leave program will run concurrently with any applicable FMLA leave or applicable state-sponsored leave entitlements.

#### Short Term Disability (STD)

If the employee is eligible for Bluestone's Short-Term Disability (STD) plan, Unum will provide determinations and payments for STD. Unum will reduce the STD payments by the amount of PMFL benefits as an offset. They will deduct from Short-Term Disability the income employees are eligible to receive from MN PFML. Based upon actual MN PFML benefits paid, as provided through Unum, they will make an STD payment to ensure the employee receives 60% of their regular wages through a combination of STD and PFML. Bluestone's Short-Term Disability program will run concurrently with any applicable FMLA leave or applicable state-sponsored leave entitlements.

#### Paid Time Off (PTO)

Employees have the option to supplement PFML payments they received or are eligible to receive with available Paid Time Off (PTO) and/or Floating Holiday balances. To utilize PTO pay during your leave, it must be requested through Bluestone HR. Bluestone will coordinate state paid leave benefits with employees' PTO/Floating Holiday to bring employees total income to up to 100% of their regular weekly earnings. Bluestone will determine supplementation with PTO based upon actual benefits paid, as provided through Unum, and PTO will be paid through Bluestone payroll on the next regularly scheduled pay cycle. If the employee elects to supplement PFML payments, the PTO pay will be paid after determination of PFML wage replacement as to not compensate at more than 100% of regular weekly wages. Additionally, any PTO/Floating Holiday usage will run concurrently with any applicable FMLA leave or applicable state-sponsored leave entitlements and cannot be used to extend the allowable amount of leave.

Employees who receive Bluestone's Unlimited PTO program benefit are permitted to utilize up to 4 weeks of PTO pay each leave year to supplement any other paid leave entitlements. For employees who accrue PTO on a payroll-by-payroll basis, all PTO hours will be used until the balance is zero.

Employees who accrue PTO on a payroll-by-payroll basis will continue to accrue PTO hours, per Bluestone's earning schedule, as long as the employee receives pay from Bluestone through the use of Parental Leave pay or PTO and/or Floating Holiday pay while on leave (considered "top up" pay under the terms of MN PFML or Bluestone's STD policy administered by Unum).

### Supplemental Overpayments

It is Bluestone's policy and intent to not provide supplemental payments above 100% of an employee's regular wages. If at any time an employee identifies that they have been paid over 100% of their regular wages, the employee should notify Bluestone HR immediately so Bluestone can remediate the overpayment, to include withholding of future wages or lump sum repayment by the employee. If the Company identifies an overpayment, Bluestone HR will address with the employee directly to remediate.

### **Job Benefits and Protection**

During PFML leave, the Company will maintain coverage under any group insurance policy, subscriber contract, or health care plan for the employee and any dependents as if the employee had continued to work. If Bluestone-provided benefits are used as an offset to PFML benefits or to supplement the PFML benefits, the Company will deduct the employee's portion of any applicable insurance plan premium as a regular payroll deduction. If the employee is not receiving any pay from the Company during their leave, the employee must make arrangements with Human Resources prior to taking leave to pay their portion of applicable insurance premiums each month.

Unless otherwise provided by applicable law, employees who have been employed with Bluestone for at least 90 days will be restored to their previous or equivalent position with equivalent status, pay, benefits, and other terms and conditions of employment upon their return from PFML leave.

### **Interaction with Other Leave Policies**

Leave taken pursuant to PFML will run concurrently with leave taken under the federal Family and Medical Leave Act (FMLA) and the Minnesota Pregnancy and Parenting Leave Act, when the leave is for a covered reason under those laws.

### **Questions and/or Complaints about PFML**

Employees with questions regarding this PFML policy should contact Human Resources. For questions about determination decisions by Unum on leave eligibility, entitlement, and/or benefits, employees should contact Human Resources for assistance. The PFML makes it unlawful for employers to discriminate, retaliate, threaten to retaliate, or interfere with the exercise of any rights under the PFML. Bluestone is committed to complying with the PFML and, whenever necessary, shall interpret and apply this policy in a manner consistent with the PFML.