

LOYOLA ENTERPRISES, INC.

POLICIES & PROCEDURES

CLASSIFICATION: Employee Benefits

Number: IV-6

Effective Date: 06-17-98

SUBJECT: Military Leave of Absence

Revision Date: 07-23-09

LOYOLA will honor all orders for active and reserve duty as obligated by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

Conforming to applicable law, the Company grants Military Leave of Absence to provide employees an official leave status while serving on short periods (usually two (2) weeks per year) for Reserve or National Guard active duty training and to establish the long-term company concern for the status of employees called up for extended periods of active duty with the Armed Forces. Although not legally obliged to do so, the Company ensures that employees will not experience a loss of income for the period(s) covering the first ten (10) working days or eighty (80) hours of their Military Leave of Absence each calendar year for Reserve or National Guard active duty training. Supplementary pay is also authorized for the first ten (10) working day or eighty (80) hours of extended active duty. Under special circumstances, particularly when the employee certifies demonstrable hardship, supplementary pay may be continued for an additional two (2) week period of extended active duty (or active duty for training in excess of two (2) weeks per year.) Hardship, in this instance, is analogous to the conditions established by the IRS for hardship withdrawal of funds from a qualified 401(k) plan and must be supported by adequate proof. The President must approve such pay continuation.

Generally, the cumulative leave of absence may not exceed five (5) years from date of entry in order to be eligible for reemployment. There are several types of exemptions from the five (5) year limit and LOYOLA will make determinations in compliance with USERRA.

The employee must have been released from military service under honorable conditions and furnish such certification.

A. Military Leave of Absence for a short-term training obligation.

1. An employee alerted for military active duty training must notify his/her supervisor as soon as possible and request Military Leave of Absence for the appropriate period. An employee called to duty and departing without being able to notify his/her supervisor must be granted the same Leave of Absence.
2. Seniority continues to accrue.
3. Personal Leave Time (PLT) status remains and accruals continue.
4. Existing group insurance coverage continues.
5. The employee will be reinstated in the same job or equivalent upon return.
6. Upon return from Reserve or National Guard active duty training, an employee will furnish proof of military pay and allowances to the Human Resources Department. If military pay and allowances received is less than the employee's normal regular pay, the employee will be paid by Loyola for the difference in pay up to ten (10) days (maximum of eighty (80) hours) in a calendar year.
7. Upon release from service of less than thirty-one (31) days, the employee must report to work by the beginning of the first regularly scheduled workday that would fall eight (8) hours after the employee returns from military duty.

B. Military Leave of Absence for an indefinite extended period of active duty.

1. An employee called up (or volunteering) for an indefinite period of extended active duty in the Armed Forces of the United States, is asked to notify his/her supervisor as early as possible and request Military Leave of Absence. An

- employee called to duty and departing without being able to notify his/her supervisor must be granted the same Leave of Absence.
2. Upon departure, the employee will be placed on unpaid Leave of Absence status.
 3. Personal Leave Time (PLT) balance to date of commencement of Military Leave of Absence will remain in good standing so that existing accrual will be available upon the employee's return, or until December 31, at which time it will be forfeited. PLT does not accrue during periods of extended active duty Military Leave of Absence.
 4. The employee has the following group insurance coverage options:
 - a. Life/AD&D – LOYOLA'S carrier terminates coverage upon the employee's entry into extended active duty.
 - b. Short Term Disability and Long Term Disability – LOYOLA'S carrier terminates coverage upon the employee's entry into extended active duty.
 - c. Medical and dental benefits may be continued for both the employee and dependents or for dependents only under COBRA. LOYOLA will continue its customary subsidy of medical and dental insurance coverage for three months. The employee must pay his/her share on a monthly basis. After three months, employees are offered dependent medical and dental care coverage under COBRA and are responsible for paying up to 102% of the full premium.

C. Release from extended active military duty.

1. Upon release from extended active military duty for service of thirty-one to one hundred and eighty days (31-180), the employee has fourteen (14) days to apply for return to active LOYOLA employment under Services Employment and Reemployment Rights Act of 1994 (USERRA). For service of more than one hundred and eighty (180) days, the employee has ninety (90) days to apply for return to active LOYOLA employment under USERRA.
2. The employee must have been released from military service under honorable conditions and furnish such certification.
3. LOYOLA will ensure prompt reemployment in the following order of priority:
 - a. The "escalator" position or a position of equivalent seniority, status, and pay;
 - b. The employee's pre-service position or a position of equivalent seniority, status, and pay; or
 - c. Any other position of lesser status and pay that the employee is qualified to perform, with full seniority.
4. Compensation offers will be based on current salary rates and the employee's qualifications and seniority at the time of reinstatement.
5. The employee will be credited for purposes of vesting with the time spent in military service and will be treated as not having incurred a break in service. Immediately upon reemployment, the employee may make any or all employee contributions to the 401(k) retirement plan that the employee would have been eligible to make had the employee's employment not been interrupted by military service. Such contributions must be made within a period that begins with the employee's reemployment and that is not greater in duration than three (3) times the length of the employee's military service. If the 401(k) retirement plan incorporates a Company match, the employees will receive all associated Company matches for such contributions.
6. Remaining PLT balance will be restored (if within the same calendar year as accrued) and accrual will be resumed.