

LLNS

Severance Program

Benefit Summary

This is a summary of highlights of the LLNS Severance Program, a component of the LLNS Health and Welfare Benefit Plan for Employees, ERISA Plan 501 (“Plan”). Receipt of this document and/or your participation in the Plan and any benefit programs under the Plan do not guarantee your employment or any rights or benefits under the Plan. LLNS reserves the right to amend or terminate the Plan or any benefit program(s) under the Plan at any time. The Plan and the benefit programs referred to in this summary are governed by a Federal law (known as ERISA), which provides rights and protections to Plan participants and beneficiaries. For more information on LLNS benefit programs, see the LLNS Health and Welfare Benefit Plan for Employees Summary Plan Description, available from the LLNS Benefits Office at (925) 422-9955.

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What is the Severance Program?

The Severance Program is a benefit sponsored by Lawrence Livermore National Security, LLC (LLNS), under the LLNS Health and Welfare Benefit Plan for Employees, ERISA Plan Number 501, to provide pay for a short period of time to employees who are terminated as a result of a LLNS Reduction in Force.

What is a Reduction in Force?

A Reduction in Force (RIF) occurs when LLNS terminates one or more employees pursuant to Section K.IV of the Personnel Policies Manual (PPM).

Who is Eligible for Severance Program Benefits?

Career indefinite employees who:

- are separated in a RIF for an indefinite period in accordance with Section K.IV of the PPM, which describes the policies that govern a RIF, and
- sign a mutual waiver and release of claims in a form provided by LLNS.

How Does the Severance Program Work?

If an employee is identified for termination in a RIF, LLNS provides the employee with written notice of such termination. In order to receive Severance Program benefits, the employee must continue to work throughout any notice period that applies. If the employee meets the eligibility requirements described herein, the employee will receive Severance Program benefits as described below.

Severance Program payments will not extend the period of employment beyond the date of termination due to a RIF.

A mutual waiver and release of claims in a form provided by LLNS must be executed in order to receive severance pay.

What are Severance Program Benefits?

Severance Program benefits for an eligible employee consist of payments that are equal to one (1) week's pay for each year of continuous full-time service (not to exceed 2080 hours), up to twenty-six (26) weeks. A fractional year of full-time service of six (6) months (1040 hours in a year) or more is counted as one year of service. One (1) week's pay for non-exempt, hourly rated employees is defined as the Base Rate 1 (excluding any overtime premium) at the time of severance times forty (40) hours. One (1) week's pay for exempt employees is defined as the hourly equivalent of the Base Rate 1 annual salary, divided by 2080, times forty (40) hours. For purposes of this Severance Program, service is continuous if an eligible employee is on pay status during all or part of a month without a break in service. A break in service occurs when there is a separation from

LLNS. If an eligible employee has a break in service and returns to work with LLNS, service prior to the break in service does not count in determining the amount of severance benefit under the Plan. An employee who transitioned from the University of California to LLNS on October 1, 2007 did not incur a break in service.

- The following periods on approved leave without pay (LWOP) are counted as periods of continuous service for the purposes of severance pay:
 - Leave for military service,
 - Leave related to illness or injury compensable by workers' compensation
 - Leave while on assignment to another research organization at the direction of LLNS,
 - Leave for any period of thirty (30) days or less, and
 - Periods on pay status before and after any other approved leave without pay.
- Leave granted pursuant to the Family Medical Leave Act or the California Family Rights Act is not considered as a break in service.
- Periods of employment prior to a break in service are not counted as periods of continuous service for purposes of severance payments, nor are periods on pay status 1) as an appointment type defined in Section A.III.30 of the PPM, or 2) as an indeterminate-time employee, except that for an indeterminate-time employee who has attained career indefinite status, the period on pay status which qualified the employee for career indefinite status and subsequent periods shall be counted.

In determining service for severance payment purposes, service that has been included in the calculation of a prior severance payment shall be disregarded.

An eligible employee will have the option of receiving his or her Severance Program benefit in a single lump-sum at the time of termination or in bi-weekly installments. All elections by employees (lump sum or installment payments) will be treated as an election to receive benefits in a lump sum for tax purposes.

When are Severance Program Benefits not Payable?

An employee is not eligible for benefits under the Severance Program if any of the following limitations apply:

- Severance Program payments will not be provided to an employee identified for a RIF who voluntarily transfers to another LLNS job, nor to an employee who refuses a transfer to an equivalent job with LLNS.
 - An equivalent job is any position with LLNS at a beginning salary (or hourly rate of pay) at least equal to the salary or hourly rate paid the employee in the job from which that employee was identified for a RIF, regardless of the salary or pay range.

- Severance Program payments will not be made to any employee who terminates for any reason other than a RIF except that
 - a) An employee who resigns after receiving formal notification of a RIF but prior to the effective date of the action may be provided Severance Program payments with the approval of LLNS' Associate Director for Strategic Human Resources Management (AD for SHRM) as long as the employee remains employed until the date set by the AD for SHRM.
 - b) An employee who resigns in lieu of another employee who would have been separated due to a RIF may be provided Severance Program payments with the approval of the AD for SHRM.
- Severance Program payments will not be made if the employee does not sign a mutual waiver and release of claims in a form provided by LLNS.

Is there a Claim and Appeal Process for Severance Program Benefits?

For information about filing claims and appeals under the Severance Program, see the *LLNS Health and Welfare Benefit Plan for Employees Summary Plan Description* (H&W SPD), Section 8, "Claim and Appeal Procedures."

Who is the Claims Administrator for Severance Program Benefits?

See the H&W SPD, Section 8, "Claim and Appeal Procedures" for information about the claims administrator for the Severance Program.

How Does Re-Employment Affect Severance Program Benefits?

Severance Program payments will not extend an employee's period of employment beyond the date of termination due to a RIF. Moreover, this Program does not provide re-employment rights with LLNS.

If an employee is rehired by LLNS before the end of the number of weeks for which Severance Program payments have been made, the balance of his/her Severance Program benefit payments will be credited as an advance on earnings following his/her rehire to the extent permitted by California law (or other state law if the employee resides outside of California).

Important Note

While care has been taken to develop this Severance Program Benefit Summary, it is not a guarantee of any benefits. In particular:

- The terms and conditions of this Severance Program Benefit Summary may change or may be terminated at any time at the sole discretion of LLNS.
- An individual's employment relationship may be voluntarily or involuntarily changed or terminated.

This is a summary of benefits. For additional information, please contact:

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LLNS Benefits Website for Employees <https://benefits.llnl.gov/>