

Military Leave

INTRODUCTION

To provide leaves of absence to all regular part-time and full-time employees who serve in the Uniformed Services.

POLICY/PROCEDURE

1.0 Policy Statement

Gallagher is deeply committed to safeguarding the employment and the rights and privileges of its employees who respond to the country's call to military service. Therefore, in accordance with federal law, Gallagher provides leaves of absence for employees who are absent from work due to military duty in the Uniformed Services, which include:

- the Army of the United States, the United States Navy, the Marine Corps, the Air Force, the Coast Guard and their respective Reserves
- the National Guard, including members of State militias called into the military service or training of the United States
- Commissioned Corps of the Public Health Service
- Any other category of persons designated by the President of the United States or the Congress for military service or training, whether voluntary or otherwise, in time of war or national emergency.

2.0 Eligibility

This policy applies to all regular employees.

3.0 Permission and Documentation

Employee's Responsibility

An employee called to Active or Inactive Duty should:

- (1) notify his/her immediate manager, in writing, by way of the Leave of Absence Request Form ([click here](#) to access form) as soon as the need for leave becomes apparent; and
- (2) provide his/her immediate manager a copy of his/her orders or other training documentation (for Inactive Duty Training), unless military necessity prevents the giving of notice or the giving of notice is impossible.

Manager's Responsibility

For all leaves requested under this policy, the employee's immediate manager must sign and submit the Leave of Absence Request Form and a copy of the employee's orders and/or military pay stub (if and when available) to Payroll at USPayrollAdministration@ajg.com.

4.0 Salary and Benefits Continuation for Inactive Duty Service

Unless other arrangements have been made and confirmed in writing, regular employees will be granted up to ten (10) days of paid leave each calendar year, offset by military pay, for the following types of Inactive Duty Service:

Inactive Duty Training (“IDT”) - One or two day “drill weekend” or similar training which is not performed pursuant to written orders. Occasionally IDT will extend a day or two on either side of a weekend.

Annual Training (“AT”) - An annual training period, typically about two weeks but varying from one day to as much as three weeks. AT is always performed pursuant to written orders.

Benefits for Employees on Inactive Duty Service

All benefits will continue during an employee’s Inactive Duty Status.

5.0 Salary and Benefits Continuation for Active Duty Service

There are several types of Active Duty Service. The most common served by those in the reserves of the Uniformed Services are:

Active Duty Training (“ADT”) - Infrequent training of one or two days up to a few weeks, generally used for training in addition to that offered during AT. ADT is always performed pursuant to written orders.

Active Duty for Special Work (“ADSW”) - Infrequent duty of fixed or unfixed length used for special projects or training above and beyond AT and/or ADT. ADSW is always performed pursuant to written orders.

Active Duty (“AD”) - Full time, active duty status identical to that served by active duty military personnel. Not training status. Length of AD may range from as little as three months to as long as six or nine months. AD may not exceed 270 days unless specifically authorized by the President of the United States. An employee will always be placed on AD pursuant to written orders.

Presidential Selective Reservist Call-Up (“PSRC”) - A “mass call-up” of up to 200,000 reservists under specific Presidential authority, generally for up to 9 months. An employee on PSRC is considered to be on AD. An employee will always be placed on PSRC pursuant to written orders.

Salary for Employees on Active Duty Service

Regular employees on Active Duty Service whose base salary is \$100,000 or less will be granted paid leave, offset by military pay, for a period of up to one (1) year, cumulative of all types of Inactive Duty Service and Active Duty Service.

Regular employees on Active Duty Service whose base salary is greater than \$100,000 will be granted paid leave, offset by the difference between their military pay and base salary, to a maximum of \$100,000, for a period of up to one (1) year, cumulative of all types of Inactive Duty Service and Active Duty Service. [EXAMPLE: an employee earning \$150,000 annually whose annualized military pay is \$75,000 is eligible to receive up to \$25,000 of base salary.]

At their option, employees called up for Active Duty Service may elect to use their earned but unused vacation during any period of Active Duty Service.

Benefits for Employees on Active Duty Service

While receiving salary continuation, existing deductions for medical/dental, flexible spending accounts, 401(k), and voluntary GUL will continue to be withheld. If the employee waives dependent coverages or changes/suspends contributions to these plans during any period of Active Duty Service, the coverages may be reinstated when the employee returns to work per Section 6.0. During periods of leave for which there is no salary continuation and payroll deductions cease, the employee must pay his/her contributions for elected benefits with a personal check. The employee will receive notification of eligibility to self-pay his/her benefits from Corporate Human Resources once he/she reaches an unpaid status. If payment is not received by the indicated due date, benefits may be suspended or terminated. The employee will have COBRA continuation rights upon termination of benefits, if applicable.

Company-paid AD&D and life insurance will be suspended, and STD and LTD coverages cease, during the period of Active Duty Service. When the employee returns to work per Section 6.0, these coverages will be reinstated. Voluntary AD&D deductions and coverage will also cease during the period of Active Duty Service, but the employee may re-enroll upon returning from leave.

Employees will not accrue vacation or personal days while on Active Duty Service. However any time spent in Active Duty Service will be counted towards an employee's eligibility for leave under the Family Medical Leave Act of 1993.

Pension plan service (vesting only - plan frozen as of 7/1/05), and stock option vesting schedules will continue for up to five years of military leave (that is, time spent on Active Duty Service will be credited for purposes of vesting and will be treated as not having incurred a break in service, provided the employee returns to work as provided in Section 6.0.

Cessation of Compensation and Benefits for Extended Active Duty Service

If Active Duty Service exceeds one (1) year, salary and benefits will cease and:

- The employee and covered dependents may elect to continue medical/dental benefits and flexible spending accounts under COBRA for up to 24 months;
- The employee's 401(k) contributions will cease, however "catch-up" contributions are permitted when the employee returns to work per Section 6.0.
- GUL premiums will be deducted from the employee's Cash Accumulation Fund (if any) or the employee may elect to continue this coverage on a direct bill basis.

For additional information about compensation and benefits as they relate to Active Duty Service, please contact Human Resources.

6.0 Return to Work

Manager's Responsibility

To return an employee to active pay status from military leave, the immediate manager must submit a [Personnel Action Form \(PAF\)](#) with the return date and send it to Corporate Payroll.

Employee's Responsibility

An employee intending to return to work from Active Duty Status must provide to his/her manager notification of reinstatement within the application period set forth in the chart below. The time between an employee's release from military service and actual return to work date is unpaid. The employee will be asked to provide any military discharge documentation (for example, Form DD214) that establishes the length and character of the employee's military service.

Length of Absence from Employment Due to Uniformed Service	Deadline for Applying for Re-employment
Service less than 31 days (including leave for testing to determine fitness for military service)	Eight hours upon release from service to report for the next scheduled work period
Service greater than 31 days, but less than 180 days	Fourteen days following release from service to report for next scheduled work period.
Service greater than 180 days	Ninety Days following release from service to report for next scheduled work period.

Employees who fail to report or re-apply within the above time frames do not necessarily forfeit their re-employment rights. Contact Human Resources for guidance. These application deadlines may be extended for up to two years (or more) for an employee with a service-connected disability or other service-related injuries that prevent the employee from applying for reemployment, or when circumstances beyond the employee's control make reporting within the time limits impossible or unreasonable.

Return After Military Leave of 90 Days or Less

The employee will be reinstated to: (1) the position that the employee would have held if his/her continuous employment had not been interrupted by military service (the employee must be qualified to perform the duties of such position); or (2) the same position the employee held when the military service commenced, but only if the employee is not qualified to perform the duties of the position referred to in (1), above, after Gallagher has made reasonable efforts to qualify the employee for that position.

Return After Military Leave of More Than 90 Days

The employee will be reinstated to: (A) the position that the employee would have held if his/her continuous employment had not been interrupted by military service, or to a position of like seniority, status and pay (the employee must be qualified to perform the duties of such position); or (B) the same position the employee held when the military service commenced, or a position of like seniority, status and pay, but only if the employee is not qualified to perform the duties of the position referred to in (A), above, after Gallagher has made reasonable efforts to qualify the employee for that position.

Employees With Service-Related Disability

Gallagher will make reasonable accommodations to employees returning to work with a service-connected disability. If an employee with a service-connected disability is not qualified for employment in the position he/she would have attained, or in the position that he/she left, the employee will be employed in any other position of similar seniority, status and pay for which the employee is qualified or could become qualified after Gallagher's reasonable efforts. If no such position exists, the employee will be employed in the nearest approximation consistent with the circumstances of the employee's situation.

Service Extended Beyond Five Years

If Active Duty Service is due to a national emergency or war declared by the President of the United States or the Congress, re-employment rights may extend beyond five years. To qualify for reinstatement upon return from military leave, an employee must be: (1) honorably discharged from military service; and (2) qualified to perform the job with reasonable assistance.

NOTE: The foregoing are guidelines generally applicable to military leave. Military leave benefits may vary from state to state. Contact Human Resources with questions or to obtain further information.

Last Updated: September 21, 2023