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Vacation/Personal Time Policy – U.S.

Effective: March 22, 2020

Version: 7

Overview

This policy outlines our Vacation and Personal Time Policy and how it is executed in the United States. Canadian Team Members may be eligible for vacation under the Michaels of Canada Vacation Policy found in the Canada Team Member Handbook. Full-Time Team Members in the United States are eligible to receive Vacation Time and Personal Time Off Benefits.

Supervisor Responsibilities

Supervisors are responsible for:

- Explaining and answering Team Member questions about their vacation.
- Executing the policy as detailed in this document.

Questions and Resources

- Team Member Services at 1-855-432-MIKE (6453) Option 2 for Human Resources or email hrteam@michaels.com
- [Flex Vacation Policy](#)

Topics

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Our Policy

The Company provides Vacation and Personal hours based on similar factors:

- Vacation is earned based on Job and time of continuous service with the Company.
- Personal hours are earned based on Job.

Job	Vacation Year Renews	Years of Service / Plan Tier Max					Personal Days
		0-4 years	5-9 years	10-14 years	15-19 years	20+ years	
Support & Management	February 1 Annually	120 hours (prorated in first year)	160 hours	160 hours	200 hours	200 hours	24 hours awarded Feb 1
Store Management (SM & ASM)	November 1 Annually	Less than 1 year - 80 hours After 1 year - 120 hours	160 hours	160 hours	160 hours	160 hours	0
Field Full Time	November 1 Annually	Less than 2 years - 40 hours After 2 years - 80 hours	120 hours	120 hours	160 hours	160 hours	8 hours awarded Nov 1
DC & Artistree Hourly	February 1 Annually	Less than 2 years - 40 hours After 2 years - 80 hours	120 hours	120 hours	160 hours	160 hours	24 hours awarded Feb 1
Director & Above		See Flex Vacation Policy					

Defining “Job”

Vacation and Personal hours are earned based on the Team Member’s Job. Review the categories below for which positions are included in each group.

- **Support & Management group includes:** All Support Center Full-time Team Members, All Salaried Distribution Center and Artistree Team Members and Artistree Supervisors.
- **Store Management includes:** All Store Managers and Assistant Managers at Michaels stores.
- **Field Full Time:** All Full-time Hourly Team Members at Michaels stores.
- **DC/Artistree Hourly:** Includes Full-time Hourly Team Members at Distribution Center or Artistree locations.
- **Director & Above includes:** Directors, District Managers, Vice

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Presidents and Executives in all divisions.

Earning Vacation and Personal Time

Vacation is earned each pay period at a rate equal to your annual amount divided by 26 (the number of pay periods each year). You can use up to your full Plan Tier Max immediately at renewal time although your paycheck stub may not reflect the full amount yet. In this plan, you can use vacation that you have not earned just yet. That's okay! By the end of the year, the amount you earned will catch up with the amount you have taken or used.

Important to remember: You may never use more vacation time in advance than you will earn during the remainder of the current vacation plan year.

Determining tenure: Your tenure is determined by your anticipated employment anniversary **following** the annual renewal. So, whether you have a November or February renewal, you will receive vacation time based on your upcoming employment anniversary.

Here is an example:

Susan has been a Team Member for 4 years and she's looking forward to her next employment anniversary because she will be eligible for 120 hours of vacation. Her vacation renewal is in November, but her anniversary date isn't until March. Does this mean that she must wait until next November?

No, she won't have to wait. The vacation time that Susan will receive at the annual renewal is based on her eligibility for the upcoming renewal year. She'll be able to use that additional 40 hours of vacation starting in November when her vacation renews. (The same applies to February renewals).

Job	Renews	1 - 4 Years (hours accrued per pay period)	5 - 9 years	10-14 years	15-19 years	20 + years
Support & Management	February 1 annually	4.62	6.15	6.15	7.69	7.69
Store Management (SM & ASM)	November 1 annually	Less than 1 yr., 3.08 After 2 yrs., 4.62	6.15	6.15	7.69	7.69
Field Full Time	November 1 annually	After 1 yr., 1.54 After 2 yrs., 3.08	4.62	4.62	6.15	6.15
DC/Artistree Hourly	February 1 annually	Less than 2 yrs., 1.54 After 2 yrs., 3.08	4.62	4.62	6.15	6.15
Director & Above	See Flex Vacation Policy					

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Bi-Weekly Hours Earned: This table shows the bi-weekly Vacation hours earned each pay period based on your position and time of service.

NOTE – this chart reflects a full vacation plan year; if you change plans during the plan year, then your annual prorated plan tier max is accrued in equal amounts per pay period from the date of change thru the end of your plan year.

Where required by state or local law, unused vacation will be carried over to the following year. However, in those states, you may never accrue more than two times the annual vacation amount (see chart below). Once you reach the cap, you will not earn any additional vacation until you use vacation time and your balance falls below the cap.

State	Carried Over	Cap
Colorado, Montana, Nebraska, Rhode Island, California	Roll over any accrued hours	Two times the annual vacation amount

Review Your Vacation Balances

Your time off information will no longer be displayed on your paycheck stub. You can review your vacation time in Workday. To review balances in Workday, refer to the **View Time Off** job aid in the Workday Learning Application.

Vacation Requests

Before submitting a vacation request, confirm that you have time available. You are responsible for managing your own vacation time; if you request and are approved to use more time off than your annual vacation plan tier max, it will not be paid, unless otherwise required by law.

For assistance on requesting time in Workday, refer to the **Request and Correct Time Off** job aid in the Workday Learning Application.

Leaves of Absence

Vacation/Personal Time Grant

If you are on a Leave of Absence when Vacation and Personal Time renews, the plan tier max will be available to use when you return to active status.

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Prorations

New Hires, Re-Hires, Promotions, Demotions and Job Changes

All prorations are programmed in Workday. The following information outlines how the prorations are determined.

Personal Hours

Field Full Time Team Members - Receive 8 Personal Hours annually that is not prorated upon hire or promotion. Personal Hours expire on November 1st each year, unless otherwise required by law.

Support & Management and **DC/Artistree Hourly** Team Members - Receive prorated Personal Hours based on the number of pay periods left in the vacation plan year upon hire/promotion. All Personal Hours expire on February 1st each year, unless otherwise required by law.

Team Members moving from a job that is Personal Hours-eligible to Personal Hours-ineligible - any accrued, unused Personal hours will be lost at the time of change, unless otherwise required by law.

Team Members moving to a different tier Personal Hours-eligible plan - any accrued, unused Personal Hours remain eligible to the Team Member to use, and the new number of eligible Personal Hours will be applied based on the number of pay periods left in the vacation plan year.

Job	Rate	Salaried	Hourly
Support & Management DC/Artistree Hourly	.923 X # of pay periods remaining in the vacation plan year.	Rounded up to the nearest 4-hour increment	Rounded to the nearest tenth

Here is an example:

Salaried: Susan is hired on June 15th. There are 14 pay periods left in the plan year at her time of hire. Susan would be eligible for .923 hours X 14 pay periods = 12.922. Since Susan is a salaried Team Member, her eligible Personal Hours will round up to the nearest 4-hour increment, so Susan would be eligible for 16 Personal Hours upon hire for her first year of employment.

Hourly: If Susan were an hourly Team Member, her eligible Personal Hours will round to the nearest tenth, so Susan would be eligible for 12.9 Personal Hours upon hire for her first year of employment.

Vacation

All new hire, re-hire (even in the same plan year) and newly promoted, or

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demoted Team Members receive Vacation time based on the number of pay periods left in the vacation plan year and their time of service with the Company. To determine your time of service, refer to the [Policy Chart](#) on page 2.

NOTE - this chart reflects a full vacation plan year that is prorated based on remaining pay periods left in the plan year.

February Renewals					
Job	1-4 Years	5-9 Years	10-14 Years	15-19 Years	20+ years
Support & Management	4.62 X # of remaining pay periods in the plan year	6.15 X # of remaining pay periods in the plan year	6.15 X # of remaining pay periods in the plan year	7.69 X # of remaining pay periods in the plan year	7.69 X # of remaining pay periods in the plan year
DC/Artistree Hourly	Less than 2 yrs. = 1.54 X # of remaining pay periods in the plan year	4.62 X # of remaining pay periods in the plan year	4.62 X # of remaining pay periods in the plan year	6.15 X # of remaining pay periods in the plan year	6.15 X # of remaining pay periods in the plan year
	After 2 yrs. = 3.08 X # of remaining pay periods in the plan year				

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November Renewals					
Job	1-4 Years	5-9 Years	10-14 Years	15-19 Years	20+ years
Store Management (SM & ASM)	Less than 1 yr. = 3.08 X # of remaining pay periods in the plan year	6.15 X # of remaining pay periods in the plan year	6.15 X # of remaining pay periods in the plan year	7.69 X # of remaining pay periods in the plan year	7.69 X # of remaining pay periods in the plan year
	After 2 yrs. = 4.62 X # of remaining pay periods in the plan year				
Field Full Time	After 1 yr. = 1.54 X # of remaining pay periods in the plan year	4.62 X # of remaining pay periods in the plan year	4.62 X # of remaining pay periods in the plan year	6.15 X # of remaining pay periods in the plan year	6.15 X # of remaining pay periods in the plan year
	After 2 yrs. = 3.08 X # of remaining pay periods in the plan year				

Here is an example:

Susan has been an ASM for 10 years and was eligible for 160 hours of vacation at renewal time. In April, Susan is demoted to Department Manager. Susan will retain the 160 hours that she earned as an ASM and would also be prorated hours for her new role based on the number of pay periods left in the plan year. (4.62 x 13 pay periods = 60.6 or 60 hours). Susan would then have a total vacation balance of 160 + 60 = 220 hours. Susan would have until the end of the plan year to use remaining balance.

Team Member moving to a different Vacation Plan:

Any accrued, unused vacation hours at the time of transfer to a different tier plan will remain eligible to the Team Member to use. Any unused time will expire at the end of the vacation plan year. This amount will not impact your new plan tier max or grants. Vacation hours for the new vacation plan tier will be granted based on the number of pay periods remaining in the plan year.

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In order to achieve the pro-rated plan tier max, the accrual amount per pay period will adjust for the new plan on the effective date of the change.

Payout – Vacation and Personal Days

At Separation

Unused, accrued Vacation is NOT paid out if a Team Member leaves the Company unless otherwise required by law.

States requiring accrued and unused Vacation to be paid out at the time of separation will be paid at current pay rate. See [HR Manual 11.2 Processing Final Pay](#) for specific guidelines.

State	Paid Out
California, Colorado, Illinois, Louisiana, Massachusetts, Montana, North Dakota, Nebraska and Rhode Island	Pay out unused, accrued vacation hours

Unused Personal Hours are NOT paid out at the time of separation unless otherwise required by law.

States requiring unused Personal to be paid out at the time of separation will be paid at current pay rate.

State	Paid Out
California, Colorado, Illinois, Louisiana, Massachusetts, Montana, North Dakota, Nebraska and Rhode Island	Pay out unused Personal time

Moving from Vacation-eligible to Vacation-ineligible

If a Team Member moves from a vacation eligible position to a vacation ineligible position, any unused, accrued vacation will remain eligible to the Team Member to use. Any unused time will expire at the end of the vacation plan year.