DuPont Vacation Buying Program

Sometimes the amount of vacation time you earn isn't enough to do the things you love outside of work. To help, DuPont offers a Vacation Buying Program, where you can purchase more vacation time for the year.

Overview

You can purchase up to one week or 40 hours of vacation time with pre-tax salary contributions from your paycheck. If your normal work week is less than 40 hours, you can purchase up to the total number of hours in your scheduled work week on October 1 of the preceding year.

Purchased vacation is scheduled the same way as earned vacation. However, it can be used only after all carry-forward vacation, earned vacation, and additional paid time off, if applicable, has been used. Any unused purchased vacation will be cashed out at the end of the year it was purchased.

When you purchase vacation or receive a cash out of unused purchased vacation, the amount paid to you may be considered taxable income. Consult with your tax advisor about how this may impact you.

Eligibility

The Vacation Buying Program is offered to all regular, full-time employees.

Enrolling in the Program

You can enroll in the Vacation Buying Program each year during Annual Enrollment. At this time, you will need to decide how much purchased vacation you'd like to buy.

If you enroll during Annual Enrollment, the program will begin January 1 and end December 31. Your enrollment doesn't carry over from year to year, and you cannot make changes to your election mid-year.

Newly Eligible Employees

If you're newly eligible, you must enroll within 30 days of the date you become eligible for the program. This will allow the program to begin on the first of the month following your election.

If you do not enroll within 30 days, you will not be able to participate in the program for the following year. If you're newly eligible on or after October 1, you must wait for Annual Enrollment to enroll.

If you're in a bargaining unit represented by a union for collective bargaining, you aren't eligible to participate in the Vacation Buying Program unless your site manager has authorized the benefit, collective bargaining on the subject has taken place, and any requisite obligations thereunder have been finalized.

Is the Vacation Buying Program Right for Me?

Participation in the Vacation Buying Program may be right for you if:

- You are a new employee with limited vacation time;
- You need extra time off for a special reason;
- Your spouse or domestic partner has more vacation time than you; and/or
- You just want some extra time off.

Basic Rules

If you enroll in the Vacation Buying Program, your full amount of purchased vacation is available for you to take at the beginning of the plan year. It cannot be carried over into the next plan year. It must be used by the end of the plan year, or it will be cashed out.

Purchased Vacation Must Be Used Last

You must use vacation in the order outlined below:

1. Exception carry-forward vacation or carry-forward vacation from the prior year
2. Earned vacation
3. Additional paid time off, if applicable
4. Purchased vacation

If You Don't Use Purchased Vacation

If you don't use all your purchased vacation, you can request a taxable cash out of your remaining purchased vacation by **entering the number of unused purchased vacation hours in UKG no later than November 14**. The deadline for entering your cash-out election could change each year. Once you elect a purchased vacation cash out, your election cannot be changed.

If you don't act by the deadline, you will receive an automatic cash out of remaining purchased vacation in your final paycheck in December. If you intend to use your purchased vacation at the end of the year, you must enter it in UKG no later than December 14 to avoid an automatic cash out.

If You Are on an Unpaid Leave of Absence

You may use purchased vacation only for periods when you are scheduled to work. If you are on an unpaid leave of absence, your purchased vacation deductions will stop and will resume when you return.

Upon return, your deductions will be reamortized to ensure that you pay the full amount of your purchased vacation during the plan year. If you cannot use all your purchased vacation due to your leave of absence, contact the HR Direct Service Center on or before November 14 to request a taxable cash out in December.

Important Note!

Generally, if you don't request a cash out of purchased vacation on or before November 14 and you don't enter your planned use of purchased hours in eTime by December 14, you will receive an automatic cash out of remaining purchased vacation in your final paycheck in December. These dates are subject to change each year. Look for communications from the HR Direct Service Center on deadlines.

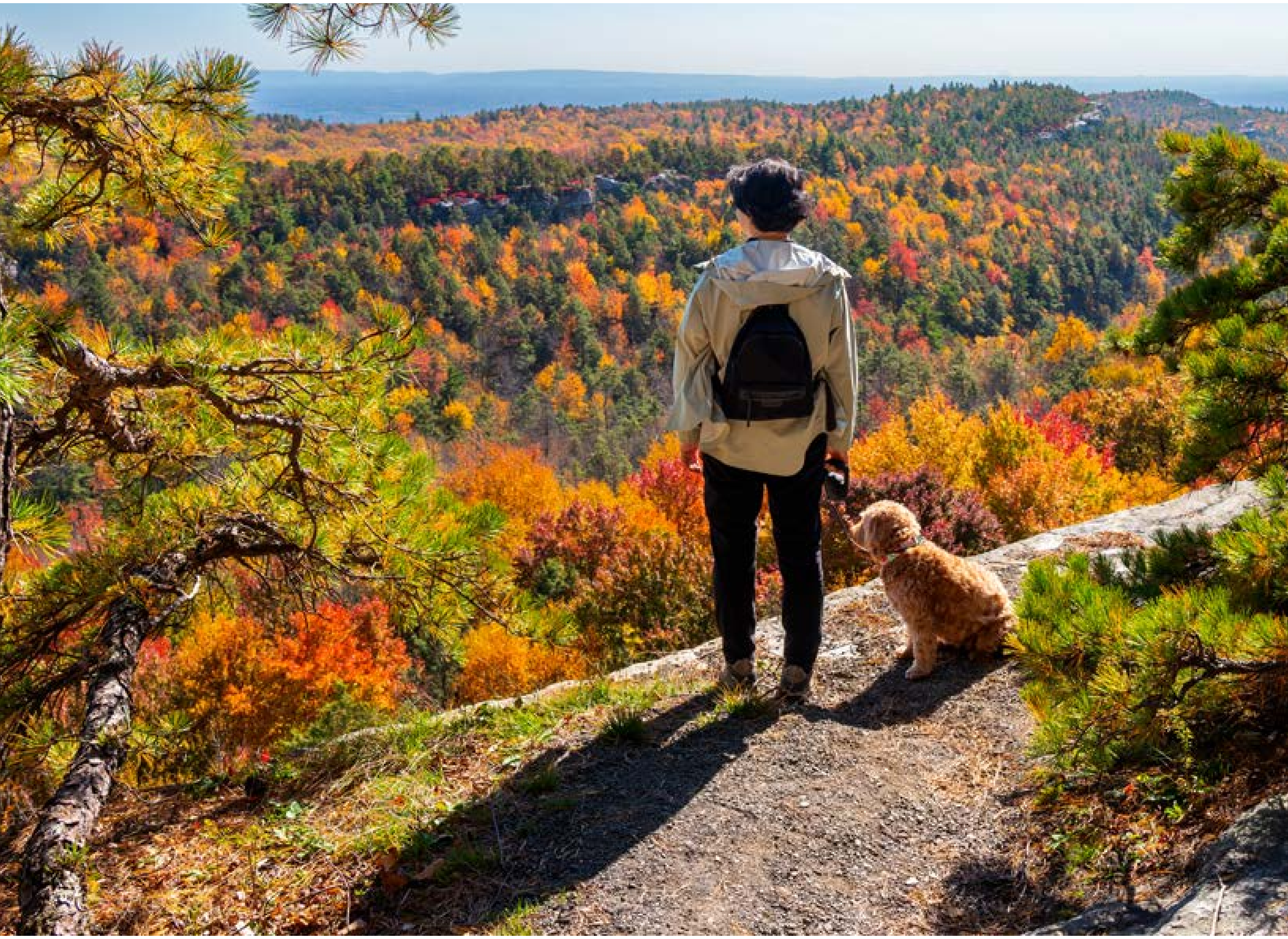
If you elect to cash out your unused purchased vacation well before the end of the plan year, your Vacation Buying Program deductions will continue for the rest of the plan year, but the value of the unused purchased vacation will be included in your last paycheck in December.

To use your purchased vacation, you must schedule time off in advance and in accordance with the vacation scheduling practices of your work group. In addition, you must schedule time off in increments that are consistent with how your work group takes vacation time (e.g., in hours or days).

If You Terminate Employment

If you terminate employment during the year and:

- Have not used your purchased vacation, you will receive a taxable reimbursement in your final pay for the amount you paid during the year.
- Have used all your purchased vacation, the remaining annual cost will be deducted from your final paycheck.
- Have used some, but not all, of your purchased vacation, your final paycheck will be subject to the following:
  - If you paid more for your purchased vacation than the value of the hours used, you will receive a taxable reimbursement in your final paycheck for the difference.
  - If the value of the hours used exceeds what you paid for your purchased vacation, the difference will be withheld from your final paycheck.



The Price of Purchased Vacation

The price of purchased vacation is based on your pay and average scheduled weekly hours as of October 1 of the preceding year, when monthly prices are established in connection with Annual Enrollment, and the number of purchased vacation hours you want to buy. Each fall during Annual Enrollment you'll receive your monthly price per hour for any vacation you want to buy for the upcoming year.

What Does "Pay" Mean?

"Pay" is your regular annualized rate of base pay plus regularly scheduled overtime and shift differential paid in the prior 12 months without considering occasional or temporary variations from normal working hours, awards under special compensation plans, or payments for relocation, severance, or any other special payments.

Determining Your Monthly Price per Hour for Purchased Vacation

Here are a few examples of how your monthly price per hour for purchased vacation is determined.

Example 1

Full-time employee who is scheduled to work an average of 40 hours per week (or 2,080 hours per year) with annual pay of $62,400 as of October 1.

Annual Pay as of October 1	$62,400
Annual Price Per Hour	$30 ($62,400 annual pay ÷ 2,080 hours worked)
Monthly Price Per Hour	$2.50 ($30 per year ÷ 12 months = $2.50 per month)

Example 2

Full-time employee who has a shift differential and/or scheduled overtime who is scheduled to work a rotating shift with an average of 42 hours per week (or 2,184 hours per year) and has annual base pay of $50,000 as of October 1.

Base Pay as of October 1	$50,000
Scheduled Overtime and/or Shift Differential Paid in the 12 Months Prior to October 1	$6,250
Annual Pay as of October 1	$56,250 ($50,000 + $6,250)
Annual Price Per Hour	$25.76 ($56,250 annual pay ÷ 2,184 hours worked)
Monthly Price Per Hour	$2.15 ($25.76 per year ÷ 12 months)

Example 3

Part-time employee who is scheduled to work 20 hours per week (or 1,040 hours per year).

Annual Pay as of October 1	$24,960
Annual Price Per Hour	$24 ($24,960 annual pay ÷ 1,040 hours worked)
Monthly Price Per Hour	$2 ($24 per month ÷ 12 months)

Here are the examples after applying the monthly price per hour to specific amounts of purchased vacation.

	Your Monthly Price of Vacation per Hour...		If You Choose to Purchase...		You'll Pay...
Example 1	$2.50 per month	X	40 hours of vacation	=	$100 per month for purchased vacation
Example 2	$2.15 per month	X	20 hours of vacation	=	$43 per month for purchased vacation
Example 3	$2 per month	X	10 hours of vacation	=	$20 per month purchased vacation

If the employee in Example 1 wanted to buy 40 hours of purchased vacation for the upcoming year, he or she would pay $100 per month for that purchased vacation during the year. If the employee in Example 2 wanted to buy 20 hours of purchased vacation, he or she would pay $43 per month. Finally, if the employee in Example 3 wanted to buy 10 hours of purchased vacation, he or she would pay $20 per month.

Keep in mind that the figures above are only examples and have been rounded for simplicity. Your actual monthly price may be more or less, depending on your pay rate. When you buy purchased vacation through deductions from your paycheck, the monthly price is deducted in equal amounts throughout the plan year. This amount does not change during the year, even if you receive a pay raise, your pay decreases, or your average scheduled weekly hours change.

See next page for details on when your pay changes.

What If My Pay Changes?

When you use or cash out purchased vacation, the rate of pay that was used when you made the election will be used. This may be different than your actual rate of pay at the time that you use or cash out purchased vacation, as shown in the examples below.

Example 1

The current rate of pay is higher than the rate when you elected to purchase vacation.

Your Monthly Price Per Hour When You Elected Purchased Vacation	$2.50 per month
Your Current Monthly Price Per Hour When You Use Purchased Vacation	$2.75 per month
Rate of Pay Applied When You Use Purchased Vacation	$2.50 per month

Example 2

The current rate of pay is lower than the rate when you elected to purchase vacation.

Your Monthly Price Per Hour When You Elected Purchased Vacation	$2.25 per month
Your Current Monthly Price Per Hour When You Use Purchased Vacation	$2.15 per month
Rate of Pay Applied When You Use Purchased Vacation	$2.25 per month

Overpayments and Other Errors

If a benefit paid is larger than the amount under the Vacation Buying Program, DuPont has the right to recover the excess amount from the employee who received it. Erroneous statements will not change the rights or obligations under the Vacation Buying Program and will not operate to grant additional benefits or coverage.

Resources

For Questions Regarding on How to Cash Out Unused Purchased Vacation Hours

Contact the HR Direct Service Center.

For Questions Regarding Eligibility, Enrollment, or an Appeal

DuPont Connection
Benefits Determination Review Team
P.O. Box 1407
Lincolnshire, IL 60069-1407