

your life

# vacation overview

## for former PRSI represented employees

Starting January 1, 2023, you'll earn and use vacation time according to Chevron's Vacation policy.



### Your action may be required

If you have unused PRSI accrued and/or banked vacation, you will need to decide whether to carry over your hours, receive a buy down of your hours or a combination of both. **Be sure to review the information on page 2 and take action, if required, by July 5, 2022.**

## chevron vacation basics

You can read Chevron's Vacation Policy (HR Policy 120) for complete details, but here are highlights about how Chevron vacation works.

- Your time off for vacation, sick time, family care, or bonding are divided into **separate banks**. These banks have separate amounts, grow at different rates and have different rules for using them; they are not interchangeable.
- The amount of **annual vacation** you will earn in a calendar year is based on your years of vacation service and current work schedule.
- Your vacation bank will show your earned vacation on a **daily prorated basis**, starting on January 1 each year. You will stop earning vacation if you reach your **earning cap**.
- Although you earn vacation on a daily basis, you can still take your annual vacation allowance at **any time during the year**, even if you haven't earned it yet.
- When you take vacation, the **hours** are deducted from your vacation balance.
- If you don't take all of your vacation in the calendar year in which it is earned, any **unused hours** will remain in your balance the following year. However, you are strongly encouraged to take your annual vacation each year.
- If you take more vacation than you have earned, your vacation balance will show a **negative amount** until your accrual catches up.
- If you go on a leave of absence without pay, you will not earn vacation for the duration of the leave.

Use and scheduling of your annual vacation is subject to **management's discretion and operating needs**. Communicate with your supervisor as far in advance as practicable about your vacation scheduling.



### Online resource for more information

This overview provides general highlights. You can find more information and resources, including the vacation policy, examples of earning and using vacation, and how to view your vacation balance, online at [hr2.chevron.com/PRSI](https://hr2.chevron.com/PRSI).

## chevron annual vacation amount

- The amount of your annual vacation will be based on your length of service with the company, including your years of service with PRSI. You will receive a personalized service letter that provides information about your **Chevron Vacation Service date**, which will determine how much vacation you're eligible to earn in a calendar year, as described under Chevron's Vacation Policy (HR Policy 120) in the **Amount of Annual Vacation** table.

### if you have unused PRSI accrued and/or banked vacation

You will have a **one-time opportunity** to receive a payout or carryover all or a portion of your accrued vacation and any banked vacation. Any accrued or banked vacation not carried over will be paid out. You may choose from the following options and will need to complete the form provided separately by no later than July 5, 2022:

- **Payout of all your accrued vacation and any banked vacation hours.** If you do this, your vacation hours will be paid at a **10% premium above your current contract rate** and you will begin earning vacation according to the Chevron vacation policy beginning January 1, 2023.
  - **Carryover all your accrued vacation hours.** If you do this, all of your accrued and banked vacation hours will carry over to your Chevron vacation balance beginning in January 2023. Be sure to review the information in the **mind the earning cap** section below.
  - **Combination of carryover of some hours and payout of some hours.** If you do this, your vacation hours will be paid at your **current contract rate** and your remaining hours will carry over to your Chevron vacation balance beginning January 1, 2023. Be sure to review the information in the **mind the earning cap** section below and calculate your carryover hours accordingly to avoid reaching the cap.
- Beginning in January 2023, the vacation balance that will display in Chevron's online time sheet system will include your carried over **PRSI vacation** hours (if any) *plus* **Chevron vacation** hours you have earned to-date. You will be able to view your vacation balance beginning in January.



### put it all together

Check out the example illustration beginning on **Page 3** to understand how the transition will work and how to determine your annual Chevron vacation amount.

### mind the earning cap

Chevron's vacation policy provides you with time off to relax and recharge, so you can be safe and effective at work. **You are encouraged to use all of your vacation every year.**

There is a cap on the amount of vacation you can earn, which is equal to your **annual vacation allowance plus 80 hours**. For example, if you are eligible to earn 160 hours in the calendar year, your earning cap is 240 hours.

- If your vacation balance reaches the cap, you won't lose any vacation you have earned; **however, you will stop earning vacation until you take enough vacation to bring your balance below the cap.**
- Once you reduce your balance below the cap, you will begin earning vacation again.
- Any hours you *could* have earned while you were at the cap **will not** be retroactively earned.

## example: troy



**Troy** is a PRSI represented employee who works 12-hour shifts and is eligible to start participating in Chevron pay and benefit programs effective **January 1, 2023**. Here's an example of how Troy's PRSI vacation will transition to the Chevron vacation policy and how he'll earn and use his Chevron vacation. This is only an example to illustrate key concepts and program rules; your personal details will vary.

## what is troy's annual vacation amount?

Troy has 20 years of service and is eligible for **210 hours** of vacation during the 2023 calendar year.

Years of Vacation Service	Annual Vacation
0 thru 9 years	126 hours
10 thru 19 years	168 hours
20 thru 29 years	<b>210 hours</b>
30 years and beyond	252 hours

## troy's vacation balance

Troy chooses to do a combination of carryover and payout of some of his PRSI accrued vacation hours, leaving him with a balance of **43 hours**. In January 2023, Troy's 43 hours of PRSI vacation will carry over to his Chevron vacation balance and he will begin earning vacation under Chevron's vacation policy on a daily prorated basis.

## troy's vacation starting january 1, 2023

<b>20 years of vacation service (210 hours annual vacation amount)</b>	
<b>Amount of unused PRSI vacation carried over</b>	43 hours
Amount of annual vacation under the Chevron vacation policy in 2023	210 hours
<b>Total eligible vacation amount in 2023</b>	<b>253 hours</b>

*Continued on next page.*

## putting it all together: troy's chevron vacation for 2023

Using the information on the previous page, the table below illustrates how Troy earns and uses vacation in 2023. To summarize:

- Troy carried over **43 hours** from his PRSI vacation bank. This is below the earning cap, so he will continue to accrue daily vacation.
- Beginning January 1, 2023, Troy earns Chevron vacation on a daily prorated basis and his available balance grows by approximately 0.58 hours per day. His daily hours earned while on the Chevron payroll are summed up by pay period in the table below for the purposes of this illustration.
- In April, Troy takes **36 hours** of vacation. Even though he hasn't earned all 36 hours yet, he can still take them. His balance will be negative until his vacation accrual catches up.
- He can still take vacation up to his 2023 vacation amount of 253 hours (210 hours for annual vacation *plus* 43 hours of PRSI carryover) even when his available balance is negative, as he does during the pay periods ending on September 24, October 22 and December 17.
- Troy used all his 253 hours of vacation by the pay period ending December 17, so he cannot take any more vacation until 2024.
- If he didn't use all of his vacation hours, any remaining unused vacation at the end of the year would carry over to next year.

Pay period ending*	Hours earned**	Hours taken	Available balance**	Pay period ending*	Hours earned**	Hours taken	Available balance**
1/15	8	0	51 <sup>†</sup>	7/16	8	0	36
1/29	8	0	59	7/30	8	0	44
2/12	8	0	67	8/13	8	72	-20
2/26	8	72	3	8/27	8	0	-12
3/12	8	0	11	9/10	8	0	-4
3/26	8	0	19	9/24	8	36	-32
4/9	8	36	-9	10/8	8	0	-24
4/23	8	0	-1	10/22	8	12	-28
5/7	8	0	7	11/5	8	0	-20
5/21	8	0	16	11/19	8	0	-12
6/4	8	0	24	12/3	8	0	-4
6/18	8	12	20	12/17	8	12	-8
7/2	8	0	28	12/31	8	0	0

\* 2023 pay period ending dates are approximate; actual payroll schedule will be available in late 2022.

\*\* Approximate amounts rounded to the nearest whole number for the purposes of this illustration.

† Note that carryover hours may not show in vacation bank until the end of January.

