



Impacts of Taking Unpaid Liberal Leave at Ingalls

Liberal Leave has been extended at Ingalls through May 29, 2020, in order to provide employees with the flexibility they need to deal with the impact of COVID-19 on their personal circumstances and family situations. We want to ensure that employees who make the decision to take Liberal Leave have a complete understanding of all the impacts of not collecting a paycheck on other types of compensation and benefits.

The following list includes some of the major items impacted when an employee remains on liberal leave in an unpaid status:

- Employees will not be contributing to their own 401(k) accounts. Currently, they make contributions every pay period.
- Employees will not be receiving the company match contributions in their 401(k) accounts every pay period.
- For non-represented employees no contributions are made to eligible employees' Retirement Account Contribution (RAC) accounts. These contributions are between 3% - 5% of pay every pay period based on the employees' age.
- Employees on Liberal Leave who have outstanding 401(k) loans will have to continue to make loan re-payments or their loans will go into default. Depending on when they took out their loan, they may be subject to a 10% tax penalty in addition to normal taxes owed on withdrawals. Employees should contact the HII Benefits Center for more information. .
- For Ingalls non-represented employees, any purchases they made through the Purchasing Power Program and any loans they have through the Kashable Program will need to be paid while employees are out on Liberal Leave. Employees will need to continue to pay those through arrangements with the providers. In addition, employees on Liberal Leave are not able to make new purchases or get loans under these programs since they are not collecting a pay check.
- Ingalls represented employees will continue to participate in their pension plan and continue to accrue benefits while on Liberal Leave. However, pension plan formulas are generally based on pay, therefore, employees on unpaid Liberal Leave will see reduced pension accruals consistent with their reduced pay.
- Employees will not be making contributions to their Flexible Spending Accounts (FSA).
- Employees will not be making contributions to their Day Care Spending Accounts.
- For represented employees at Ingalls, unpaid Liberal Leave hours do not count toward the minimum of 1200 hours worked to qualify for full vacation entitlement.
- At Ingalls represented employees on liberal leave will be delaying their automatic wage progression which is based on hours worked.
- May impact employees' eligibility for FMLA in the future. Employees need 1,250 hours worked in the rolling 12 month period prior to requesting the leave – unpaid liberal leave hours do not count towards the hours worked requirement for FMLA.
- Premiums for Health, Medical, Dental, Vision, and Life Insurance coverage may be impacted as follows:
 - At Ingalls, both non-represented and represented employees out on unpaid Liberal Leave will have their premiums go into arrears and this will be collected when they return to work.
- Certain qualifications and certifications could be lost depending on how long someone is on Liberal Leave and away from work.
- At Ingalls, a list of uncollected union dues is provided to each union for them to determine if they will request "back dues". Represented employees should check with their union for details on this.
- Certain garnishments may keep compounding and will have to be deducted from pay when the employee returns to work, for example, levies.