



# Introducing Flexible Time Off (FTO) for Employees

Changes effective April 1, 2024

For U.S. Exempt Employees

# Bringing PTO Balances to Zero by March 31

## Critical Cost Saving Initiative

- U.S. Exempt employees are expected to schedule and use ALL PTO hours by March 31
  - If an employee lives in a jurisdiction that does not have a carry-over limit (e.g., California or other cities/states), they are expected to get as close to zero PTO balance as possible by March 31
  - At a minimum, ELT is asking employee with an unlimited PTO carry over to take 5 days of PTO in March
- Enter all scheduled PTO in Kronos as soon as possible so Zebra knows if additional cost saving initiatives are needed
- To achieve a zero balance by the end of March, you will see a negative balance in Kronos when you schedule your PTO. This occurs because the balance that appears in Kronos does not include future accruals
- Don't worry if you have a negative PTO balance as of April 1. Zebra will not ask for you to pay the company back if you have a negative balance

**Starting April 1, 2024, Zebra is introducing Flexible Time Off (FTO) for all U.S. exempt employees.** This change reflects Zebra's commitment to offer more flexibility, while reducing operational expenses.

In this training, we'll review:

- Our approach to time off
- The realities of FTO
- FTO details and transition
- Requesting and tracking FTO



# Two Approaches to Time Off

To accommodate the varying needs of our workforce and follow trends in the market, Zebra will have two different types of time off for U.S. employees starting on April 1, 2024

## Flexible Time Off (FTO) For Exempt Employees

FTO is a trending approach with **exempt** employees

- Gives employees flexibility while working with people leaders to balance business demands
- Allows employees to take the time they need without needing to build up a bank of time off
- Reduces the Company's operating expenses and financial liability

## Paid Time Off (PTO) For Non-Exempt Employees

PTO is a best practice for **non-exempt** employees

- Makes it easier for employees to track scheduled and overtime hours and know how much paid time off they can take
- Helps managers plan and schedule to make sure they have the right level of staffing for the business to avoid disruptions



# Why Are We Moving to an FTO Policy?

We are making these changes to benefit both you and the company

For You	<b>Empowering</b>		<b>Flexible</b>		<b>Simplified</b>
	Demonstrates Zebra trust in you to make choices to manage your time off		Gives you the freedom to balance life priorities and recharge as needed to stay healthy and productive		Allows you to take time off around the business needs without having to manage to a set number of days
For Zebra	<b>Competitive</b>		<b>Sustainable</b>		<b>Inclusive</b>
	Positions us to attract and retain highly skilled talent and align among technology competitors		Reduces operational expenses and avoids having to take alternative cost savings actions		Reflects the changing needs and expectations of our diverse workforce

# The Realities of FTO

## Dispelling the myths about FTO

 Myth	VS	Reality 
Employees will see FTO as unlimited and take too much.	1	Employees generally tend to take the same amount of time as they took when they had PTO. Managers will continue to monitor time off against business needs.
Employees will see FTO as no time off and not take enough time off.	2	Employees generally tend to take the same amount of time as they took when they had PTO. There will be guidelines for taking FTO, and managers will continue to encourage employees to take FTO time. Zebra does not expect employees to take less time off under the FTO policy as they did under the PTO policy.
Employees won't like FTO because they don't have a specific number of days they are entitled to.	3	While a big change, once employees get used to it, most employees enjoy the flexibility and freedom of FTO. No more worrying about not having enough accrued days to take a vacation in the summer!
With FTO, my entire team could be out at the same time.	4	Employees will still be required to get requested time approved to take FTO, and you as the manager will continue to have control over scheduling, based on business needs.

# Flexible Time off (FTO) Overview

# What's Changing and Staying the Same?

As an eligible exempt employee, you'll continue to have comprehensive, competitive time off

## Changing

**Now**

Paid Time Off  
(PTO)



**Starting  
April 1, 2024**

Flexible Time Off  
(FTO)

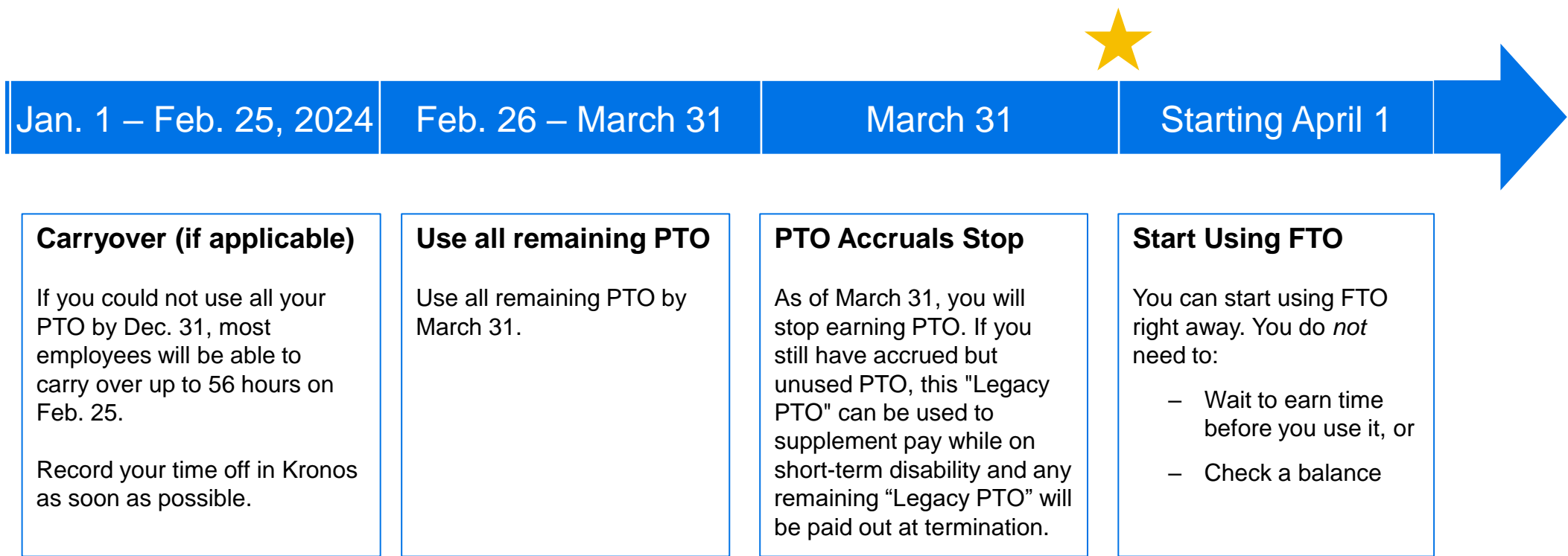
Starting in 2024, Zebra is adding MLK Jr. Day as a Company Holiday (1.15.24) and Exempt employee will no longer receive 2 Floating Holidays

## Staying the same

- Paid Company Holidays
- Global zDay
- Flex Fridays in the Summer Months
- Focus Fridays
- Volunteer PTO Program
- Paid Parental Leave
- Short-Term Disability Benefits
- Family and Medical Leave (FML)
- Military Leave
- Bereavement Leave
- Jury Duty Leave
- Long-Term Disability Benefits
- Leaves Protected Under Local, State and Federal Law
- Unpaid Personal Leave of Absence



# What Will the Transition to FTO Look Like?



Build a plan with your manager to **use all your PTO by the end of March.**

# When Can I Take FTO?

Your job expands beyond normal business hours at times and a flexible approach allows you to take time you need to be at your best. Starting April 1, 2024, you will no longer accrue time off – instead, you can use FTO

## You can use your FTO to:

- Rest and relax
- Vacation
- When you're sick\*
- A mental health day
- Take care of a family member who is sick\*
- Take a day off for personal reasons
- Supplement up to two consecutive weeks of unpaid Family and Medical Leave (FML)
- Use up to 2 weeks to extend a leave of absence
- Cover the 5-day short-term disability waiting period
- Take paid time off for any reason covered by statutory paid leave laws, including but not limited to paid sick time, paid safe time, and other statutory paid time off

## You will receive your regular base pay when you take FTO

\*Refer to Zebra's various leave policies for a description of FMLA and other paid leave you may be eligible for in place of FTO. Zebra complies with the requirements of all applicable paid time off laws. FTO may be used to take paid time off for any reason that is covered by state/local paid leave requirements such as paid sick time, paid safe time, or any other required statutory paid time off.

# How Much FTO Should I Take?

## Use Your Judgement

- Consider what's a reasonable amount of time off while managing your work
  - Work closely with your manager to plan time off
  - Zebra does not expect you to take less time off under the FTO policy than you did under the PTO policy
  - Please consider your team and popular times throughout the year
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## No Annual Limit

- There is no formal limit on the amount of FTO you can take in a year
  - However, there is a maximum of two (2) consecutive weeks of FTO you can take at a time (exceptions on a case-by-case basis can be made by your manager)
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## No Carry Over or Payouts on April 1

- On April 1, you will stop accruing PTO. You are expected to use all accrued but unused PTO before the transition
- If you still have accrued but unused PTO as of April 1, 2024, this "Legacy PTO" can be used to supplement pay during a short-term disability leave if needed
- Any remaining legacy PTO balance will be paid out when an employee terminates from Zebra
- There will no longer be accruals for FTO, so if employees leave Zebra, there will be no pay out

# What if I Need to Take a Disability Leave?

Here’s how FTO would allow you to bridge the gap in pay before disability benefits begin

Short-Term Disability “Waiting Period”	Short-Term Disability Benefits
<p>You must satisfy a 5-day waiting period before short-term disability benefits begin.</p> <p>You can use FTO for any unpaid days (up to 5 calendar days) before your Short-Term Disability benefits begin—so you will not have a gap in your pay.</p>	<p>If you are approved to receive Short-Term Disability benefits, you will receive:</p> <ul style="list-style-type: none"><li>• 100% of your regular pay for the weeks 2 – 6.</li><li>• 60% of your regular pay for weeks 7 – 26 (as long as you continue be eligible).</li></ul> <p>Employees have the ability to use unused Legacy PTO in combination with paid short-term disability leave benefits to supplement pay if the disability leave benefit continues from weeks 7 – 26.</p> <p><b>Note:</b> FTO cannot be used to supplement your STD pay from weeks 7 - 26.</p>

*Note that if eligible, FML and similar state laws would run concurrently during Zebra’s short-term disability leave consistent with applicable law.*

# What if I Need to Take Paid or Family Medical Leave?

Here’s how FTO would allow you to bridge the gap in pay before leave benefits begin

Paid Leave	FML (Family Medical Leave)
<p><b>Parental Leave:</b> You can take up to 4 weeks off to transition into your new responsibilities as a new parent following the birth of your own child or the adoption or foster placement of a child by you or your spouse or domestic partner and receive 100% of your regular pay. For birth mothers, Parental Leave is in addition to short-term disability leave.</p>	<p>In addition to FML, you may be eligible for a state or local paid benefit, depending on the state or local laws where you work or live.</p>
<p><b>Other Paid Leaves:</b> For other paid leave policies such as Bereavement, Civic Duty, Military etc., please refer to the <a href="#">Zebra Benefits</a> site.</p>	<p><b>Note:</b> You can use up to 2 consecutive weeks of FTO to supplement any unpaid leave. Note: You can use Legacy PTO to supplement any state paid FML, however, your pay cannot exceed 100% of base salary.</p>
<p><b>Note:</b> You can use up to 2 consecutive weeks of FTO to extend paid leave.</p>	

# Requesting and Tracking FTO

The process for requesting and tracking FTO will be similar to the current process

## Requesting

- When planning time off, employees are expected to collaborate with their manager to ensure the team continues without disruption
- For paid time off that is foreseeable and can be planned in advance, individual managers may have requirements for how far in advance their employees need to request planned time off
- For paid time off that is not foreseeable, employees are expected to request and record the time off as soon as practicable

## Tracking

- Employees are required to log their time into Kronos
  - When an employee requests FTO they will choose if their time off request is for **Sick/Statutory time or Vacation/Personal/Statutory Vacation time**
- Recording and tracking time off will also meet Zebra's obligation to record statutory paid time off programs in certain states and help managers ensure employees are taking enough time off throughout the year to avoid burnout

# Thank You



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