Marathon Petroleum Relocation Policy

As of January 1, 2018

MARATHON®

Relocation Assistance Plan

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Relocation Assistance Plan

I. Purpose

1. The Company has designed the Relocation Policy to provide financial assistance and administrative support for relocating employees. The Policy serves as a comprehensive guide for new and transferring employees.

II. Eligibility

1. Regular Full-time and Part-time employees, including new employees hired for Regular Full-time or Part-time employment, are eligible for employee relocation types as specified in III, below.

   Regular Full-time employment means a normal work schedule with the Company of at least 40 hours per week or 80 hours on a bi-weekly basis. Regular Part-time employment means the employee is a non-supervisory employee who is employed to work on a part-time basis (minimum 20 hours but less than 35 hours per week) and not on a time, special job completion, or call-when-needed basis.

2. Casual employees, are eligible for employee relocation types as specified in III, below.

   Casual employment means employment is on a time, special job completion, or call when needed basis.

3. If two or more household members are newly hired or transferred by the Company and are relocated simultaneously, the move is regarded as a single relocation. The Relocation Allowance, if applicable, will be based on the salary of the Primary Employee, or the employee whose employment change is causing the relocation; the trailing household member, or Secondary Employee, will not be considered in determining the Relocation Allowance, when applicable.

   Note: For purposes of this Policy, the term "household members" means person or persons who permanently reside with the employee at the time of the transfer offer and for whom the employee provides financial and/or familial-like support. Regardless of marital status or family status, if the above conditions are met, the household member will be considered for benefits under this Policy.

III. Types of Employee Relocations

1. This Policy provides separate provisions for the following six types of relocating employees:
   A. Transferred Exempt Employees — Regular employees only
   B. Professional and Experienced New Employees — Regular employees only
   C. New Employees — Regular employees only
   D. Transferred Hourly and Non-Exempt Employees — Regular employees only
   E. Temporary Assignments — Regular employees only
   F. Co-ops and Interns — Casual employees only

2. Separate provisions for each type of relocating employee are outlined in **Section I — Basic Provisions**. The provisions in **Section II — Taxes** apply generally to relocating employees except that separate provisions for taxes apply to Temporary Assignments.

IV. Repayment Agreement

1. The new and transferred employee must sign an Employee Reimbursement Agreement which stipulates that should the employee terminate employment voluntarily, (or be involuntarily terminated for cause) after receiving relocation benefits, the employee will be required to repay relocation expenses at a rate of 8.33% for each calendar month of service not completed during the 12 calendar months counting from the first of the month in which the relocation occurred. Repayment is not required if termination of service results from a bona fide health reason of the employee or a household member. This agreement does not apply to U.S. Expatriates or Third Country Nationals.

V. Relocation Period

1. Expenses incurred under the provisions of this Policy, as described herein, must be incurred within the 12-month period following the effective date of hire or transfer, in order to be considered eligible, reimbursable expenses.

VI. Approved Time Off

1. Employees will be permitted time off with or without pay, based on Supervisor/Manager discretion, to assist in the completion of a qualifying relocation.
2. Employees should contact their Supervisors/Managers to request time off.

VII. Relocation Administration

1. Talent Acquisition or the local Human Resources office at each Company location is responsible for notifying and initiating relocation benefits for a new or transferred employee with the Relocation Office in Findlay. The Relocation Office in Findlay is the central coordinator of the Relocation Policy.

VIII. Third Party Relocation Company

1. The Company has contracted with a third party relocation company (hereinafter referred to as “Relocation Company”) to assist with the administration of qualifying Marathon Petroleum employee relocations.

Section I — Basic Provisions

I. Transferred Exempt Employees

A. Eligibility

1. Exempt employees who are requested by the Company to transfer and relocate are eligible for the following provisions of this Policy, provided the distance between the employee's new place of work and former residence is at least 50 miles more than the distance between the old place of work and former residence. If the employee has no old place of work, the new place of work must be at least 50 miles from the former residence.

B. Relocation Allowance

1. The Company will pay the transferred exempt employee a lump-sum relocation allowance of 1.5 times their monthly salary, up to a maximum of $15,000. This allowance is to cover all expenses incurred by the employee and household members, which are not specifically covered under other provisions of the Policy. Documentation of actual expenses is not required. Examples of some, but not all, of these expenses are:

    - vehicle inspection, automobile registration, driver's licenses
    - telephone installation
    - long distance telephone charges
    - homeowner's association dues
    - club fees
    - tips to movers
    - utility hook-up charges
    - alterations of carpets or drapes
    - personal care items, such as diapers, shampoo, etc.
    - laundry/dry cleaning
    - carpet/floor cleaning
    - home warranty policy
    - additional tax liability not covered by tax allowance (federal, state or local)
    - child and pet care, lawn maintenance, and snow removal not otherwise covered under Home Site Expenses
    - any other expense not specifically covered under another provision of the Policy.

Note: The relocation allowance is calculated by dividing the employee's new annual salary by 12, then multiplying the result by 1.5; the maximum allowance is $15,000.

C. Spousal Employment Assistance

1. The Company has contracted with a national career company to provide the spouse of a transferring exempt employee with the necessary tools, techniques and materials needed to conduct a successful job search at the new location. If interested in using this benefit, the spouse should contact the career company within six months of the employee's transfer effective date to initiate services. Up to a maximum of $1,500 of services will be allowed.

   Note: This is a U.S. program. It does not cover relocations to or between international locations. However, the spouses of returning U.S. Expatriates and non U.S. citizen employees coming to the U.S., provided they have a U.S. work permit, are eligible.

D. Advance House-Hunting Trip Expenses

1. The transferred exempt employee and one other person will be allowed one reimbursable advance house-hunting trip to the new location to secure a residence. Reimbursement will be limited to the following expenses:

   a. Round-trip transportation:

      i) If driving personal vehicle, reimbursement will include total round-trip mileage, plus local miles for house-hunting, at the current mileage rate established annually by the IRS.

      ii) If public transportation is used, accommodations should be in the economy or tourist class for air travel and the most practical class for rail travel (includes rental vehicle and fuel, if needed).

   b. Reasonable meals/groceries (food/beverage items only).

   c. Reasonable lodging accommodations.

   d. Home Site Expenses (see "Q. Home Site Expenses" for limitations).

      Note: In certain instances, where the employee is being transferred a short distance (less than 300 miles round-trip), additional trips may be permitted (no more than 4) with Supervisor approval.

2. Transferred exempt employees are allowed a maximum of 45 days for the advance house-hunting trip/temporary living period combined.

E. Temporary Living Expenses

1. When it is not possible to coordinate the day of leaving the old residence and occupancy of the new residence, the following expenses for the transferred exempt employee and, if applicable, household members will be reimbursed:

   a. Reasonable meals/groceries (food/beverage items only).

   b. Reasonable lodging accommodations.

   c. If necessary, a maximum of 30 days for the rental of one vehicle. This does not include fuel for the rental vehicle.

   d. Home Site Expenses (see "Q. Home Site Expenses" for limitations).

2. Temporary living expenses should cease once an employee has signed a lease or closed on a home, and household goods have been delivered.

3. Transferred exempt employees are allowed a maximum of 45 days for the advance house-hunting trip/temporary living period combined.

   Note: Reimbursement for daily rental charges (excluding meals) for an employee who has arranged to move into the new residence prior to the closing will be made up to the date of closing or the expiration of the advance house-hunting trip/temporary living limitation, whichever occurs first. The employee's home loan must be approved and all pre-closing agreements signed. This temporary arrangement requires approval of the Relocation Coordinator. If circumstances prevent the employee from closing on the home after taking up residence, the Company will not be responsible for moving the employee out of the residence.

F. Travel Expenses (Final Trip)

1. The Company will reimburse a transferred exempt employee for the cost of transporting self and, if applicable, household members to the new work location. Expenses covered are:

   a. One-way transportation:

      i) If driving personal vehicle(s), reimbursement will include total one-way mileage by the most direct route from old location to new location at the current mileage rate established annually by the IRS.

      ii) If public transportation is used, accommodations should be in the economy or tourist class for air travel and the most practical class for rail travel (includes rental vehicle and fuel, if needed).

   b. Reasonable meals/groceries (food/beverage items only).

   c. Reasonable lodging accommodations:

      i) Limited to one night at the old location, nights during travel, and one night at the new location.

2. It is expected that the employee and/or household members will use their personal vehicle(s) for this trip. If one vehicle is shipped, public transportation is **not** reimbursed and mileage reimbursement is limited to two (2) vehicles; otherwise reimbursement is limited to three (3) vehicles.

   Note: The Policy will not cover additional expenses incurred due to failure of an automobile. If an employee's automobile has mechanical problems and cannot finish the trip, it will be assumed the automobile did finish the trip and reimbursement will be for the total miles by the most direct route from the original location to the new location at the current mileage rate.

G. Movement of Household Goods

1. The Policy will cover the cost of packing, moving, storing, and unpacking the employee's household goods and personal effects and insurance on such items while in transit. Storage is available for up to a maximum period of 365 days, beginning with the employee's effective date of transfer.

2. The Policy will cover transportation for up to two pets from the old location to the new location if it is not practical for the animal(s) to accompany the employee in their vehicle. This includes animals that are considered pets such as dogs and cats. It does not include animals such as horses or livestock.

Second Move

3. The Policy will cover the cost of packing, moving, and unpacking the transferred exempt employee's household goods and personal effects for a second move at the new location, if this additional move is from a temporary residence to a permanent residence and if it takes place within twelve months of the original relocation.

Reimbursement for Leased Towing Equipment

4. When there are no additional means used to move household goods, the Company will reimburse the employee for leased towing equipment rental and one-half of the current mileage allowance. In order for reimbursement to be made, the leasing and towing must qualify as the most economical method of transportation.

Mobile Home

5. The employee will be paid a $3,000 allowance (subject to a tax allowance) to cover any costs incurred in moving the mobile home.

Transportation of Automobiles and Recreational Vehicles That Can be Transported to the New Location Under Their Own Power

6. The Company will pay the current mileage allowance for up to three (3) vehicles that can be transported to the new location under their own power by the most practical route. Shipping of one of the three automobiles at Company expense is permitted if the distance to the new location is over 400 miles. Any other van shipment of automobiles or such recreational vehicles is permitted at the employee's option and at the employee's expense less the mileage allowance.

Transportation of Other Recreational Vehicles

7. Employees are encouraged to tow their recreational vehicles (boats, horse trailers, travel trailers, snowmobiles, motorcycles, motorized golf carts, etc.) and the Company pays one-half the current mileage allowance as reimbursement for the towing.

8. The cost to ship recreational vehicles includes both weight and "weight additive" costs. (Weight additive costs are charges for the extra space used on the van.) The Company will pay for a combined maximum of 1,500 pounds for the weight and weight additive costs. Additional charges will be the employee's responsibility.

   Note: Employees wanting to ship recreational vehicles should be advised to carefully consider the costs involved and to contact the Relocation Company to discuss their situation.

H. Disposal of Home

Postponement of Home Sale

1. Transferred exempt employees who make no attempt to sell their home are permitted to select the date, within six months of their transfer, to begin the home sale process. To be eligible for reimbursement of home selling expenses, all such expenses must be incurred within one year of the employee's transfer date.

   An extension of these time limits, up to an additional six months, will require approval of the Benefits Policy Manager and Organizational Vice President. No tax allowance will be paid on non-deductible moving expenses and the loss-on-sale provision will not apply.

Marketing Assistance Program

2. The transferred exempt employee's home must be in "marketable condition," which includes (but is not limited to) financing availability, as well as being free of all structural and mechanical defects. Marketable condition includes a state of cleanliness, free of clutter, debris or foul odor. The property must be the employee's principal residence at the time of the relocation, to which the employee holds free and clear title.
3. Transferred exempt employees are expected to aggressively market their home in an attempt to arrange a sale. The Company has contracted with the Relocation Company to provide a Marketing Assistance Program to provide the employee with professional guidance in marketing their home.
4. The transferred exempt employee will select two brokers from a list supplied by the Relocation Company. Each broker will supply the employee with a Broker Market Analysis (BMA), which will contain a suggested listing price and anticipated sales price. The employee will select which broker to list with. For the next 60 days, the employee tries to sell the home.

Buyers Value Option

5. If the transferred exempt employee secures a sale during the Marketing Assistance period, the Relocation Company will use its best efforts to determine that (1) the offer is bona fide, and (2) is in accordance with the Company's relocation policy. If these conditions are met, the Relocation Company will issue the employee a Guaranteed Offer equal to the net value of the third-party offer price.

   The employee MUST NOT indicate acceptance, take any money or sign documents, which would constitute acceptance of the offer.

Guaranteed Offer

6. If after listing the home for 60 days, the home has not been sold, the Relocation Company will offer to purchase the transferred exempt employee's property at its Most Probable Sales Price. Most Probable Sales Price will be determined by the average of two independent appraisals. The employee will choose the appraisers from an approved list supplied by the Relocation Company. If the two appraisals are more than 5% apart, a third appraisal will be obtained. In the case of a third appraisal, the offer to purchase will be the greater of a.) the average of all three, or b.) the average of the two closest of the three appraisals.

7. The Relocation Company may disregard an appraisal with a valuation it considers to be unsupportable, provided that another appraiser replaces the disregarded appraisal.

   Note: Copies of the appraisals can be secured from the Relocation Company.

Time Limitation

8. Upon notification of the Relocation Company's offer to purchase (Guaranteed Offer), the transferred exempt employee will have 30 calendar days to accept or reject the offer and continue to market their home for sale.
9. Under no circumstances should the listing price of the home be reduced to an amount below the Guaranteed Offer. Should this happen, and the transferred exempt employee accepts the Guaranteed Offer, the Relocation Company will reduce the Guaranteed Offer to the listing price amount.

Amended Value Sale

10. If the transferred exempt employee secures a sale after they have been issued their Guaranteed Offer based on appraisals, the Relocation Company will use its best efforts to determine that (1) the offer is bona fide, and (2) is in accordance with the Company's relocation policy. If these conditions are met, the Relocation Company will amend their offer to equal the net value of the third party offer price.

    The employee MUST NOT indicate acceptance, take any money or sign documents, which would constitute acceptance of the offer.

Acceptance of Offer

11. If the transferred exempt employee accepts the Relocation Company's offer, the Relocation Company will take steps to acquire the property. It may be that the employee will need to occupy the home for a period of time after accepting the offer. The employee can continue to occupy the home for up to 60 days from the date of acceptance of the offer. During this period of time, the employee must permit the real estate broker, acting for the Relocation Company, to show the home to prospective buyers.

Employee Declines to Participate

12. If the transferred exempt employee declines to participate in the Relocation Company's program, the time limitations for reimbursement of selling costs will begin on the date of refusal.

Rejection of Offer

13. Should the transferred exempt employee not accept the Relocation Company's offer, they assume responsibility for sale of the home and are entitled to such other applicable benefits provided in this Policy.

I. Home Selling Costs

Employee Sells Home Directly

1. If the transferred exempt employee sells the home directly within 90 days after declining participation in the Relocation Company's home purchase program or rejecting the Relocation Company's offer, the Company will reimburse the employee for reasonable and customary home selling costs. Selling costs include items such as reasonable and customary broker's fees, abstract or title insurance, any pre-payment penalty, revenue stamps, or such costs which normally accrue to the seller.

Home Selling Costs Covered Under the Relocation Company's Home Purchase Program

2. If the transferred exempt employee accepts the Relocation Company's offer or secures an Amended Value or Buyer's Value Option sale, reasonable and customary home selling costs, which normally accrue, to the seller will be paid by the Relocation Company.

Selling Costs Covered for a Mobile Home

3. If the primary residence of a transferred exempt employee is a mobile home and since the contract with the Relocation Company does not include mobile homes, the Policy will provide the employee with a $3,000 allowance (subject to a tax allowance) to cover any costs incurred in selling the mobile home.

J. Home Sale Incentive

1. A bonus equal to 3% of the negotiated sales price, up to a maximum of $10,000, will be paid on any employee-generated sale (excluding a sale to the Relocation Company).

Sale Within 97% of Guaranteed Offer

2. In those instances where a transferring exempt employee secures a bona fide sale for at least 97% of the Guaranteed Offer prior to the expiration of the Guaranteed Offer period, the employee will be paid equity on the Guaranteed Offer amount plus a home sale bonus equal to 3% of the Guaranteed Offer amount up to a maximum of $10,000.

   Note: The sale of a mobile home is not eligible for the home sale incentive. Eligibility for the home sale incentive will expire when eligibility for reimbursement of home selling costs expires.

K. Lease Cancellation

1. In those instances where rental expenses at the old location are involved, the Company will reimburse the transferred exempt employee for a maximum of two month's rent in connection with a lease termination. This maximum includes any forfeiture of a security deposit directly attributable to terminating a lease agreement as a result of a transfer.

   a. Required deposits or charges such as those for cleaning, pets, damage and security are not lease penalties and are not reimbursed.

b. Lost rental incentives such as free rent or rate reductions that were offered when the employee signed the lease and must be repaid are not reimbursed.

c. If the residence being rented will continue to have one or more occupants after the employee's departure, the employee is not eligible for lease cancellation reimbursement.

L. Equity Advance

1. The transferred exempt employee may request an equity advance from the Relocation Company in order to make a down payment on a home at the new location. If the transferred exempt employee has already closed on a home at the new location, prior to starting the marketing process of their home at the old location, no equity advance will be given.
2. If a bona fide sale is pending or the transferred exempt employee is in receipt of the Guaranteed Offer, the transferred exempt employee will be eligible for an equity advance equal to 100% of their equity or their down payment, whichever is less.
3. If no sale is pending or the transferred exempt employee has not received their Guaranteed Offer from the Relocation Company, the transferred exempt employee will be eligible for an equity advance equal to 90% based on the average of the suggested sales price established by the Broker Market Analysis.

M. Home Purchase Costs

1. The transferred exempt employee who owned a home at the old location and purchases a home at the new location within 12 months of the original relocation will be reimbursed for reasonable and customary home purchase costs such as survey costs, home inspection costs, attorney fees, title costs, credit report fees, appraisal fee, recording costs and loan service fees. The loan origination fee is limited to $500. (**Note:** Purchase costs do not include administrative fees assessed for assistance with the acquisition, i.e., buyer's premiums.)
2. Transferred exempt employees may be eligible for one or two discount points paid by the Company. Often called "points," a discount point is a one-time charge used to adjust lower the employee's mortgage interest rate. Each "point" is equal to one percent (1%) of the employee's mortgage loan amount. Points may or may not be paid as based on the 30-year mortgage interest rate set by the Federal National Mortgage Association (FNMA) and published in *The Wall Street Journal* on the day the employee locks into a mortgage loan's interest rate. Please refer to the chart below.

Mortgage Interest Rate (Per FNMA)	Reimbursement of Discount Points
<6%	0 points
≥6%, but <8%	Up to 1 point
≥8%	Up to 2 points

When closing through a national mortgage lender, as provided by the Relocation Company, the lender will direct bill the Relocation Company for 50% of the reimbursable loan discount points and 100% of the other reimbursable closing costs.

3. If the transferred exempt employee was a renter at the old location and purchases a home at the new location within 12 months of the original relocation, the Company will reimburse the employee up to a maximum of $1,000 toward these costs. Direct billing of home purchase costs does not apply to first-time buyers.

N. Duplicate Expenses

1. The Company will reimburse the transferred exempt employee for certain duplicate expenses incurred at the unoccupied residence (old or new). If the employee secures a Buyers Value Option or Amended Value Sale or accepts the Guaranteed Offer, duplicate expenses will be reimbursed until title to the property is transferred. Reimbursement of duplicate expenses would terminate upon rental of the property. These expenses will be limited to real estate taxes, mortgage interest, homeowner's insurance, and necessary utilities (gas, electric, and water/sewage).

2. Duplicate expenses, for the employee who participates in the marketing assistance program, will commence no earlier than the date the home is priced and placed on the market for sale or, in the case of an employee who does not participate in the marketing assistance program, for the 60-day period beginning on the first day a duplicate expense is incurred.

3. Duplicate expenses associated with a rental at the old location will be covered on the unoccupied residence (old or new) for a maximum of 45 days from the date such expenses are incurred. If prior to moving to a new location, the employee moves from a home to a rental at the old location, only one 45-day duplicate expense period is applicable.

O. Mortgage Interest Rate Subsidy

1. A transferred exempt employee who purchases a home at the new location may be entitled to a mortgage interest rate subsidy (MIRS).

2. The transferred exempt employee will be entitled to the subsidy if a home is purchased within twelve months of the original relocation.

   Note: Employees who have not purchased a home at the new location and are transferred again before their twelve-month subsidy limitation period expires, will have twelve additional months from the most recent effective transfer date to buy a house at the newest location and qualify for an interest rate subsidy.

3. Annual mortgage interest rate subsidies will be based upon the following formula:

   MIRS Formula

   a. (New Interest Rate – Old Interest Rate) x (New Home Purchase Price – Old Home Equity).

   New Interest Rate Defined

   b. The New Interest Rate for the first year is the mortgage rate in effect at the time of purchase.

Old Interest Rate Defined

c. The Old Interest Rate is the rate in effect at the time of the transfer (or hire for new employees) but in no event less than nine (9) percent.

No Mortgage on Old Location Home

d. If a transferred exempt employee owns their home but has no mortgage balance remaining, an interest rate of 9% will be used as the Old Interest Rate.

   Note: In order to qualify for this provision, documentation must prove the mortgage was paid off prior to any notification of transfer. Otherwise the subsidy will be based on the old interest rate or 9% whichever is greater.

Minimum Subsidy

e. If subsidy payments total less than $500, the subsidy will be paid in lump sum.

Different Type of Financing Secured at New Location

f. A maximum interest rate differential of 2% applies if a different type of financing is secured at the new location. For example, if an employee has an Adjustable Rate Mortgage (ARM) at the old location and obtains a conventional loan at the new location, the interest rate differential used to calculate the subsidy will be capped at 2%.

New Home Purchase Price

g. New Home Purchase Price can include the cost of improvements to existing homes as discussed in (4) below and with respect to newly constructed homes as discussed in (5) below.

Old Home Equity Defined

h. Old Home Equity is the sales price (including any loss-on-sale reimbursement) minus the outstanding principal mortgage balance.

   Note: A commercial home equity loan will not be included in this calculation unless the proceeds were used for home improvements to the primary residence.

Primary Residence Not Sold

i. If a transferred exempt employee chooses not to sell their primary residence upon transfer and purchases a primary residence at the new location, they may be eligible for the mortgage interest rate subsidy. The equity in the home will equal its appraised value less the outstanding principal mortgage balance. The appraised value will be determined, at Company expense, by an appraiser selected by the employee from a list supplied by the Relocation Company. The Old Interest Rate will be the mortgage rate in effect at the time of the transfer, but in no event less than nine (9) percent.

Home Purchase Price May Be Amended

4. In some situations it is not practical or possible to have the cost of improvements included in the purchase price. Therefore, for purposes of calculating the mortgage interest rate subsidy, a transferred exempt employee may subsequently amend their home purchase price one time according to the following rules:

Improvements or Renovations

a. The purchase price amendment must be the result of expenses incurred for capital improvements or renovations made to the employee's primary residence. Documentation of all expenses will be required.

b. Expenditures for labor or materials in connection with improvements or renovations must be made or committed to, in writing, within 90 days of closing. In situations where the employee chooses to perform their own labor, no charge for such labor will be recognized.

c. All work in connection with the improvements and renovations must be completed within one year from the date of closing.

Home Purchase Price for Newly Constructed Homes

5. The purchase price for newly-constructed homes will include the cost of the lot plus any documented construction contracted for and completed within 12 months of the first documented construction contract plus:

    a. Documented interest charges incurred on a construction loan during the construction period — after-tax costs assuming a marginal rate of 28% unless the employee can document a lower rate. The construction period will be limited to nine months.

    b. Documented interest charges incurred on a property loan during the construction period — same after-tax calculation and construction period limitation as (a).

    c. Documented insurance costs on the house and construction materials during the construction period — same construction period limitation as (a).

6. Personal property (mobile homes, house boats, etc.) will not be considered under this provision.

Payment Schedule

7. Mortgage interest rate subsidy payments will be made as follows:

Years 1 – 3:	100% of MIRS formula amount
Year 4:	75% of MIRS formula amount
Year 5:	50% of MIRS formula amount

8. The annual subsidy will be paid at the time of purchase of the new home and on the four succeeding anniversaries. If total subsidy payments are less than $500, the subsidy will be paid in a lump sum.

Employees Must Requalify Annually

9. Transferred exempt employees must requalify for subsidy payments on an annual basis. The employee must verify that the property remains their primary residence and provide a statement from the lending institution to confirm the current mortgage interest rate.

    a. The subsidy will be discontinued if the property is no longer the employee's primary residence.

b. The subsidy will be recalculated if the New Interest Rate has changed as of the anniversary date.

c. The Old Interest Rate used in the MIRS formula will remain constant unless ARM financing is maintained at both the old and new locations. If ARM financing is maintained at both the old and new locations, the subsidy established for Year 1 will remain constant for each qualifying year and reimbursed in accordance with the five-year payment schedule in (7) above.

Payments Cease

10. Upon a subsequent transfer, resignation, or termination without Termination Allowance Policy benefits, any remaining subsidy payments will cease.

Lump Sum Payment

11. Upon death, retirement, or termination with Termination Allowance Policy benefits, the remaining subsidy payments will be paid in a lump sum.

Transferred Back to U.S. from Overseas

12. If an employee is being transferred back to the U.S. from an overseas assignment and does not own a home in the U.S. but owned a home which was their principal residence at the time of expatriation, they will be eligible for the mortgage interest rate subsidy using 9% as the Old Interest Rate and the actual equity in the home at the time it was sold.

    Note: In order to qualify for the 9% interest rate, the expatriate must provide documentation that the U.S. home was placed on the market for sale prior to any notification of transfer back to the U.S. and that the home was sold prior to or on the purchase date of a home in the U.S. Otherwise the subsidy will be based on the old interest rate or 9% whichever is higher.

P. Loss-on-Sale

1. Transferred exempt employees who participate in the Relocation Company's marketing assistance program and sell their property at an actual sales price that is within 90% of the price set by either the Relocation Company's marketing assistance program or the Guaranteed Offer, may be eligible for loss-on-sale assistance in accordance with the following provisions.

Loss-on-Sale Defined

2. Loss-on-sale is the documented purchase price less the sales price. The sales price will consist of the actual sales price or the Relocation Company offer, whichever is greater.

Documented Purchase Price

3. The documented purchase price for homes purchased in various stages of completion will consist of the following:

a. For used homes (suitable for occupancy), only the actual purchase price. If the purchase price included an allowance for repairs or decorating, receipts must be provided to document that the repairs or decorating were completed within 12 months of the purchase date. In situations where it is not possible to have the cost of improvements or repairs included in the purchase price of a used home, an employee may amend the purchase price of their home for the purposes of loss-on-sale coverage according to the following guidelines:

   i) The purchase price amendment must be the result of expenses incurred for capital improvements or renovations made to the employee's primary residence. Documentation for all expenses will be required.

   ii) Expenditures for labor or materials in connection with improvements or renovations must be made or committed to, in writing, within 90 days of closing. In situations where the employee chooses to perform their own labor, no charge for such labor will be recognized.

   iii) All work in connection with the improvements or renovations must be completed within one year from date of closing.

b. For completed new homes (of which you are the first owner), the purchase price plus any documented receipts and contracts for home improvements made within 90 days following the closing date of the home purchase.

c. For homes being newly constructed, for partially completed new homes requiring substantial construction to make them habitable, and for used homes requiring substantial construction modification to make them habitable, the purchase price plus any documented construction contracted for and completed within 12 months of the first documented construction contract initiated by the purchasing employee.

d. In addition to the documented construction costs, the following construction-related costs will be recognized in determining the home purchase price:

   i) Documented interest charges incurred on a construction loan during the construction period — after-tax costs assuming a marginal tax rate of 28% unless the employee can document a lower rate. The construction period will be limited to nine months.

   ii) Documented interest charges incurred on a property loan during the construction period — same after-tax calculation and construction period limitation as (i).

   iii) Documented insurance costs on the house and construction materials during the construction period — same construction period limitations as (i).

   Note: Pools (above or below ground) will not be considered for loss-on-sale. It is recommended that employees contact the Relocation Company or the Relocation Office in Findlay prior to making capital or home improvements, renovations, or begin any construction to determine if such changes are eligible for future loss-on-sale consideration. Failure to obtain prior approval may result in items being excluded from any future loss-on-sale calculation.

Loss-on-Sale Amount Reimbursed

4. Employees incurring losses will be reimbursed based on the full amount derived from the loss-on-sale formula below.

5. Loss-on-Sale Formula:

Purchase Price	$
Sales Price	– $
Loss-on-Sale	$

   a. Reimbursement is 90% of the first $60,000; 75% of the next $140,000.

   b. Maximum reimbursement is $159,000.

Expiration of Eligibility

6. Eligibility for loss-on-sale assistance as determined under the reimbursement formula described above expires when eligibility for home selling cost reimbursement expires.

Q. Home Site Expenses

1. A transferred exempt employee who must compensate a provider for the care of dependent children, elderly parents and/or an incapacitated spouse during the advance house-hunting trip that requires the employee to be away from home at least one night, will be reimbursed according to the following provisions:

   a. an allowance up to $60 per day for the first dependent child and up to $35 for each additional dependent child.

   b. an allowance up to $60 per day for care of an incapacitated spouse.

   c. an allowance up to $60 per day for care of an elderly parent and up to $35 for each additional elderly parent.

   d. the provider cannot reside in the employee's home.

   e. the provider cannot be the parent of the dependent child(ren).

   f. the employee cannot be reimbursed for care that is normally provided while the employee is working at the home work location.

2. A transferred exempt employee will be reimbursed for expenses not normally incurred during the advance house-hunting trip/temporary living period (maximum of 45 days), as follows:

   a. when primary residence is not occupied by a household member:

      i. animal care — up to $25 per day, per animal, for up to two animals.

      ii. house sitter or house check services — up to $25 per seven (7) day period, so long as the provider of such services is not a household member and the residence is unoccupied for a period in excess of seven (7) days.

b. when primary residence is or is not occupied by a household member:
   i. lawn maintenance — up to $50 per seven (7) day period for lawn maintenance; only for assignments in excess of seven (7) days.
   ii. snow removal — up to $50 per seven (7) day period for snow removal, as needed.

Note: If the transferred exempt employee is marketing their home for sale at the old location, a maximum of 90 days, including the advance house-hunting trip/temporary living period, is permitted for lawn maintenance and/or snow removal.

3. For all Home Site Expenses, employees must submit valid receipts from the service provider containing the following:
   a. Name and signature of provider.
   b. Statement of services provided.
   c. Date, time and cost of service.
   d. Address and telephone number of provider.
4. If the transferred exempt employee derives a benefit or profit from the home at the primary residence (i.e., renting the house), the employee is no longer eligible for a Home Site Expense allowance under the Policy.

R. Reimbursement Time Limits, Approvals, Exceptions, Coordination

1. See **Item VII. Other Provisions** of this section.

Tax Treatment/Tax Allowances

1. See **Section II — Taxes**.

II. Professional and Experienced New Employees

A. Eligibility

1. The following employees are eligible for the provisions of this Policy, provided the distance between the employee's new place of work and former residence is at least 50 miles more than the distance between the old place of work and former residence. If the employee has no old place of work, the new place of work must be at least 50 miles from the former residence.
   a. An experienced new salaried employee hired on a salary grade 10 or higher who is required to relocate by reason of assignment (hereinafter referred to as Experienced New Employee), and
   b. An employee who returns following an Educational Leave.

B. Relocation Allowance

1. The Company will pay the experienced new employee a lump-sum relocation allowance of one times their monthly salary, up to a maximum of $10,000. This allowance is to cover all expenses incurred by the employee and household members, which are not specifically covered under other provisions of the Policy. Documentation of actual expenses is not required. Examples of some, but not all of these expenses are:

    - vehicle inspection, automobile registration, driver's licenses
    - telephone installation
    - long distance telephone charges
    - homeowner's association dues
    - club fees
    - tips to movers
    - utility hook-up charges
    - alterations of carpets or drapes
    - personal care items, such as diapers, shampoo, etc.
    - laundry/dry cleaning
    - carpet/floor cleaning
    - home warranty policy
    - additional tax liability not covered by tax allowance (federal, state or local)
    - child and pet care, lawn maintenance, and snow removal not otherwise covered under Home Site Expenses
    - any other expense not specifically covered under another provision of the Policy.

    Note: The relocation allowance is calculated by dividing the employee's annual salary by 12; the maximum allowance is $10,000.

C. Spousal Employment Assistance

1. The Company has contracted with a national career company to provide the spouse of an experienced new employee with the necessary tools, techniques and materials needed to conduct a successful job search at the new location. If interested in using this benefit, the spouse should contact the career company within six months of the employee's date of hire to initiate services. Up to a maximum of $1,500 of services will be allowed.

D. Advance House-Hunting Trip Expenses

1. The experienced new employee and one other person will be allowed one reimbursable advance house-hunting trip to the new location to secure a residence. Reimbursement will be limited to the following expenses:

a. Round-trip transportation:
   i) If driving personal vehicle, reimbursement will include total round-trip mileage, plus local miles for house-hunting, at the current mileage rate established annually by the IRS.
   ii) If public transportation is used, accommodations should be in the economy or tourist class for air travel and the most practical class for rail travel (includes rental vehicle and fuel, if needed).

b. Reasonable meals/groceries (food/beverage items only).

c. Reasonable lodging accommodations.

d. Home Site Expenses (see "O. Home Site Expenses" for limitations).

Note: In certain instances, where the employee is being transferred a short distance (less than 300 miles round-trip), additional trips may be permitted (no more than 4) with Supervisor approval.

2. Experienced new employees are allowed a maximum of 25 days for the advance house-hunting trip/temporary living period combined.

E. Temporary Living Expenses

1. When it is not possible to coordinate the day of leaving the old residence and occupancy of the new residence, the following expenses for the experienced new employee and, if applicable, household members will be reimbursed:
   a. Reasonable meals/groceries (food/beverage items only).
   b. Reasonable lodging accommodations.
   c. If necessary, a maximum of 30 days for the rental of one vehicle. This does not include fuel for the rental vehicle.
   d. Home Site Expenses (see "O. Home Site Expenses" for limitations).
2. Temporary living expenses should cease once an employee has signed a lease or closed on a home, and household goods have been delivered.
3. Experienced new employees are allowed a maximum of 25 days for the advance house-hunting trip/temporary living period combined.

Note: Reimbursement for daily rental charges (excluding meals) for an employee who has arranged to move into the new residence prior to the closing will be made up to the date of closing or the expiration of the advance house-hunting trip/temporary living limitation, whichever occurs first. The employee's home loan must be approved and all pre-closing agreements signed. This temporary arrangement requires approval of the Relocation Coordinator. If circumstances prevent the employee from closing on the home after taking up residence, the Company will not be responsible for moving the employee out of the residence.

F. Travel Expenses (Final Trip)

1. The Company will reimburse an experienced new employee for the cost of transporting self and, if applicable, household members to the new work location. Expenses covered are:

   a. One-way transportation:

      i) If driving personal vehicle(s), reimbursement will include total one-way mileage by the most direct route from old location to new location at the current mileage rate established annually by the IRS.

      ii) If public transportation is used, accommodations should be in the economy or tourist class for air travel and the most practical class for rail travel (includes rental vehicle and fuel, if needed).

   b. Reasonable meals/groceries (food/beverage items only).

   c. Reasonable lodging accommodations:

      i) Limited to one night at the old location, nights during travel, and one night at the new location.

2. It is expected that the employee and/or household members will use their personal vehicle(s) for this trip. If one vehicle is shipped, public transportation is **not** reimbursed and mileage reimbursement is limited to two (2) vehicles; otherwise reimbursement is limited to three (3) vehicles.

   Note: The Policy will not cover additional expenses incurred due to failure of an automobile. If an employee's automobile has mechanical problems and cannot finish the trip, it will be assumed the automobile did finish the trip and reimbursement will be for the total miles by the most direct route from the original location to the new location at the current mileage rate.

G. Movement of Household Goods

1. The Policy will cover the cost of packing, moving, storing, and unpacking the employee's household goods and personal effects and insurance on such items while in transit. Storage is available for up to a maximum period of 365 days, beginning with the employee's effective date of hire.

2. The Policy will cover transportation for up to two pets from the old location to the new location if it is not practical for the animal(s) to accompany the employee in their vehicle. This includes animals that are considered pets such as dogs and cats. It does not include animals such as horses or livestock.

Reimbursement for Leased Towing Equipment

3. When there are no additional means used to move household goods, the Company will reimburse the employee for leased towing equipment rental and one-half of the current mileage allowance. In order for reimbursement to be made, the leasing and towing must qualify as the most economical method of transportation.

Mobile Home

4. The employee will be paid a $3,000 allowance (subject to a tax allowance) to cover any costs incurred in moving the mobile home.

Transportation of Automobiles and Recreational Vehicles That Can be Transported to the New Location Under Their Own Power

5. The Company will pay the current mileage allowance for up to three (3) vehicles that can be transported to the new location under their own power by the most practical route. Shipping of one of the three automobiles at Company expense is permitted if the distance to the new location is over 400 miles. Any other van shipment of automobiles or such recreational vehicles is permitted at the employee's option and at the employee's expense less the mileage allowance.

Transportation of Other Recreational Vehicles

6. Employees are encouraged to tow their recreational vehicles (boats, horse trailers, travel trailers, snowmobiles, motorcycles, motorized golf carts, etc.) and the Company pays one-half the current mileage allowance as reimbursement for the towing.

7. The cost to ship recreational vehicles includes both weight and "weight additive" costs. (Weight additive costs are charges for the extra space used on the van.) The Company will pay for a combined maximum of 1,500 pounds for the weight and weight additive costs. Additional charges will be the employee's responsibility.

   Note: Employees wanting to ship recreational vehicles should be advised to carefully consider the costs involved and to contact the Relocation Company to discuss their situation.

H. Disposal of Home

Postponement of Home Sale

1. Experienced new employees who make no attempt to sell their home are permitted to select the date, within six months of their transfer, to begin the home sale process. To be eligible for reimbursement of home selling expenses, all such expenses must be incurred within one year of the employee's date of hire.

   An extension of these time limits, up to an additional six months, will require approval of the Benefits Policy Manager and Organizational Vice President. No tax allowance will be paid on non-deductible moving expenses.

Marketing Assistance Program

2. The experienced new employee's home must be in "marketable condition," which includes (but is not limited to) financing availability, as well as being free of all structural and mechanical defects. Marketable condition includes a state of cleanliness, free of clutter, debris or foul odor. The property must be the employee's principal residence at the time of the relocation, to which the employee holds free and clear title.

3. Experienced new employees are expected to aggressively market their home in an attempt to arrange a sale. The Company has contracted with the Relocation Company to provide a Marketing Assistance Program to provide the employee with professional guidance in marketing their home.
4. The experienced new employee will select two brokers from a list supplied by the Relocation Company. Each broker will supply the employee with a Broker Market Analysis (BMA), which will contain a suggested listing price and anticipated sales price. The employee will select which broker to list with. For the next 60 days, the employee tries to sell the home.

Buyers Value Option

5. If the experienced new employee secures a sale during the Marketing Assistance period, the Relocation Company will use its best efforts to determine that (1) the offer is bona fide, and (2) is in accordance with the Company's relocation policy. If these conditions are met, the Relocation Company will issue the employee a Guaranteed Offer equal to the net value of the third-party offer price.

   The employee MUST NOT indicate acceptance, take any money or sign documents, which would constitute acceptance of the offer.

Guaranteed Offer

6. If after listing the home for 60 days, the home has not been sold, the Relocation Company will offer to purchase the experienced new employee's property at its Most Probable Sales Price. Most Probable Sales Price will be determined by the average of two independent appraisals. The employee will choose the appraisers from an approved list supplied by the Relocation Company. If the two appraisals are more than 5% apart, a third appraisal will be obtained. In the case of a third appraisal, the offer to purchase will be the greater of a.) the average of all three, or b.) the average of the two closest of the three appraisals.
7. The Relocation Company may disregard an appraisal with a valuation it considers to be unsupportable, provided that another appraiser replaces the disregarded appraisal.

   Note: Copies of the appraisals can be secured from the Relocation Company.

Time Limitation

8. Upon notification of the Relocation Company's offer to purchase (Guaranteed Offer), the experienced new employee will have 30 calendar days to accept or reject the offer and continue to market their home for sale.
9. Under no circumstances should the listing price of the home be reduced to an amount below the Guaranteed Offer. Should this happen, and the experienced new employee accepts the Guaranteed Offer, the Relocation Company will reduce the Guaranteed Offer to the listing price amount.

Amended Value Sale

10. If the experienced new employee secures a sale after they have been issued their Guaranteed Offer based on appraisals, the Relocation Company will use its best efforts to determine that (1) the offer is bona fide, and (2) is in accordance with the Company's relocation policy. If these conditions are met, the Relocation Company will amend their offer to equal the net value of the third party offer price.

The employee MUST NOT indicate acceptance, take any money or sign documents, which would constitute acceptance of the offer.

Acceptance of Offer

11. If the experienced new employee accepts the Relocation Company's offer, the Relocation Company will take steps to acquire the property. It may be that the employee will need to occupy the home for a period of time after accepting the offer. The employee can continue to occupy the home for up to 60 days from the date of acceptance of the offer. During this period of time, the employee must permit the real estate broker, acting for the Relocation Company, to show the home to prospective buyers.

Employee Declines to Participate

12. If the experienced new employee declines to participate in the Relocation Company's program, the time limitations for reimbursement of selling costs will begin on the date of refusal.

Rejection of Offer

13. Should the experienced new employee not accept the Relocation Company's offer, they assume responsibility for sale of the home and are entitled to such other applicable benefits provided in this Policy.

I. Home Selling Costs

Employee Sells Home Directly

1. If the experienced new employee sells the home directly within 90 days after declining participation in the Relocation Company's home purchase program or rejecting the Relocation Company's offer, the Company will reimburse the employee for reasonable and customary home selling costs. Selling costs include items such as reasonable and customary broker's fees, abstract or title insurance, any pre-payment penalty, revenue stamps, or such costs which normally accrue to the seller.

Home Selling Costs Covered Under the Relocation Company's Home Purchase Program

2. If the experienced new employee accepts the Relocation Company's offer or secures an Amended Value or Buyer's Value Option sale, reasonable and customary home selling costs, which normally accrue, to the seller will be paid by the Relocation Company.

Selling Costs Covered for a Mobile Home

3. If the primary residence of an experienced new employee is a mobile home and since the contract with the Relocation Company does not include mobile homes, the Policy will provide the employee with a $3,000 allowance (subject to a tax allowance) to cover any costs incurred in selling the mobile home.

J. Home Sale Incentive

1. A bonus equal to 3% of the negotiated sales price, up to a maximum of $10,000, will be paid on any employee-generated sale (excluding a sale to the Relocation Company).

Sale Within 97% of Guaranteed Offer

2. In those instances where an experienced new employee secures a bona fide sale for at least 97% of the Guaranteed Offer prior to the expiration of the Guaranteed Offer period, the employee will be paid equity on the Guaranteed Offer amount plus a home sale bonus equal to 3% of the Guaranteed Offer amount up to a maximum of $10,000.

   Note: The sale of a mobile home is not eligible for the home sale incentive. Eligibility for the home sale incentive will expire when eligibility for reimbursement of home selling costs expires.

K. Lease Cancellation

1. In those instances where rental expenses at the old location are involved, the Company will reimburse the experienced new employee for a maximum of two month's rent in connection with a lease termination. This maximum includes any forfeiture of a security deposit directly attributable to terminating a lease agreement as a result of a transfer.
   a. Required deposits or charges such as those for cleaning, pets, damage and security are not lease penalties and are not reimbursed.
   b. Lost rental incentives such as free rent or rate reductions that were offered when the employee signed the lease and must be repaid are not reimbursed.
   c. If the residence being rented will continue to have one or more occupants after the employee's departure, the employee is not eligible for lease cancellation reimbursement.

L. Equity Advance

1. The experienced new employee may request an equity advance from the Relocation Company in order to make a down payment on a home at the new location. If the experienced new employee has already closed on a home at the new location, prior to starting the marketing process of their home at the old location, no equity advance will be given.
2. If a bona fide sale is pending or the experienced new employee is in receipt of the Guaranteed Offer, the experienced new employee will be eligible for an equity advance equal to 100% of their equity or their down payment, whichever is less.

3. If no sale is pending or the experienced new employee has not received their Guaranteed Offer from the Relocation Company, the experienced new employee will be eligible for an equity advance equal to 90% based on the average of the suggested sales price established by the Broker Market Analysis.

M. Home Purchase Costs

1. The experienced new employee who owned a home at the old location and purchases a home at the new location within 12 months of the original relocation will be reimbursed for reasonable and customary home purchase costs such as survey costs, home inspection costs, attorney fees, title costs, credit report fees, appraisal fee, recording costs and loan service fees. The loan origination fee is limited to $250. (**Note:** Purchase costs do not include administrative fees assessed for assistance with the acquisition, i.e., buyer's premiums.)

2. Experienced new employees may be eligible for one or two discount points paid by the Company. Often called "points," a discount point is a one-time charge used to adjust lower the employee's mortgage interest rate. Each "point" is equal to one percent (1%) of the employee's mortgage loan amount. Points may or may not be paid as based on the 30-year mortgage interest rate set by the Federal National Mortgage Association (FNMA) and published in *The Wall Street Journal* on the day the employee locks into a mortgage loan's interest rate. Please refer to the chart below.

Mortgage Interest Rate (Per FNMA)	Reimbursement of Discount Points
<6%	0 points
≥6%, but <8%	Up to 1 point
≥8%	Up to 2 points

When closing through a national mortgage lender, as provided by the Relocation Company, the lender will direct bill the Relocation Company for 50% of the reimbursable loan discount points and 100% of the other reimbursable closing costs.

3. If the experienced new employee was a renter at the old location, no home purchase costs will be reimbursed.

N. Mortgage Interest Rate Subsidy

1. An experienced new employee who purchases a home at the new location may be entitled to a mortgage interest rate subsidy (MIRS).

2. The experienced new employee will be entitled to the subsidy if a home is purchased within twelve months of their date of hire.

   Note: Employees who have not purchased a home at the new location and are transferred again before their twelve-month subsidy limitation period expires, will have twelve additional months from the most recent effective transfer date to buy a house at the newest location and qualify for an interest rate subsidy.

3. Annual mortgage interest rate subsidies will be based upon the following formula:

   MIRS Formula

   a. (New Interest Rate – Old Interest Rate) x (New Home Purchase Price – Old Home Equity).

   New Interest Rate Defined

   b. The New Interest Rate for the first year is the mortgage rate in effect at the time of purchase.

   Old Interest Rate Defined

   c. The Old Interest Rate is the rate in effect at the time of the transfer (or hire for new employees) but in no event less than nine (9) percent.

   No Mortgage on Old Location Home

   d. If an experienced new employee owns their home but has no mortgage balance remaining, an interest rate of 9% will be used as the Old Interest Rate.

      Note: In order to qualify for this provision, documentation must prove the mortgage was paid off prior to any notification of hire. Otherwise the subsidy will be based on the old interest rate or 9% whichever is greater.

   Minimum Subsidy

   e. If subsidy payments total less than $500, the subsidy will be paid in a lump sum.

   Different Type of Financing Secured at New Location

   f. A maximum interest rate differential of 2% applies if a different type of financing is secured at the new location. For example, if an employee has an Adjustable Rate Mortgage (ARM) at the old location and obtains a conventional loan at the new location, the interest rate differential used to calculate the subsidy will be capped at 2%.

   New Home Purchase Price

   g. New Home Purchase Price can include the cost of improvements to existing homes as discussed in (4) below and with respect to newly constructed homes as discussed in (5) below.

   Old Home Equity Defined

   h. Old Home Equity is the sales price minus the outstanding principal mortgage balance.

      Note: A commercial home equity loan will not be included in this calculation unless the proceeds were used for home improvements to the primary residence.

Primary Residence Not Sold

i. If an experienced new employee chooses not to sell their primary residence upon hire and purchases a primary residence at the new location, they may be eligible for the mortgage interest rate subsidy. The equity in the home will equal its appraised value less the outstanding principal mortgage balance. The appraised value will be determined, at Company expense, by an appraiser selected by the employee from a list supplied by the Relocation Company. The Old Interest Rate will be the mortgage rate in effect at the time of the transfer, but in no event less than nine (9) percent.

Home Purchase Price May Be Amended

4. In some situations it is not practical or possible to have the cost of improvements included in the purchase price. Therefore, for purposes of calculating the mortgage interest rate subsidy, an experienced new employee may subsequently amend their home purchase price one time according to the following rules:

   Improvements or Renovations

   a. The purchase price amendment must be the result of expenses incurred for capital improvements or renovations made to the employee's primary residence. Documentation of all expenses will be required.
   b. Expenditures for labor or materials in connection with improvements or renovations must be made or committed to, in writing, within 90 days of closing. In situations where the employee chooses to perform their own labor, no charge for such labor will be recognized.
   c. All work in connection with the improvements and renovations must be completed within one year from the date of closing.

Home Purchase Price for Newly Constructed Homes

5. The purchase price for newly-constructed homes will include the cost of the lot plus any documented construction contracted for and completed within 12 months of the first documented construction contract plus:
   a. Documented interest charges incurred on a construction loan during the construction period — after-tax costs assuming a marginal rate of 28% unless the employee can document a lower rate. The construction period will be limited to nine months.
   b. Documented interest charges incurred on a property loan during the construction period — same after-tax calculation and construction period limitation as (a).
   c. Documented insurance costs on the house and construction materials during the construction period — same construction period limitation as (a).
6. Personal property (mobile homes, house boats, etc.) will not be considered under this provision.

Payment Schedule

7. Mortgage interest rate subsidy payments will be made as follows:

Years 1 – 3:	100% of MIRS formula amount
Year 4:	75% of MIRS formula amount
Year 5:	50% of MIRS formula amount

8. The annual subsidy will be paid at the time of purchase of the new home and on the four succeeding anniversaries. If total subsidy payments are less than $500, the subsidy will be paid in a lump sum.

Employees Must Requalify Annually

9. Experienced new employees must requalify for subsidy payments on an annual basis. The employee must verify that the property remains their primary residence and provide a statement from the lending institution to confirm the current mortgage interest rate.

   a. The subsidy will be discontinued if the property is no longer the employee's primary residence.

   b. The subsidy will be recalculated if the New Interest Rate has changed as of the anniversary date.

   c. The Old Interest Rate used in the MIRS formula will remain constant unless ARM financing is maintained at both the old and new locations. If ARM financing is maintained at both the old and new locations, the subsidy established for Year 1 will remain constant for each qualifying year and reimbursed in accordance with the five-year payment schedule in (7) above.

Payments Cease

10. Upon a subsequent transfer, resignation, or termination without Termination Allowance Policy benefits, any remaining subsidy payments will cease.

Lump Sum Payment

11. Upon death, retirement, or termination with Termination Allowance Policy benefits, the remaining subsidy payments will be paid in a lump sum.

O. Home Site Expenses

1. An experienced new employee who must compensate a provider for the care of dependent children, elderly parents and/or an incapacitated spouse during the advance house-hunting trip that requires the employee to be away from home at least one night, will be reimbursed according to the following provisions:

   a. an allowance up to $60 per day for the first dependent child and up to $35 for each additional dependent child.

   b. an allowance up to $60 per day for care of an incapacitated spouse.

   c. an allowance up to $60 per day for care of an elderly parent and up to $35 for each additional elderly parent.

   d. the provider cannot reside in the employee's home.

   e. the provider cannot be the parent of the dependent child(ren).

   f. the employee cannot be reimbursed for care that is normally provided while the employee is working at the home work location.

2. An experienced new employee will be reimbursed for expenses not normally incurred during the advance house-hunting trip/temporary living period (maximum of 25 days), as follows:

   a. when primary residence is not occupied by a household member:
      i. animal care — up to $25 per day, per animal, for up to two animals.
      ii. house sitter or house check services — up to $25 per seven (7) day period, so long as the provider of such services is not a household member and the residence is unoccupied for a period in excess of seven (7) days.

   b. when primary residence is or is not occupied by a household member:
      i. lawn maintenance — up to $50 per seven (7) day period for lawn maintenance; only for assignments in excess of seven (7) days.
      ii. snow removal — up to $50 per seven (7) day period for snow removal, as needed.

   Note: If the experienced new employee is marketing their home for sale at the old location, a maximum of 90 days, including the advance house-hunting trip/temporary living period, is permitted for lawn maintenance and/or snow removal.

3. For all Home Site Expenses, employees must submit valid receipts from the service provider containing the following:

   a. Name and signature of provider.

   b. Statement of services provided.

   c. Date, time and cost of service.

   d. Address and telephone number of provider.

4. If the experienced new employee derives a benefit or profit from the home at the primary residence (i.e., renting the house), the employee is no longer eligible for a Home Site Expense allowance under the Policy.

P. Hire of Experienced New Employees from Overseas to U.S.

1. Professional and Experienced New Employees (U.S. citizen and non-U.S. citizen) living overseas who are hired for employment in the U.S. shall be provided with:

   a. the same relocation assistance provided to Professional and Experienced New Employees hired within the U.S., excluding the shipment of vehicles;

   b. home sale assistance is available unless it would be imprudent for the Company to do so due to tax, legal, financial or other concerns as determined by management;

   c. a U.S. $3,000 lump sum payment for one automobile (owned or leased by the employee) that the employee sells in conjunction with the relocation within 90 days of the hire date;

d. temporary living for 45 days, plus an additional 25 days' coverage for arrival of household goods; and

e. an additional U.S. $2,000 added to the Relocation Allowance, provided the maximum Relocation Allowance (including this additional $2,000) does not exceed U.S. $15,000.

Note: If the experienced new employee owns a home in the U.S. which was the employee's principal place of residence immediately prior to going overseas and it is now available for sale and sold within one year of the date of hire, the experienced new employee will be eligible for the home sale assistance, home sale bonus and mortgage interest rate subsidy provisions in the same manner as a domestic U.S. hire.

Q. Reimbursement Time Limits, Approvals, Exceptions, Coordination

1. See **Item VII. Other Provisions** of this section.

R. Tax Treatment/Tax Allowances

1. See **Section II — Taxes**.

III. New Employees (Other than Professional and Experienced New Employees)

A. Eligibility

1. The following employees are eligible for the provisions of this Policy, regardless of the distance between their work location and residence:

   a. A new exempt employee (other than a Professional and Experienced New Employee) hired for Regular Full-time or Part-time employment and who relocates;

   b. In limited circumstances, with the approval of the Human Resources Manager supporting the hiring organization, a new, hourly or non-exempt employee (other than a Professional and Experienced New Employee) hired for Regular Full-time employment. (Union-represented employees would be eligible only as negotiated with their bargaining representative.); and

   c. An employee who returns following an Educational Leave and who relocates.

2. The eligible employees, as described above, may elect tax-assisted reimbursement of the relocation expenses provided in this section, or a $5,000 taxable lump sum payment.

Option 1 — Taxable Lump-Sum Payment

B. Relocation Allowance

1. The Company will pay the New Employee who elects the taxable lump-sum payment option a Relocation Allowance of $5,000. This allowance is to cover all expenses incurred by the employee and, if applicable, household members.

Option 2 — Tax-Assisted Reimbursement of Eligible Relocation Expenses

C. Relocation Allowance

1. The Company will pay the New Employee who elects the tax-assisted reimbursement option a Relocation Allowance of $500. This allowance is to cover all expenses incurred by the employee and, if applicable, household members, which are not specifically covered under other provisions of the Policy.

D. Advance House-Hunting Trip Expenses

1. The new employee and one other person will be allowed one reimbursable advance house-hunting trip to the new location to secure a residence. Reimbursement will be limited to the following expenses:

   a. Round-trip transportation:

      i) If driving personal vehicle, reimbursement will include total round-trip mileage, plus local miles for house-hunting, at the current mileage rate established annually by the IRS.

      ii) If public transportation is used, accommodations should be in the economy or tourist class for air travel and the most practical class for rail travel (includes rental vehicle and fuel, if needed).

   b. Reasonable meals/groceries (food/beverage items only).

   c. Reasonable lodging accommodations.

   d. Home Site Expenses (see "H. Home Site Expenses" for limitations).

   Note: In certain instances, where the employee is being transferred a short distance (less than 300 miles round-trip), additional trips may be permitted (no more than 4) with Supervisor approval.

2. New employees are allowed a maximum of 15 days for the advance house-hunting trip/temporary living period combined.

E. Temporary Living Expenses

1. When it is not possible to coordinate the day of leaving the old residence and occupancy of the new residence, the following expenses for the new employee and, if applicable, household members will be reimbursed:

   a. Reasonable meals/groceries (food/beverage items only).

   b. Reasonable lodging accommodations.

   c. Home Site Expenses (see "H. Home Site Expenses" for limitations).

2. Temporary living expenses should cease once an employee has signed a lease or closed on a home, and household goods have been delivered.

3. New employees are allowed a maximum of 15 days for the advance house-hunting trip/temporary living period combined.

   Note: Reimbursement for daily rental charges (excluding meals) for an employee who has arranged to move into the new residence prior to the closing will be made up to the date of closing or the expiration of the advance house-hunting trip/temporary living limitation, whichever occurs first. The employee's home loan must be approved and all pre-closing agreements signed. This temporary arrangement requires approval of the Relocation Coordinator. If circumstances prevent the employee from closing on the home after taking up residence, the Company will not be responsible for moving the employee out of the residence.

F. Travel Expenses (Final Trip)

1. The Company will reimburse a new employee for the cost of transporting self and, if applicable, household members to the new work location. Expenses covered are:
   a. One-way transportation:
      i) If driving personal vehicle(s), reimbursement will include total one-way mileage by the most direct route from old location to new location at the current mileage rate established annually by the IRS.
      ii) If public transportation is used, accommodations should be in the economy or tourist class for air travel and the most practical class for rail travel (includes rental vehicle and fuel, if needed).
   b. Reasonable meals/groceries (food/beverage items only).
   c. Reasonable lodging accommodations:
      i) Limited to one night at the old location, nights during travel, and one night at the new location.
2. It is expected that the employee and/or household members will use their personal vehicle(s) for this trip. If one vehicle is shipped, public transportation is **not** reimbursed and mileage reimbursement is limited to two (2) vehicles; otherwise reimbursement is limited to three (3) vehicles. (see "G. – Transportation of Automobiles […]" for shipping limitations).

   Note: The Policy will not cover additional expenses incurred due to failure of an automobile. If an employee's automobile has mechanical problems and cannot finish the trip, it will be assumed the automobile did finish the trip and reimbursement will be for the total miles by the most direct route from the original location to the new location at the current mileage rate.

G. Movement of Household Goods

1. The Policy will cover the cost of packing, moving, storing, and unpacking the employee's household goods and personal effects and insurance on such items while in transit. Storage is available for up to a maximum period of 90 days.
2. The Policy will cover transportation for up to two pets from the old location to the new location if it is not practical for the animal(s) to accompany the employee in their vehicle. This includes animals that are considered pets such as dogs and cats. It does not include animals such as horses or livestock.

Reimbursement for Leased Towing Equipment

3. When there are no additional means used to move household goods, the Company will reimburse the employee for leased towing equipment rental and one-half of the current mileage allowance. In order for reimbursement to be made, the leasing and towing must qualify as the most economical method of transportation.

Mobile Home

4. If the employee's primary residence is a mobile home, at the employee's election, the Company will reimburse up to $1,500 for the decommissioning and transport for the mobile home to the new work location. This reimbursement will be paid in lieu of the Company-arranged pack and move of household goods referenced above.

Transportation of Automobiles and Recreational Vehicles That Can be Transported to the New Location Under Their Own Power

5. The Company will pay the current mileage allowance for up to three (3) vehicles that can be transported to the new location under their own power by the most practical route. Shipping of one of the three automobiles at Company expense is permitted in special cases of undue hardship but requires the approval of the Manager of the employee's "receiving" organization and the Benefits Policy Manager. Consideration will not be given to employees relocating less than 400 miles to the new location. Any other van shipment of automobiles or such recreational vehicles is permitted at the employee's option and at the employee's expense less the mileage allowance.

Transportation of Other Recreational Vehicles

6. Employees are encouraged to tow their recreational vehicles (boats, horse trailers, travel trailers, snowmobiles, motorcycles, motorized golf carts, etc.) and the Company pays one-half the current mileage allowance as reimbursement for the towing.

7. The cost to ship recreational vehicles includes both weight and "weight additive" costs. (Weight additive costs are charges for the extra space used on the van.) The Company will pay for a combined maximum of 1,500 pounds for the weight and weight additive costs. Additional charges will be the employee's responsibility.

   Note: Employees wanting to ship recreational vehicles should be advised to carefully consider the costs involved and to contact the Relocation Company to discuss their situation.

H. Home Site Expenses

1. A new employee who must compensate a provider for the care of dependent children, elderly parents and/or an incapacitated spouse during the advance house-hunting trip that requires the employee to be away from home at least one night, will be reimbursed according to the following provisions:

   a. an allowance up to $60 per day for the first dependent child and up to $35 for each additional dependent child.

   b. an allowance up to $60 per day for care of an incapacitated spouse.

c. an allowance up to $60 per day for care of an elderly parent and up to $35 for each additional elderly parent.

d. the provider cannot reside in the employee's home.

e. the provider cannot be the parent of the dependent child(ren.)

f. the employee cannot be reimbursed for care that is normally provided while the employee is working at the home work location.

2. A new employee will be reimbursed for expenses not normally incurred during the advance house-hunting trip/temporary living period (maximum of 15 days), as follows:

   a. when primary residence is not occupied by a household member:
      i. animal care — up to $25 per day, per animal, for up to two animals.
      ii. house sitter or house check services — up to $25 per seven (7) day period, so long as the provider of such services is not a household member and the residence is unoccupied for a period in excess of seven (7) days.

   b. when primary residence is or is not occupied by a household member:
      i. lawn maintenance — up to $50 per seven (7) day period for lawn maintenance; only for assignments in excess of seven (7) days.
      ii. snow removal — up to $50 per seven (7) day period for snow removal, as needed.

3. For all Home Site Expenses, employees must submit valid receipts from the service provider containing the following:

   a. Name and signature of provider.

   b. Statement of services provided.

   c. Date, time and cost of service.

   d. Address and telephone number of provider.

4. If the new employee derives a benefit or profit from the home at the primary residence (i.e., renting the house), the employee is no longer eligible for a Home Site Expense allowance under the Policy.

I. Reimbursement Time Limits, Approvals, Exceptions, Coordination

1. See **Item VII. Other Provisions** of this section.

J. Tax Treatment/Tax Allowances

1. See **Section II — Taxes**.

IV. Transferred Hourly and Non-Exempt Employees

A. Eligibility

1. Hourly and non-exempt employees who are requested by the Company to transfer and relocate, provided the distance between their new place of work and the former residence is at least 50 miles more than the distance between the old place of work and former residence. (Union-represented employees would be eligible only as negotiated with their bargaining representative.)

B. Relocation Allowance

1. The Company will pay transferred hourly and non-exempt employees a Relocation Allowance of $4,000. This allowance is to cover all expenses incurred by the employee and, if applicable, household members.
2. The Relocation Allowance will be paid in the employee's first paycheck after formal acceptance of a qualifying relocation.

C. Movement of Household Goods

1. The Policy will cover the cost of packing, moving, and unpacking the employee's household goods and personal effects and insurance on such items while in transit. No storage is permitted.

D. Mobile Home

1. If the employee's primary residence is a mobile home, at the employee's election, the Company will reimburse up to $1,500 for the decommissioning and transport for the mobile home to the new work location. This reimbursement will be paid in lieu of the Company-arranged pack and move of household goods referenced above.

E. Reimbursement Time Limits, Approvals, Exceptions, Coordination

1. See **Item VII. Other Provisions** of this section.

F. Tax Treatment/Tax Allowances

1. See **Section II — Taxes**.

V. Temporary Assignments

A. Background

1. An employee working at a new geographic location at company request on a temporary assignment, i.e., anticipated duration of one year or less, will be eligible for certain temporary assignment allowances.

B. Assignments Exceeding Six Months in Duration

1. Temporary assignments should not be made if the duration is expected to last more than one year. However, any assignment initially determined to be more than six months or any extension to an assignment in which the total duration of the assignment exceeds six months would require approval by the Vice President of the respective organization (or organizations if multiple organizations are involved). Any subsequent extension of an assignment beyond the length approved would require additional approval by the Vice President of the respective organization (or organizations).

2. Upon completion of a temporary assignment, it is expected that the employee will return to the same organization in the same geographic location where they originated.

Tax Discussion

Tax Treatment of Reimbursed Travel, Meal, and Lodging Expense

3. As governed by the IRS, the "realistic expectation" of assignment duration and the maintenance of a permanent residence at the old location determine whether reimbursed travel, meal, and lodging expenses are taxable.

4. Based on "realistic expectation" of assignment duration, the tax treatment of reimbursed travel, meal, lodging expenses, and home trips is described below:

    a. Assignment Expected to Last (And In Fact Does Last) One Year or Less — non-taxable.

    b. Assignment Expected to Last More Than One Year — taxable, regardless of whether the assignment exceeds one year, except for reimbursements that qualify as excludable moving expenses.

    c. Assignment Initially Expected to Last One Year or Less, but Later Expected to Last More Than One Year — reimbursements for expenses incurred before the change in expectation are non-taxable. Reimbursements for expenses incurred on or after the change in expectation are taxable, except for reimbursements that qualify as excludable moving expenses.

    d. Reimbursed Expenses for Household Members — taxable, regardless of length of assignment, except for reimbursements that qualify as excludable moving expenses.

5. Based on maintenance of permanent residence at the old location — The tax treatment of reimbursed travel, meal, and lodging expenses incurred prior to disposal of home (rental or personal property) is in accordance with the above items 4. a., b., and c. Reimbursement of expenses incurred after disposal of home are taxable, except for reimbursements that qualify as excludable moving expenses.

Tax Allowance

6. The Company will provide a tax allowance on all reimbursements considered taxable income to the employee on temporary assignment, except that no tax allowance will be paid on Company reimbursed living expenses incurred after an employee has disposed of their home at the old location.

State and Local Taxes

Payroll Notification

7. Temporary assignments of less than 30 days should be ignored for purposes of changing state and local income tax withholding. If the temporary assignment will be longer than 30 days, the employee's Human Resources office should notify Payroll prior to the start of the assignment. Payroll would then take the appropriate state and local taxes based upon the temporary assignment start date.

8. State income tax withholding will be based upon the employee's work status except where an employee goes from a taxing state, such as Ohio or Louisiana, to a non-taxing state, such as Texas. If this situation occurs, the employee will have state income tax withheld based on the employee's permanent residence location.

Advise Employees

9. All employees who accept a temporary assignment should be notified by the employee's Human Resources office of the state and local tax withholding requirements prior to the start of the assignment.

Adverse Tax Situation

10. If the temporary assignment results in an adverse state and local tax situation, the employee should contact their Human Resources office for a possible reimbursement. This request is then submitted to the Payroll Tax Coordinator.

11. The reimbursement for the state and local taxes if an adverse situation exists will be calculated at the completion of the temporary assignment and/or after the employee's temporary assignment crosses over a tax year. The amount of reimbursement will be charged to the area where the employee was on temporary assignment.

Two Types of Temporary Assignments

12. Temporary assignments are divided by duration into two types:

    a. Short-Term — three months or less.

    b. Long-Term — greater than three months and less than one year.

Two Employee Classifications

13. Employees on temporary assignment are classified as:

    a. Employee Alone — single or married employee not accompanied by household members, or

    b. Employee Accompanied — employee accompanied by household members.

14. Temporary assignment allowances (described hereafter) vary by:

    a. type of assignment (Short-term vs. Long-term), and

    b. employee classification (Employee Alone or Employee Accompanied).

C. Short-Term Temporary Assignment Allowances

Duration

1. Three months or less.

Eligibility

2. Employee only.

Reimbursement Method

3. Business Expense Report.

Expenses Reimbursed

Travel Expenses

4. The Company will reimburse transportation and reasonable meal and lodging expenses for one round trip to and from the new location. The transportation may be by Company car, rental car, air or rail (economy or most practical class), or personal car. Reimbursement for personal car transportation is at the standard Company mileage rate. The reimbursable round trip need not be the first nor last trip.

Living Expenses

5. Reasonable meals. The Company will also provide a motel room, furnished apartment or suitable accommodation including maintenance, cleaning, rent and utilities. The housing must be approved by the local supervisor and Human Resources supervisor.

Transportation at New Location

6. For such time a personal car is not at the new location, the employee will be provided with a rental or Company car.

Home Trips

7. **Employee Accompanied** — None.

   Employee Alone — The Company will reimburse employee round trip transportation costs for one week-end home trip every two weeks. In special cases where the distance between the temporary location and the employee's home is short and travel time and costs are low, the employee's supervisor may authorize more frequent reimbursable trips. It is expected that such authorization would not involve additional time off from the temporary assignment.

Home Site Expenses

8. An employee who must compensate a provider for the care of dependent children, elderly parents and/or an incapacitated spouse during the Temporary Assignment that requires the employee to be away from home at least one night, will be reimbursed according to the following provisions:

   a. an allowance up to $60 per day for the first dependent child and up to $35 for each additional dependent child.

   b. an allowance up to $60 per day for care of an incapacitated spouse.

c. an allowance up to $60 per day for care of an elderly parent and up to $35 for each additional elderly parent.

d. the provider cannot reside in the employee's home.

e. the provider cannot be the parent of the dependent child(ren.)

f. the employee cannot be reimbursed for care that is normally provided while the employee is working at the home work location.

g. the employee must submit valid receipts from the service provider containing the following:
   - name and signature of provider,
   - statement of services provided,
   - date, time and cost of service, and
   - address and telephone number of provider.

h. reimbursements are taxable expenses to employees.

9. An employee will be reimbursed for expenses not normally incurred during the Relocation, as follows:

   a. when primary residence is not occupied by a household member:
      i. animal care — up to $25 per day, per animal, for up to two animals.
      ii. house sitter or house check services — up to $25 per week, so long as the provider of such services is not a household member and the residence is unoccupied for a period in excess of seven (7) days.

   b. when primary residence is or is not occupied by a household member:
      i. lawn maintenance — up to $50 per seven (7) day period for lawn maintenance; only for assignments in excess of seven (7) days.
      ii. snow removal — up to $50 per seven (7) day period for snow removal, as needed.

   c. the employee must submit valid receipts from the service provider containing the following:
      - name and signature of provider,
      - statement of services provided,
      - date, time and cost of service, and
      - address and telephone number of provider.

   d. reimbursements for animal care, house sitter services, lawn maintenance and snow removal are taxable expenses to employees.

3. If the employee derives a benefit or profit from the home at the primary residence (i.e., renting the house), the employee is no longer eligible for a Home Site Expense allowance under the Policy.

Expenses Not Reimbursed

10. Employees on short-term temporary assignment are not eligible for:
    - Transfer Allowance Advances
    - Moving Expenses
    - Temporary Living Expenses
    - Relocation Allowance
    - Cost of Living Allowance

Vacation

11. Employees should schedule vacation before or after the assignment.

Other Provisions

12. Employees on short-term temporary assignment are not eligible for other Relocation Assistance Policy provisions unless a permanent transfer to an identified third location is approved and documented.

D. Long-Term Temporary Assignment Allowances

Duration

1. Greater than three months and less than one year.

Eligibility

2. Employee plus household members accompanying the employee at the new location.

Reimbursement Method

3. Expenses not related to the temporary assignment should be filed as a normal Business Expense Report through Concur Expense.
4. Expenses (including all expenses for accompanying household members) must be submitted through Concur Expense using the appropriate Temporary Assignment (TA) codes.
5. See “Tax Discussion” in this section for more details.

Transfer Allowance Advance

6. **Employee Alone** — None.

   Employee Accompanied — A reasonable amount of funds may be advanced to the employee through the releasing or receiving Human Resources office. Advances should be limited to 70% of the total reimbursable expenses.

Expenses Reimbursed

Moving Expenses

7. **Approved Unfurnished Housing** — The Company will pay the relocation company directly for the cost of moving the household goods (packing, moving, unpacking, and insurance in transit). The employee should coordinate the movement or shipping of household goods through the Employee Relocation Office.
8. **Furnished Housing** — The Company will reimburse the cost of shipping up to 2,100 pounds by shipment through the relocation company's van lines. The employee should coordinate the movement or shipping of household goods through the Employee Relocation Office.

Travel Expenses

9. The Company will reimburse temporarily assigned employees for transportation and reasonable meal and lodging expenses for one round trip to and from the new location.
   a. Employee Accompanied household members will also be reimbursed for transportation and reasonable meal and lodging expenses for one round trip to and from the new location.
   b. The transportation may be by Company car, rental car, air, or rail (economy or most practical class), or personal car.
   c. Reimbursement for personal car transportation at the standard Company mileage rate is limited to:

      Employee Alone — one car.

      Employee Accompanied — two cars.
   d. The reimbursable round trip need not be the first nor last trip.

Living Expenses

10. **Employee Alone** — Reasonable meals.

    Employee Alone or Employee Accompanied — The Company will provide a motel room, furnished apartment or suitable accommodation including maintenance, cleaning, rent and utilities. The housing must be approved by the local supervisor and Human Resources supervisor.

Transportation at New Location

11. It is expected employees will use their personal car at the new location. However, Managers/Supervisors may at their discretion allow employees to use rental cars, as described below:

    Employee Alone — For the duration of the assignment.

    Employee Accompanied — For a maximum 3 months.

Home Trips

12. **Employee Accompanied** — Round trip transportation costs for the employee for one weekend home trip every two months except that upon disposal of home at the old location, employees will not be entitled to home trips.

    Note: Employees on long-term temporary assignments are required to disclose to the Company the disposal of their permanent residence at the old location.

    Employee Alone — Round trip transportation costs for one weekend home trip every two weeks. In special cases where the distance between the temporary location and the employee's home is short and travel time and costs are low, the employee's supervisor may authorize more frequent reimbursable trips. It is generally assumed that the trip to visit family will be to the old location, however, if the family is at a different location, the reimbursement costs will not exceed what would have been the round trip cost involving the old location. It is expected that such authorization would not involve additional time off from the temporary assignment.

Relocation Allowance

13. A lump-sum relocation allowance of one-third month's post-transfer pay up to a maximum of $1,500 will be paid to:

    a. **Employee Alone** — Only if moving into housing rented as unfurnished, or

    b. **Employee Accompanied**.

14. An allowance will not be paid to an employee moving without household members into housing that is rented as furnished.

Cost of Living Allowance

15. The employee will receive appropriate cost of living allowance if assigned to Alaska or New York and not on an expense account.

Vacation

16. Scheduled at the discretion of management at the new location.

Home Site Expenses

17. An employee who must compensate a provider for the care of dependent children, elderly parents and/or an incapacitated spouse during the Temporary Assignment that requires the employee to be away from home at least one night, will be reimbursed according to the following provisions:

    a. an allowance up to $60 per day for the first dependent child and up to $35 for each additional dependent child.

    b. an allowance up to $60 per day for care of an incapacitated spouse.

    c. an allowance up to $60 per day for care of an elderly parent and up to $35 for each additional elderly parent.

    d. the provider cannot reside in the employee's home.

e. the provider cannot be the parent of the dependent child(ren).

f. the employee cannot be reimbursed for care that is normally provided while the employee is working at the home work location.

g. the employee must submit valid receipts from the service provider containing the following:

- name and signature of provider,
- statement of services provided,
- date, time and cost of service, and
- address and telephone number of provider.

h. reimbursements are taxable expenses to employees.

18. An employee will be reimbursed for expenses not normally incurred during the Relocation, as follows:

a. when primary residence is not occupied by a household member:

i. animal care — up to $25 per day, per animal, for up to two animals.

ii. house sitter or house check services — up to $25 per week, so long as the provider of such services is not a household member and the residence is unoccupied for a period in excess of seven (7) days.

b. when primary residence is or is not occupied by a household member:

i. lawn maintenance — up to $50 per seven (7) day period for lawn maintenance; only for assignments in excess of seven (7) days.

ii. snow removal — up to $50 per seven (7) day period for snow removal, as needed.

c. the employee must submit valid receipts from the service provider containing the following:

- name and signature of provider,
- statement of services provided,
- date, time and cost of service, and
- address and telephone number of provider.

d. reimbursements for animal care, house sitter services, lawn maintenance and snow removal are taxable expenses to employees.

19. If the employee derives a benefit or profit from the home at the primary residence (i.e., renting the house), the employee is no longer eligible for a Home Site Expense allowance under the Policy.

Reimbursement of Tax Consulting Services

20. Employees on long-term temporary assignments in state other than their home state are eligible for reimbursement of up to $500 per year in tax consulting/tax preparation services that may be needed as a result of the assignment that is expected to last for more than one year or does in fact last for more than one year. This expense is taxable to the employee and a 50% tax allowance will also be provided.

Other Provisions

21. Employees on long-term temporary assignment are not eligible for other Relocation Assistance Policy provisions unless a permanent transfer to an identified third location is approved and documented.

VI. Co-ops and Interns

A. Relocation Allowance

1. Co-ops/Interns who relocate will be provided with a $3,000 lump sum Relocation Allowance to assist with relocation expenses.
2. In the event of unusual or extreme market conditions, the Senior Vice President, Human Resources, is authorized to increase the lump sum Relocation Allowance up to a $4,000 maximum to assist with relocation expenses.

B. Eligibility Guidelines

3. Co-ops/interns who do not relocate or who remain under their pre-existing housing/lease agreements are not eligible for the $3,000 lump sum Relocation Allowance.
4. Back-to-back co-ops/interns who remain in the same MPC location are only eligible for the $3,000 lump sum Relocation Allowance once. Back-to-back co-ops/interns who move from one MPC location to another are eligible for the $3,000 lump sum Relocation Allowance with each move.
5. Co-ops/interns who move home or to their permanent residences are not eligible for the $3,000 lump sum Relocation Allowance.
6. Co-ops/interns who secure new housing in the town/city where they attend school are eligible for $3,000 lump sum Relocation Allowance only if 1) they stay in that location for purposes of the co-op/internship and 2) their new lease begins within 30 days of their start date.

C. Time Limits for Reimbursement

7. Eligible co-ops/interns must complete and submit the Co-op/Intern Relocation Assistance Plan Verification Form no more than 30 days before their start date, and no later than 60 days after their start date, in order to receive the $3,000 lump sum Relocation Allowance.

D. Reimbursement Time Limits, Approvals, Exceptions, Coordination

1. See **Item VII. Other Provisions** of this section.

E. Tax Treatment/Tax Allowances

1. See **Section II — Taxes**.

VII. Other Provisions

A. Reimbursement Time Limits

1. The following time limits apply for submitting expenses:
   - Eligible relocation expenses must be submitted to the Relocation Company for reimbursement within 30 days of incurring expenses.
   - Upon submission of eligible moving-related expenses, reimbursements made to employees by the Relocation Company will result in taxable income which must be reported in the employee’s regular earnings.
   - Once the employee receives reimbursement of eligible moving-related expenses from the Relocation Company, MPC will process the taxes, minus tax allowances through Payroll.

B. Approvals

1. Unless otherwise specifically stated, all expenses paid under this Policy are the responsibility of the receiving organization and require the following approvals:
   - The Relocation Company
   - The Relocation Coordinator in Findlay.

C. Exceptions

1. Exceptions to the Policy may be granted if approved by the Vice President in the employee’s “receiving” organization and the Benefits Policy Manager.

D. Coordination

1. Employee Relocation in Findlay is the Central Coordinator for the Policy.
2. The Human Resources office at each Company location administers the Policy locally.

E. Participation by Associated Companies and Organizations

Upon specific authorization and subject to such terms and conditions as it may establish, Marathon Petroleum Company LP may permit eligible employees of subsidiaries and affiliated organizations to participate in this Policy. Currently, these participating companies include, but are not limited to, Marathon Petroleum Company LP, Marathon Petroleum Corporation, Marathon Petroleum Service Company, Marathon Petroleum Logistics Services LLC, Marathon Refining Logistics Services LLC, and MW Logistics Services LLC.

The term “Company” and other similar words shall include Marathon Petroleum Company LP and such affiliated organizations. The term “employee” and other similar words shall include any eligible employee of these companies.

F. Modification and Termination

The Company reserves the right to modify or terminate this Policy, in whole or in part, in such manner as it shall determine, either alone or in conjunction with other policies of the Company. Modification or termination may be made by the Company for any reason, including but not limited to modifications under the Internal Revenue Code or to comply with applicable state or federal regulations. Modifications or termination can be applied, at the sole discretion of the Company, to any or all members.

Section II — Taxes

I. Tax Treatment of Expenses

1. All moving expenses reimbursed to employees, or paid on their behalf, will be included in their income and subject to all normal tax withholding requirements in accordance with the Internal Revenue Code and applicable state and local jurisdictions.

II. Tax Allowances

1. To assist employees in paying additional Federal and State income taxes they incur, the Company provides a Federal, FICA and State tax allowance on certain eligible relocation expenses.

State Tax Allowance

2. A state tax allowance is paid on taxable amounts, including allowances, except:
   - Home Sale Incentive
   - Mortgage Interest Rate Subsidy
   - Home Site Expenses
   - $5,000 lump sum Relocation Allowance in lieu of tax-assisted reimbursement expenses for New Employees.
   - $4,000 lump sum Relocation Allowance for Transferred Hourly and Non-exempt Employees.
   - $3,000 lump sum Relocation Allowance for Co-ops and Interns.

FICA Tax Allowance

3. A FICA tax allowance is paid on all taxable amounts, including allowances, except:
   - Home Sale Incentive
   - Mortgage Interest Rate Subsidy
   - Home Site Expenses
   - $5,000 lump sum Relocation Allowance in lieu of tax-assisted reimbursement expenses for New Employees.
   - $4,000 lump sum Relocation Allowance for Transferred Hourly and Non-exempt Employees.
   - $3,000 lump sum Relocation Allowance for Co-ops and Interns.
4. The FICA tax allowance is calculated by using the rates and wage base in effect for the year in which the moving expenses are reported on Form W-2. (See tax charts.)

Federal Tax Allowance

5. A federal tax allowance is paid on all taxable amounts, including allowances, except:
    - Home Sale Incentive
    - Mortgage Interest Rate Subsidy
    - Home Site Expenses
    - Mortgage Interest and Real Estate Taxes
    - Points and Loan Origination Fees
    - $5,000 lump sum Relocation Allowance in lieu of tax-assisted reimbursement expenses for New Employees.
    - $4,000 lump sum Relocation Allowance for Transferred Hourly and Non-exempt Employees.
    - $3,000 lump sum Relocation Allowance for Co-ops and Interns.
6. For purposes of providing the Federal Tax Allowance, modified marginal Federal tax rates will be calculated for each tax year in which rates or brackets change. The minimum modified marginal Federal tax rates will be equal to the required withholding rate under the law. These modified marginal Federal tax rates represent Federal tax rates, which are increased to negate the marginal effects of Federal taxes on the tax allowances, in effect providing a tax gross-up. (See tax charts.)
7. For determining the modified marginal Federal tax rates, the following income amounts are used:
    a. Annualized Base Salary
    b. Bonus

    Note: When a married couple (both employed by the Company) is simultaneously hired or transferred by the Company and both husband and wife are eligible for relocation benefits, the modified federal tax rates will be based on the couple's combined income.

Tax Allowance Computation

8. The following tax charts will be used in computing the tax allowance.

Adverse Tax Review

9. If the employee's taxable relocation expenses, when added to all other taxable income, cause:
    - The employee to be wholly or partially ineligible for:
        - Child tax credits;
        - Educational credits/deductions;

- The employee to be subject to:
  - A phase-out of dependent exemptions;
  - A limitation on itemized deductions;
  - Alternative Minimum Tax (AMT), or a higher AMT;

  then the Company will review the employee's federal income tax return and reimburse the missing credit, deduction, or AMT adjustment to the employee.

  Employees will be required to submit a copy of their federal tax return (as filed with the IRS) to the Relocation Office with an explanation of why the employee is requesting a review. The Company will not review federal tax returns more than two years old. Any reimbursement for which the employee may be eligible will be processed through payroll and tax allowance provided, if applicable. State and local taxes are NOT reviewed.

2018 FICA Tax Allowance

- FICA — OASDI Rate for 2018 = 6.2% of wages up to $128,400
- FICA — Medicare Rate for 2018 = 1.45% (no wage limit)
- FICA — Additional Medicare withholding on wages in excess of $200,000 = 0.9%

2018 Modified Marginal Federal Tax Rates
(Head of household will be included under the single rate schedule below.)

Married		
Taxable Income for RP*	**Federal Tax Rates**	**Modified Marginal[1] Federal Tax Rates**
Less than $19,050	10%	22%**
$19,050 – $77,400	12%	22%
$77,400 – $165,000	22%	28%
$165,000 – $315,000	24%	32%
$315,000 – $400,000	32%	47%
$400,000 – $600,000	35%	54%
$600,000 and up	37%	59%
Single		
Less than $9,525	10%	22%**
$9,525 – $38,700	12%	22%
$38,700 – $82,500	22%	28%
$82,500 – $157,500	24%	32%
$157,500 – $200,000	32%	47%
$200,000 – $500,000	35%	54%
$500,000 and up	37%	59%

[1] The Modified Marginal Federal Tax Rate for each Federal tax bracket in excess of the required withholding rate, currently 22%, will be established for each tax year as follows:

$$\frac{1}{(1 - \text{Federal Tax Rate})} - 1 = \text{Modified Marginal Federal Tax Rate for RP}$$

* The following Two Definitions are Income for RP:

1. Base RP Income = Annualized Base Salary + Bonus + Home Sale Incentive Bonus
2. Total RP Income = Base RP Income + Taxable Moving Expenses Less Federal Tax Deductible Amounts + FICA Tax Allowance.

For Taxable income, the above two income definitions are reduced by the standard deduction.

Note:

- When a married couple is simultaneously transferred by the Company and both husband and wife are eligible for relocation benefits, the tax allowance will be based on the couple's combined income.
- The 2018 Standard Deduction = $24,000 married, $12,000 single.
- The acronym "RP" is used to refer to the Relocation Policy.

** Established as a minimum since required withholding is 22%.

Section III

Interim Relocation Policy Provisions for Specific Locations as Approved by the Vice President of Each Affected Operating Organization and the Senior Vice President of Human Resources

I. Background

The below revisions are incorporated into the Marathon Petroleum Relocation Policy for Company locations at such time and for such time durations as recommended and approved by the Vice President of the affected operating organization and the Senior Vice President of Human Resources. The revisions are limited to those listed below, with all other provisions of the Policy remaining intact.

II. Eligibility

1. Exempt and non-exempt employees who are requested by the Company to relocate to a job assignment subject to the following: the new place of work and former residence must be at least 50 miles more than the distance between the old place of work and former residence.

III. Time Frame

1. If circumstances exist and with the support and approval of the Vice President of the affected operating organization and the Senior Vice President of Human Resources, Health Services, and Administrative Services, employees will have the opportunity to extend the Policy's 12 month requirement for completing a transfer to a time period not to exceed 18 months from the transfer date.

IV. Advance House-Hunting Trip Expenses

1. Number of Trips
   - If circumstances exist and with the support and approval of the Senior Vice President of Human Resources, Health Services, and Administrative Services and the Grade 16 or above Operating Manager of the affected organization, additional trips will be permitted beyond the one advance house-hunting trip provided by the Policy for moves over 150 miles.
2. Number of Days
   - Maximum of 60 days for advance house-hunting trip/temporary living combined. This compares to the 45 days normally provided by the Policy.

V. Temporary Living Expenses

1. Number of Days

   - Maximum of 60 days for advance house-hunting trip/temporary living combined. This compares to the 45 days normally provided by the Policy.

VI. Home Sale Assistance

1. Time Frame

   - Home sale must be completed within the time frame permitted as defined above in this section.

2. Sales Below Guaranteed Offer

   - If sale is within 95% of Guaranteed Offer, employee will be paid equity based on Guaranteed Offer. This compares to the 97% rate normally offered under the Policy.

VII. Loss-on-Sale

1. With substantiated market surveys and analysis giving evidence of the potential negative impact of MPC transfers on a given local housing market, the Vice President of the affected operating organization and the Senior Vice President of Human Resources, Health Services, and Administrative Services may approve a different definition and formula for loss-on-sale consideration.