

# Marathon Petroleum Separation Policy

June 1, 2016



# Separation Policy

## Definition

1. An employee is considered separated from the Company when the employee's employment relationship is permanently or temporarily discontinued as a result of action taken by the Company or employee.

## Background

1. The Company does not have employment contracts, either expressed or implied, with its employees. An employee may leave the Company's employ at any time for any reason. Likewise, the Company is not committed to any employee for any fixed term of employment. This arrangement is referred to legally as employment-at-will.
2. Accepted Company practice is to never discharge "on the spot" but to suspend pending an investigation and then discharge if the facts justify that action.
3. With the increasing erosion of the "employment-at-will" doctrine in some states, there is an increased need to assure that Human Resources advises Law prior to any permanent and temporary separation to determine the potential liability of discrimination charges and/or breach of employment contract suits **before** the extent of disciplinary action is determined by management.
4. When considering an employee's permanent or temporary separation, Human Resources should be contacted. Human Resources will then contact Law to assure that the separation does not violate any federal, state, or local laws (including state laws applicable to the Company's neutral discharge practice).

In extreme cases of misconduct, where immediate action is necessary (for example, insubordination, intoxication, fighting, possession of illegal substances, acts of dishonesty, etc.) the employee should be **suspended** and advised not to return to work until contacted by management. Human Resources **and** Law should then be informed of the situation. This period of suspension will give management the time to investigate the incident and determine the appropriate disciplinary penalty, if any. Whether or not wages are paid for the suspension period will depend upon the results of the investigation and the decision of local management.

NOTE: A permanently or temporarily separated employee must always be told the reason for separation. However, this reason must first be discussed with Human Resources **and** Law.

## Permanent Separation

1. The employee is considered permanently separated by any of the following means:
  - **Discharge** — An employee may be discharged subject to restrictions and limitations of federal and local law.
  - **Resignation** — An employee may voluntarily resign.
  - **Retirement** — An employee may retire from the Company if they are at least age 50 and have 10 years of accredited service, as defined in the Employee Service Plan.
  - **Permanent Layoff** — An employee who is laid off due to the closing of a facility, reduction in the work force, discontinuance of an operation or job, economic conditions, etc., is considered permanently separated.
  - **Death.**

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- **Separation Pursuant to the Neutral Discharge Practice** — An employee on a leave of absence and who has not provided services to the Company for a period of time exceeding 24 months is considered permanently separated from the Company except: 1) in situations where the continuation of employment is either legally required or is pursuant to the terms of a collective bargaining agreement; or 2) the employee's date of disability is prior to January 1, 2010, and employee is presently receiving disability benefits under the terms of the Marathon Petroleum Long Term Disability Plan or appealing the denial of such benefits. If the employee's date of disability is on or after January 1, 2010, and employee has not provided services to the Company for a period of time exceeding 24 months, the employee will be considered permanently separated from the Company. The employee may elect to retire, if eligible, at the time of the permanent separation.

A Casual employee who has not provided services to the Company for a period of time exceeding 12 months is also considered separated under this practice.

- **Termination** — In certain situations, an employee may be terminated for reasons other than those listed above. All permanent separations not falling within the categories set forth above will be considered terminations.

## **Benefit Plan Status**

2. Handling of benefit plans for a permanently separated employee is discussed under individual benefit plans.

## **Temporary Separation**

1. The employee is considered temporarily separated by any of the following means:
  - **Layoff** — An employee may be laid-off due to a temporary lack of work. The layoff may turn out to be permanent, but at the time of inception, it should be considered temporary with the anticipation of recalling the employee when conditions justify.  
  
When a layoff becomes necessary, length of service is considered along with ability, potential, and job performance in determining which employees are to be laid off.
  - **Leave of Absence** — An employee may be granted a military, sick, family, educational, or personal leave of absence. It is anticipated that under normal circumstances the employee will return to work when the leave expires.

## **Benefit Plans Status**

2. Handling of benefit plans for an employee on **layoff** or **leave of absence** is discussed under individual benefit plans.

## **Effective Date**

1. The effective date of separation is normally determined as follows:
  - **Discharge, Termination and Layoff** — The last day the employee has responsibilities pertinent to the employee's occupation, as determined by the supervisor. (See "NOTE" that follows "Resignation.")
  - **Resignation** — The last day the employee has responsibilities pertinent to the employee's occupation, as agreed upon by the employee and supervisor.

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NOTE: The effective date of separation for **Discharge, Termination, Layoff** or **Resignation** is normally the last day the employee has responsibilities pertinent to the employee's occupation. Under no circumstances should this effective date be moved forward to include unused vacation days or holidays.

- **Retirement** — The last day of the month immediately preceding the month of retirement.
- **Death** — Date of death as shown on the Certificate of Death.
- **Leave of Absence** — The date is set by the supervisor in accordance with the provisions of the leave policy involved.

## Plant Closing Law

1. The Worker Adjustment and Retraining Notification (WARN) Act (also referred to as the Plant Closing Law) applies to MPC.
2. Generally, WARN may apply to employment actions which will result in the termination, layoff, or substantial reduction of hours for 50 or more workers. However, if less than 50 workers are affected by the employment action, the law may still apply if in the aggregate more than 50 workers are affected within a 90-day moving period.

For example:

**April 15 — 35** workers which constitute the entire staff of a single operating unit are laid off (no notice was given).

**June 30 — 20** workers within a different operating unit are laid off (no notice was given).

The burden of proof would be on the employer to prove that the decision to lay off the 20 workers on June 30 was not part of the same decision to lay off the workers on April 15.

3. With regard to an employment action, the law requires that at least 60 days prior to the date the employment action is taken, certain people and agencies must receive written notice of the upcoming action. Failure to do so would result in monetary damages and fines to MPC.
4. This law does not preempt any applicable state law or any contractual obligation.
5. If you are involved in an employment action to which WARN may apply, you should contact your Human Resources office or Manager who must contact the legal labor counsel for your organization.

## Equal Employment

1. All personnel actions and practices, including separation decisions, shall be in accordance with the Company's Equal Employment Policy objectives.

## Human Resources

1. All permanent and temporary separation decisions should be reviewed by Human Resources prior to implementation.
2. Human Resources will conduct a separation interview with separated employees.