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This packet contains communications for **exempt to non-exempt** FLSA status changes for U.S. employees of WESTMED Practice Partners joining UnitedHealth Group/Optum360 on July 21, 2019.

Notifier Talking Points: Job Conversion from Exempt to Non-Exempt for the notifier to use when informing employees of the status change.

Employee Fact Sheet: Job Conversion from Exempt to Non-Exempt to give to each employee.

Manager FAQs: Job Conversion from Exempt to Non-Exempt to distribute to managers of affected employees.

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Notifier Talking Points: Job Conversion from <u>Exempt to Non-Exempt</u>

Use these to guide notifications to employees, but do not share this document.

As part of the transition to UnitedHealth Group, the exemption status for your job will change from exempt to non-exempt on July 21, 2019.

The change to non-exempt will not affect your base pay or your benefits. It is not a demotion and it will not affect your ability to grow in our enterprise.

The reclassification of your job as non-exempt means:

- You will now be paid an hourly rate and your pay will be based upon the number of hours you work.
- You will be paid overtime for hours worked over 40 per workweek.
- Any overtime you work must be approved in advance by your manager.
- You must record all time worked up to the minute, including overtime, in the online time reporting system or your pay will be delayed.
- Should you work overtime in any given week without prior approval, be sure to enter all hours worked in the online time reporting system. You will be paid for all time worked. However, you may be subject to disciplinary action for not obtaining prior overtime approval.
- Overtime calculation does not count holiday hours that are paid but not worked, paid time off (PTO), or other paid time away from work.
- Taking accountability for accurately reporting your time will help ensure your paycheck is accurate and on time.
- You'll receive an email message instructing you to complete a 15-minute online course on how to use the online time reporting system after you receive your employee ID the week of July 21, 2019.

Do you have any questions?

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Employee Fact Sheet: Job Conversion from <u>Exempt to Non-Exempt</u>

As part of the transition process, we conducted detailed analyses to map the jobs at WESTMED Practice Partners to similar positions in UnitedHealth Group. As a result of that job mapping, the exemption status for your job will change from exempt to non-exempt on July 21, 2019.

This change is not a demotion and will not affect your ability to grow in the company.

Here's a summary of what the change in status means for you:

- Starting the week of July 21, 2019, you must record all time worked, up-to-the minute, in the online time reporting system. Time worked includes activities you perform in order to complete tasks assigned to you by your manager, such as logging into your computer and reading procedure updates. UnitedHealth Group does not round time worked up or down.
- You must correctly enter all your time away from work each pay period. Time away from work includes things like paid time off (PTO) and meal breaks.
- Taking accountability for reporting your time will help ensure your paycheck is timely and accurate.
- You'll receive an email message instructing you to complete a 15-minute online course on how to use the online time reporting system after you receive your employee ID the week of July 21, 2019.
- You will experience a delay in pay if you fail to submit your time worked promptly and correctly; you will need to work with the HRdirect Contact Center to resolve any issues.
- You will be paid overtime for time worked exceeding 40 hours per workweek.
- If you believe it is necessary to work overtime, you must obtain your manager's prior approval. This will enable your manager to plan and also to manage the costs associated with overtime by reallocating resources in appropriate situations to avoid unneeded overtime.
- Should you work overtime in any given week without prior approval of your supervisor, you are still required to report your time worked in the online time reporting system. While you will be paid for all time worked, repeated instances of working overtime without prior approval may result in disciplinary action.

Statements made herein are general summaries. UnitedHealth Group reserves the right to amend, modify, or terminate the benefits discussed herein at any time. If there are any differences between the official plan document for any benefit plan and this summary, the official plan document governs. See the Benefits Handbook on the Hub, UnitedHealth Group's Intranet, for plan provisions once you become an employee. Visit the [Benefits Information Website](http://benefitsinfo.uhg.com/optum360/) for plan details (http://benefitsinfo.uhg.com/optum360/).

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Manager Frequently-Asked Questions and Answers:
Job Conversion from Exempt to Non-Exempt
Use this document to become familiar with job reclassifications. **Do not distribute this document.**

1. **Why are these changes being made?**

   This change aligns the jobs at WESTMED Practice Partners to similar positions in UnitedHealth Group.

2. **Must non-exempt employees report their time online?**

   Yes, non-exempt employees must track time worked, up-to-the minute, in the online time reporting system. UnitedHealth Group does not round time worked up or down. Employees are paid based on what they enter into this system and what their managers approve. Employees will receive an email message instructing them to complete a 15-minute online course on the online time reporting system after they receive their employee IDs the week of July 21, 2019.

3. **What should be recorded as paid time?**

   We are required by law to pay non-exempt employees for all of the time they spend working for us. This includes any work or activities employees perform related to their jobs including checking email, logging in or out of their computers, preparing for meetings, making calls about work-related issues, etc. Even if employees choose to perform work-related tasks outside of work hours, they must report and be paid for that time. Employees may not donate their time because they want to complete tasks or make their departments more productive. If they perform work, they must be paid. There are no exceptions.

4. **What qualifies as overtime?**
   - Nonexempt employees in all locations are eligible for overtime pay when they work more than 40 hours in a regular workweek. Paid time off (PTO), company holidays, jury duty hours and funeral leave days on which the employees do not actually work are not part of the overtime calculation.
   - Employees in California, Colorado and Alaska are subject to state-specific overtime rules. These rules are explained in detail in the Work Time and Overtime Pay policy on the Hub.

5. **Do managers need to approve all overtime in advance?**

   Yes, all overtime needs to be approved in advance. Each manager should establish a pre-approval process and communicate the process to his/her employees. Managers must be realistic when assigning work to ensure that, if overtime is not available, employees feel no pressure to work extra time "off the clock". If managers don't approve overtime but expect employees to complete tasks that require extra time, it's like directing them to work off the clock. If employees work off the clock, even without approval, we are still responsible as their employer for paying them for all of the time they have worked. Therefore, make sure you discuss workload with employees to avoid unexpected or unapproved overtime pay.

6. **What if a non-exempt employee chooses to work overtime to get his or her work done and I haven't approved it in advance?**

   Even if overtime is not approved, time must be paid at the overtime rate for all time worked in excess of 40 hours per week. If an employee works overtime without pre-approval, the employee may be subject to disciplinary action for violating company policy. Working "off the clock" is not an option. Employees must record all time worked.

7. **When does a workday officially begin?**

   Under federal law, employees' days and their associated pay begin when they start doing work-related activities, such as logging into their computer. Many departments schedule a time allowance for start-up purposes at the beginning of each shift. Some employees may come into work early for non-work related activities such as to socialize, get breakfast or coffee etc. If you have employees who want extra time for these activities, please advise them to perform them before logging in.

8. **Do non-exempt employees receive overtime pay for holidays or PTO?**

   No, per the Time Reporting Policy, overtime is not paid for holidays or PTO.

9. **Is on-call time considered work time?**

   Please work with your human capital partner to determine whether on-call time must be paid.

10. **Is there a Time Reporting Policy I should be familiar with before talking to my employees?**

    Yes, and you can find the Time Reporting Policy online as soon as you receive your system credentials the week of July 21, 2019.

11. **Should I regularly review online time entries?**

    Managers are required to approve time online on a bi-weekly basis, prior to the payroll deadline, to ensure employees are accurately recording all time worked. Managers who have pending time will receive email reminders to approve time by the deadline (normally 6:00 p.m. ET on Monday of each pay week). Managers who fail to approve time by the deadline will receive another email reminder, as will their managers, indicating time was not approved.

12. **Is there training for managers on the online time reporting system?**

    You'll receive an email message instructing you to complete a 15-minute online course on how to use the online time reporting system after you receive your employee ID the week of July 21, 2019.

13. **Will non-exempt employees be paid for travel time?**

    The company pays for time spent traveling on company business if you are classified as a non-exempt employee. The Travel Pay policy you will have access after integration describes the guidelines used when determining when travel time is considered paid time for non-exempt employees. You will be able to find the policy on The Hub, UnitedHealth Group's employee intranet.