

**Time-Off Programs**

**MILITARY SERVICE LEAVE OF ABSENCE**

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## **ELIGIBLE EMPLOYEES**

For the purposes of this summary, the term “Company” means FirstEnergy Corp. and any of its operating companies to which the FirstEnergy Time-Off programs have been extended (see section entitled “Participating Employers”).

Time-Off Benefits generally apply to all full-time and part-time regular employees not represented by a labor union. Employees represented by a labor union should refer to their respective labor agreements for information regarding Holidays, Paid Absence Days, Vacation, Leave of Absence, Disability Income Benefits, Time-Off for a Funeral, Time-Off for Jury Duty, and Military Leave of Absence.

Questions regarding this material should be directed to your local Human Resources Representative. For additional assistance, contact the Payroll Section of the Human Resources Department.

## **MILITARY SERVICE LEAVE OF ABSENCE**

**Effective: January 1, 2011 (Replaces policy effective January 1, 2009)**

**Purpose:** This military service leave policy is intended to be a set of guidelines to implement, in part, the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). It is intended to address the majority of situations that may arise under the USERRA. However, the Company reserves the right to implement any other provisions of the USERRA to resolve individual circumstances not covered by this policy.

Per Company policy and/or as required by USERRA, an employee on a military service leave of absence has certain employee benefits and reemployment rights generally not available to other separated employees.

**Eligibility:** All eligible employees who are required to perform duty either voluntarily or involuntarily in the “uniformed services” as defined by USERRA including the Army Reserve, Naval Reserve, Marine Corps Reserve, Air Force Reserve, Coast Guard Reserve, Army National Guard, Air National Guard, U.S Merchant Marines, and the Commissioned Corps of the Public Health Service. This includes active duty, active duty for training, inactive duty for training, full-time National Guard duty, funeral honors duty performed by National Guard or reserve members, and periods which the employee is absent from work for an examination to determine fitness to perform any such military duty.

For further details regarding coverage, please refer to the Wage Continuation or Benefits Continuation section of the policy.

**Policy/Procedure:** FirstEnergy’s Military Leave of Absence Time-Off Program is designed to support employees serving in the military by providing subsidized benefits and differential pay for certain periods of absence due to military requirements. Differential pay, also known as offset pay, represents the difference between the regular FirstEnergy base salary of an employee and the base wages being paid by the military (this does not include allowances for rations, quarters, hazardous duty, etc.). This offset applies only if the regular FirstEnergy salary is higher than the employee’s military base pay. If an employee’s military salary is higher than his/her regular FirstEnergy base salary, the military leave should be coded on the employee’s timesheet as Military Leave Not Paid (time code MLNP).

To be eligible for the program, the employee must provide advance notice of the required military service to his or her supervisor, timekeeper (where applicable) and local Human Resources Representative as soon as possible after the employee is notified. The employee is responsible for providing a hardcopy of his/her military orders and documentation of military pay (Leave and Earnings Statement) to be eligible to receive differential pay. If a recent Leave and Earnings Statement cannot be obtained, the employee must provide his/her military pay grade and PEBD (Pay Entry Base Date). Military pay documentation and orders should be forwarded to Payroll by the local Human Resources Representative. It is the responsibility of the employee to notify the local Human Resources Representative and Payroll immediately of any changes in pay grade due to promotion or advancement.

The local Human Resources Representative is responsible for advising local management on the administration of the program, assisting in the preparation of the Personnel Action Form (PAF) and exit interview as appropriate, and forwarding necessary military paperwork to Payroll.

**Military Leave of 24 Months or Less:** For administrative purposes, an employee will remain on the payroll during the first 24 months of a military leave. A PAF is required to place an employee on Military Leave if the leave is anticipated to exceed 30 calendar days.

If a military leave is anticipated to exceed 30 calendar days, the local Human Resources Representative should also conduct a military leave exit interview (Form X-2722) with the employee and forward a copy to Payroll.

## **Wage Continuation**

### Annual Active/Inactive Duty for Training or Active Duty in Response to an Emergency or Civil Disorder

Eligible employees on annual active/inactive duty for training will be paid the difference between their regular FirstEnergy base pay and military wages for workdays missed (including weekend drills on a scheduled workday) up to 15 days (120 hours) per calendar year (time code MRTD). Weekend drills not conducted during a scheduled workday are not eligible for military differential pay. With compensation and management approval, shift-workers on non-traditional schedules who are unable to make-up hours lost due to military training may be eligible to receive additional MRTD hours in a calendar year. Contact your local Human Resources Representative with questions regarding eligibility prior to coding any additional time.

Employees called to short-term active duty in response to an emergency or civil disorder (e.g. hurricane relief) may be eligible to receive up to ten additional days of differential pay (time code MRTD). Contact your local Human Resources Representative with questions regarding eligibility.

Upon return to work, the employee must submit proof of the military wages received to his/her local Human Resources Representative. Failure to provide this documentation will result in the employee being ineligible to receive any Company provided differential payment. The local Human Resources Representative will contact Payroll to make the necessary arrangements for differential pay.

An employee may, but is not required to, use his/her unused Paid Absence Days (PADs) and/or unused banked vacation, earned vacation, and vacation accrued for the current calendar year in situations where their time off exceeds 15 days (120 hours) per calendar year. The employee shall be granted military leave time off without pay (time code MLNP) for any time not paid due to military training requirements.

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During the pay week of the military leave of absence, the employee may arrange with his/her supervisor to work extra hours to make up for any unpaid time. However, the employee is not required to make up time due to a military leave of absence.

#### Active Duty – Emergency Recall

Employees called to Active Duty – Emergency Recall will be paid the difference between their regular FirstEnergy base pay and military wages for a period, not to exceed 24 months (time code MRED) within a rolling 5-year period, for long-term active duty service. Part-time employees are also eligible to receive differential pay for their regularly scheduled hours- again for a period not to exceed 24 months within a rolling 5-year period. Pay will be directly deposited to the employee's designated account on normal pay dates. The employee must provide documentation of their expected military wages at the time the Company is notified of the military leave. It is the responsibility of the employee to notify his/her local Human Resources Representative immediately of any changes in pay grade due to promotion or advancement. The local Human Resources Representative will contact Payroll to make the necessary arrangements for differential pay.

#### Active Duty - Other

Eligible military employees who are required to attend a fitness-for-service examination will be eligible to receive differential pay for any missed regularly scheduled workdays (time code MFSD).

Eligible military employees who are called to funeral honors duty will be eligible to receive differential pay for any missed regularly scheduled workdays (time code MFHD).

To be eligible for differential pay, approved military orders and documentation of pay must be forwarded to Payroll prior to the leave of absence. Upon return to work, the employee must submit proof of the military wages received to his/her local Human Resources Representative. Failure to provide this documentation will result in the employee being ineligible to receive any Company provided differential payment. The local Human Resources Representative will contact Payroll to make the necessary arrangements for differential pay.

**Benefits Continuation During First 24 Months of Military Leave:** During the first 24 months of a military leave, the employee may continue to participate in employee benefit programs on the same basis as an active employee. Contributions toward employee benefit programs will continue to be deducted during any paid portion of leave. Upon return to work, payroll deductions will be made for all missed contributions occurring during any unpaid portion of leave.

An employee may, but is not required to, use his/her unused Paid Absence Days (PADs), unused banked or frozen vacation, and/or unused earned vacation for the current calendar year. The employee will not receive holiday pay for holidays that occur while he/she is on military leave, unless the holiday falls within a period of PADs or paid vacation.

An employee's service during a military leave of absence will be included in determining eligibility for future entitlement of VPAD's and PADs. During the calendar year in which the employee begins his/her military leave of absence, any unused earned VPAD's and PADs for the current calendar year will be automatically added to their regular entitlement for the following calendar year. Each year thereafter, unused earned VPAD's and PADs will not be eligible for carryover provisions. Upon return from leave of absence, all applicable benefits per the policy guidelines will apply.

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In the event that an employee does not return to work at the end of the military leave of absence, the employee will receive a lump-sum payment for any unused, banked or frozen vacation, as well as any deferred VPAD's.

**Military Leave Greater Than 24 Months:** If an employee does not return to work after the initial 24 consecutive month military leave period, he or she will be removed from the payroll with the reason listed as inactive. The local Human Resources Representative is responsible for completing a PAF at the conclusion of the 24-month period.

As with any other employee on a long-term leave of absence, the employee will be eligible to receive certain employee benefits according to the Company's policies or plans in effect as of removal from the payroll, or as required by law for a separated employee. The employee will be paid for any remaining vacation entitlement.

Group health care, prescription drug, vision, and dental coverage will terminate on the last day of the month in which the 24-month continuation period is reached. The employee and covered dependents may then continue group coverage for a period of 18 months under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA).

**Reemployment Rights:** Except under certain specific circumstances defined by the USERRA, when an employee has been discharged from Uniformed Service and meets the criteria listed below, he/she is eligible for reemployment. The employee will be reinstated to his/her original position if Uniformed Service was for 90 days or less. If Uniformed Service was for a time period of greater than 90 days, the employee will be reinstated to his/her original position or to an equivalent position. The criteria are as follows:

- Advance notice of entry into the Uniformed Services was given;
- The cumulative length of absence did not exceed five years (longer, in certain circumstances, defined by the USERRA);
- The discharge or separation from service must have been "under honorable conditions"; and
- Notification of intent to return to work was given as follows:

For Uniformed Service of 30 days or less, notice was given no later than the beginning of the first full regularly scheduled work period that started at least eight hours after the employee was transported home from the place of Uniformed Service.

For Uniformed Service of more than 30 days but less than or equal to 180 days notice was submitted no later than 14 days after completion of Uniformed Service. An employee will be eligible to receive continuation of benefits during the 14 day period following the completion of Uniformed Service.

For Uniformed Service greater than 180 days, notice was submitted no later than 90 days after completion of Uniformed Service. An employee will be eligible to receive continuation of benefits during the 90 day period following the completion of Uniformed

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Service.

However, if the employee would not otherwise have been employed at the time of reinstatement, he/she would not be eligible for reinstatement. As an example, if there was a layoff during the leave period in which an employee would have participated, he/she is not eligible for reinstatement.

**Restoration of Pay, Benefits, and Other Terms and Conditions of Employment:** When an employee is reemployed following military leave, his/her pay, benefits, and other terms and conditions of employment will be restored to what the level would have been had the military leave not taken place. As such the benefits are subject to any general changes that may have taken place during the period of leave. With respect to the Company's Pension Plan, the employee will be credited with service and earnings during the period of the leave. With respect to the Company's Savings Plan, the employee will be allowed to make up any missed employee contributions over a period equal to three times the period of uniformed service, but not to exceed five years, if such make-up complies with other applicable Internal Revenue Service regulations. Contact your local Human Resources Representative with questions regarding the Company's Pension or Savings Plan.

**Administration:** The Compensation Section of the Human Resources Department is the military program sponsor. However, Payroll is responsible for the administration of this plan. Please send all military documents to Payroll via fax (400/4083 or 814-534-4083), email ([payroll@firstenergycorp.com](mailto:payroll@firstenergycorp.com) or Payroll Mailbox), or mailstop (J-JOHN). Contact the Payroll Help Desk at 811/4357 or 1-800-697-7004, option 2, press 1, for any questions associated with this plan.

## **OTHER FACTS AND INFORMATION**

**These Programs are Not an Employment Contract:** These programs shall not be deemed to constitute a contract between the Company and any employee nor shall anything herein contained be deemed to give any employee any right to be retained in the employ of the Company or to interfere with the right of the Company to discharge any employee at any time and to treat the employee without regard to the effect which such treatment might have upon the employee as a participant in these programs.

**Right to Amend Programs:** The programs may be amended or terminated by the Chief Executive Officer of FirstEnergy Corp. or his appointed designee at any time or for employees represented by a labor union in accordance with the applicable collective bargaining agreements.

These programs and their associated policies are not binding contracts but sets of guidelines for implementation. The Company reserves the right to modify the provisions of any of these programs at any time and without notice.

### **Participating Employers and Identification Numbers**

FirstEnergy Corp.  
EIN 34-1843785

Ohio Edison Company  
EIN 34-0437786

Pennsylvania Power Company  
EIN 25-0718810

The Cleveland Electric Illuminating Company  
EIN 34-0150020

The Toledo Edison Company  
EIN 34-4375005

Jersey Central Power and Light Company  
EIN 21-0485010

Metropolitan Edison Company  
EIN 23-0870160

Pennsylvania Electric Company  
EIN 25-0718085

FirstEnergy Nuclear Operating Company  
EIN 34-1881483

FirstEnergy Solutions Corp.  
EIN 31-1560186

American Transmission Systems, Incorporated  
EIN 34-1882848

FirstEnergy Generation Corp.  
EIN 34-1940561

FirstEnergy Service Company  
EIN 34-1968288

Additions or deletions to the list of Participating Employers may be made at any time at the sole discretion of the Program Sponsor. An up-to-date listing of Participating Employers may be obtained from the Plan Administrator.

**Participating Unions in accordance with the labor agreements between Toledo Edison Company, FirstEnergy Nuclear Operating Company, FirstEnergy Generation Corp and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 245

**Participating Unions in accordance with the labor agreements between FirstEnergy Generation Corp and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 272

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 459 — Seneca

**Participating Unions in accordance with the labor agreements between Ohio Edison Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 1194

Utility Workers Union of America, A.F.L.-C.I.O.  
Local Union Nos. 118/126

**Participating Unions in accordance with the labor agreements between Toledo Edison Company, FirstEnergy Nuclear Operating Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 1413

**Participating Unions in accordance with the labor agreements between Toledo Edison Company, FirstEnergy Nuclear Operating Company, FirstEnergy Generation Corp FirstEnergy Service Company and:**

Office & Professional Employees International Union  
Local Union No. 19

**Participating Unions in accordance with the labor agreements between Pennsylvania Power Company and:**

Utility Workers Union of America, A.F.L.-C.I.O.  
Local Union No. 140

**Participating Unions in accordance with the labor agreements between Pennsylvania Electric Company and:**

Utility Workers Union of America, A.F.L. – C.I.O  
Local Union No. 180

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union 459

**Participating Unions in accordance with the labor agreements between The Cleveland Electric Illuminating Company, FirstEnergy Nuclear Operating Company, FirstEnergy Generation Corp and:**

Utility Workers Union of America, A.F.L.-C.I.O.  
Local Union No. 270

**Participating Unions in accordance with the labor agreements between Ohio Edison Company, FirstEnergy Generation Corp and:**

Utility Workers Union of America, A.F.L.-C.I.O.  
Local Union Nos. 350/351

Utility Workers Union of America, A.F.L.-C.I.O.  
Local Union No. 457



**Participating Unions in accordance with the labor agreements between Metropolitan Edison Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 777

**Participating Unions in accordance with the labor agreements between FirstEnergy Nuclear Operating Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 29

Utility Workers Union of America, A.F.L.-C.I.O.  
Local Union No. 270PT

**Participating Unions in accordance with the labor agreements between Jersey Central Power & Light Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Unions 327, 1289, 1298, 1303 and 1309

*In instances where the provisions of this policy conflict with the terms of the collective bargaining agreement, the collective bargaining agreement shall be controlling.*