

August 2021

1. Why is Lam expanding leaves of absence?

Welcoming a child to the family, through birth, adoption, or foster care placement, is a special and unforgettable part of life and we want to support you in making the most of that experience as a parent. What is changing in the U.S.?

Effective September 1, 2021, our leave of absence (LOA) program will provide these benefits to all eligible U.S. employees:

- **Birth mothers will typically receive 6 months (26 weeks) of paid leave.** For a normal pregnancy, birth mothers can receive 26 weeks of paid leave through a combination of 10-week pregnancy disability and our enhanced 16-week parental bonding leaves (previously 12 weeks). Disability leave can begin 4 weeks before the due date and will be paid at 75% of base pay (up from 70%) and payments will not be taxed. Bonding leave will continue to be paid at 100% of base pay and those payments will be taxed.
- **All parents eligible for 4 months (16 weeks) of bonding leave.** All parents welcoming a new child to the family through birth, adoption, or foster care placement will be eligible for the enhanced 16 weeks of paid parental bonding leave time (up from 12 weeks) paid in taxable payments at 100% of base pay. Intermittent leave for parental bonding can be taken in minimum increments of one week at a time.
- **Disability payments for all covered disabilities paid at 75% of base pay with no waiting period.** Disability payments will increase to 75% of your base pay (up from 70%) for all covered disability leaves, including maternity and recovering from an illness or injury. These payments are not taxed, and they will be effective on the first day of disability with no waiting period.
- **More time before delivery:** Birth mothers can begin their pregnancy disability leave four weeks before their due date, instead of the two weeks provided in most states today.
- **Update for intermittent leave:** Parental bonding leave can be taken in minimum increments of seven consecutive calendar days at a time, up until one year following the birth or placement of the child. If you take a leave to care for a family member (i.e., not for parental bonding), you may have other options and should contact TRISTAR for additional information.

2. What isn't changing in the U.S?

As an already established program, there are a few things that will not be changing as a result of these updates:

- **Notice requirements:** You are required to provide at least 30 days' notice in advance of your anticipated leave, when foreseeable (for continuous and intermittent leaves). You can initiate your leave request with Tristar and discuss your plans with your manager. This discussion can help you and your manager develop a plan for how to redistribute work and maintain overall productivity. If you do not provide advance notice, your leave may not be approved.
- **Bonus eligibility:** The Annual Incentive Plan (AIP) bonus will continue to be prorated for any leave days in excess of 30 days on a cumulative basis. This pertains to all leaves of absences, not just parental leave.
- **Compressed work schedules:** Employees who work on these schedules will be paid for their regularly scheduled shift hours while on approved parental leave. **NOTE:** intermittent leave is now required to be taken in seven consecutive calendar days and will also be paid according to the employee's regular work schedule for that week. Pay benefits are calculated on the employee's base rate of pay and does not include other types of compensation, like OT, shift differential, and incentive pay.

3. Will these changes be made globally?

With a focus on equity for our employees around the world, we will be working to extend this enhanced leave program globally in 2022.

Maternity Leave

4. How do disability leave and parental bonding leave relate to maternity leave?

A typical maternity leave is actually a combination of a medical disability leave for a period of your pregnancy and recovery, followed by parental bonding leave for bonding with your baby.

5. How much pregnancy disability leave am I eligible to receive?

Your period of pregnancy disability depends on your ability to work, as supported by a statement from your provider. A typical disability period for a normal pregnancy and delivery is six weeks after birth.

In addition, Lam provides pre-delivery disability leave of four weeks. To begin your disability leave before your delivery, ask your provider to certify your leave four weeks before your due date.

Your provider may certify a longer period of disability either before delivery (as in the case of a high-risk pregnancy) or after delivery (following a cesarean section, for example). Your pregnancy disability ends (and your bonding leave can begin) when your provider certifies you are fit to return to work.

6. *If I deliver my baby after my due date, how will that affect my leave eligibility?*

Even if you need more than a full four weeks before delivery—i.e., you deliver later than expected—your pre-delivery leave will be extended, and you are still eligible for as much post-delivery disability leave as certified by your provider. You will not lose any disability eligibility because you delivered after your expected due date.

7. *If I deliver my baby before my due date, how will that affect my leave eligibility?*

If you do not use a full four weeks before delivery—i.e., you deliver earlier than expected—your disability leave will not be extended after delivery by the amount of time you did not use before delivery.

8. *How will my income-replacement payments be taxed during my Leave?*

During a pregnancy disability, you will receive short-term disability (STD, or VDI in California) payments of 75% of your base pay. This money is not taxed, so the amount you receive may be close to your regular take-home pay.

During your bonding leave, you will receive paid family leave (PFL) payments of 100% of your base pay. Federal income tax (but not state tax) will be withheld from these payments.

Parental Bonding Leave

9. *Who is eligible for parental bonding leave?*

Lam and Silfex employees in the U.S. who are eligible for parental bonding leave include:

- Birth mothers, once they are no longer deemed disabled by their provider
- Birth fathers, regardless of relationship to the birth mother
- Those who become new parents through adoption, foster parenting, surrogacy, or legal guardianship

You must be an active, regular-status employee at the time of the birth or custody of the child to be eligible for parental bonding leave.

10. *When can I take parental bonding leave?*

Birth mothers can begin parental bonding leave on the day their pregnancy disability ends, as certified by their provider. Other new parents can begin leave on the day of the child's birth or placement. You can take bonding leave intermittently in minimum increments of seven consecutive calendar days; you do not need to take all 16 weeks at one time. In all cases, parental bonding leave must be completed within one year of the child's birth or placement.

11. My spouse/partner and I both work at Lam. How will that impact our leave eligibility?

Parents who both work for Lam can each have up to 16 weeks of paid parental bonding leave. You do not have to split the 16 weeks.

12. How will my income-replacement payments be taxed during my Leave?

During your bonding leave, you will receive paid family leave (PFL) payments of 100% of your base pay. Federal income tax (but not state tax) will be withheld from these payments.

13. Am I eligible for the newly extended amount of time if I completed my 12 weeks of parental bonding leave, or still have bonding leave time available, and it has been less than a year since the birth or placement of my child?

It depends. Technically, the leave policy changes are effective September 1, 2021. If the birth or placement of your new child falls between June 1, 2021 and August 31, 2021, then Lam will be offering you additional time or a one-time cash payment. If the date of the birth/custody occurred prior to June 1, 2021, you are not eligible for the additional leave time or one-time cash payment.

Note that even if you take time intermittently for parental bonding, it is still considered one leave of absence. You cannot initiate a new parental bonding leave for the same child in order to claim additional leave time.

14. If my pregnancy disability leave begins before September 1, 2021, will my disability benefit increase on September 1?

The disability benefits will not change until September 1, 2021, for disabilities that begin on or after this date. The plan does not permit retroactive changes, so if your disability began before September 1, you will continue to receive 70% of your base pay for the duration of your disability period.

Resources

15. How can I learn more about taking a leave of absence and how disability benefits work?

Find details on LamBenefits.com > Time Away > [Leaves of Absence](#) and LamBenefits.com > Financial > [Disability](#).

16. How can I get answers to other questions I have?

If you have questions about the changes effective September 1, 2021, email the Benefits Help Desk at benefits@lamresearch.com or call 877-291-9494.

If you have already initiated a leave of absence with TRISTAR (even if it has not begun yet), call TRISTAR at 844-610-1885 (Lam) or 844-610-1886 (Silfex).