

Oregon employees Paid family and medical leave

In 2023, Oregon launched a new, state-run program, <u>Paid Leave Oregon</u>. Both employees and employers are required to pay into the plan.

As allowed by Oregon law, Lam has taken steps to save you money and provide you better benefits than the state provides.

What you need to know

Lam has created a paid family and medical leave (PFML) plan for Oregon employees. Combined with Lam's short-term disability (STD) plan, Lam provides **benefits that are much better** than the state-run program, and **at a lower cost to you** than the state-run program.

- Beginning Sept. 3, 2023, all Lam employees in Oregon are enrolled automatically in the Lam Oregon PFML plan and in the Lam STD plan. **You cannot opt out.**
- PFML benefits are coordinated with STD benefits. For the Lam Oregon PFML plan, you will not pay any additional contributions in 2023. For the Lam STD plan, you pay 0.5% of the first \$120,000 of your pay each year (up to \$600). This is less than the 0.6% of the first \$132,900 of pay required (up to \$797) if you were in the state-run plan.
 - For example: If you make \$60,000 per year, you pay \$300 for the Lam STD plan and nothing for the Lam Oregon PFML plan. If you were enrolled in the state-run plan, you would pay \$360.

How family and medical leave works in Oregon

Under the state requirements for the PFML plan, you can take up to a total of 12 weeks of PFML in a 12-month period for these reasons:

- Family leave, which includes bonding after the birth or adoption of a child or time needed to care for a family member with a serious health condition
- Medical leave, to care for yourself when you have a serious health condition
- Safe leave, for survivors of sexual assault, domestic violence, harassment, or stalking

However, your Lam PFML and STD coverage enable you to take even longer leaves and receive more money than you would get from the PFML plan alone.

There's a two-step process

Because of the state requirements, you need to complete an extra step to begin a family or medical leave in Oregon. You will initiate your leave by contacting TRISTAR. The TRISTAR representative will then tell you what you need to do to apply for your Oregon PFML benefits through The Standard.

When you begin your leave, you may receive payments both from The Standard and from TRISTAR, depending on your wages (see examples below).

Lam Research Updated August 28, 2023 | 1 |

The Standard will provide your Oregon PFML benefits

The Standard will provide your Oregon PFML benefits, as defined by state regulations tied to the state average weekly wage (SAWW), which is \$1,269.69 in 2023:

- The weekly PFML benefit amount for employees who earn less than 65% of the SAWW (\$825 in 2023) is 100% of your average weekly wage. This only applies to you if you make less than \$42,916 per year (or \$825 per week).
- For employees who earn more than 65% of the SAWW, the weekly PFML benefit amount is 65% of the SAWW, plus 50% of the portion of your average weekly wage that is above 65% of the SAWW.
 See the examples below for how this works.
- The maximum weekly benefit amount is 120% of the SAWW (\$1,524 in 2023).
- PFML benefits may be taxable in Oregon.*

TRISTAR will provide your STD benefits

TRISTAR will manage the details of your leave and will provide additional STD benefits to top up your payments as needed to align with these amounts, per Lam's policies:

- Medical leave: When you can't work because of your own medical condition (including pregnancy), your STD payments will supplement your PFML payments, so you receive 75% of your base pay for up to 180 days. Generally, these STD payments are not taxed.*
- Family leave: When you take time off to bond with a new baby or care for another family member, your STD payments will supplement your PFML payments, so you receive 100% of your base pay for up to 16 weeks. Federal income tax will be withheld from your STD payments.*

When you contact TRISTAR to initiate your leave, the representative can tell you more about the coordination of these payments.

* Note

There may be differences between how PFML payments and STD payments are taxed in Oregon.

Lam Research Updated August 28, 2023 | 2 |

Example: Medical leave

Eric is a Lam employee in Oregon who makes \$72,800 per year, or \$1,400 per week. His doctor certifies the need for a medical leave that lasts 20 weeks. His payments are generally not taxable. Here's how they will be calculated:

Weeks 1–12		
PFML from The Standard	65% of the state average weekly wage (SAWW)	\$825
PFML from The Standard	Half of the amount of Eric's weekly base pay above 65% of the SAWW (\$575 x 50%)	\$288
PFML from The Standard	Subtotal	\$1,113
STD from TRISTAR	None, since \$1,113 is more than 75% of Eric's weekly base pay	\$0
	Weeks 1–12 weekly total	\$1,113
Weeks 13-20		
PFML from The Standard	None, since PFML ends after 12 weeks	\$0
STD from TRISTAR	75% of Eric's weekly base pay (\$1,400 x 75%)	\$1,050
	Weeks 13–20 weekly total	\$1,050

Example: Family leave

Xiao is a Lam employee in Oregon who makes \$83,200 per year, or \$1,600 per week. He takes 16 weeks of family leave to bond with his new daughter. His payments are generally taxable. Here's how they will be calculated:

Weeks 1–12		
PFML from The Standard	65% of the state average weekly wage (SAWW)	\$825
PFML from The Standard	Half of the amount of Xiao's weekly base pay above 65% of the SAWW (\$775 x 50%)	\$388
PFML from The Standard	Subtotal	\$1,213
STD from TRISTAR	The amount necessary to bring Xiao to 100% of his weekly base pay (\$1,600–\$1,213)	\$387
	Weeks 1–12 weekly total	\$1,600
Weeks 13-16		
PFML from The Standard	None, since PFML ends after 12 weeks	\$0
STD from TRISTAR	\$100% of Xiao's weekly base pay	\$1,600
	Weeks 13-16 weekly total	\$1,600

Lam Research Updated August 28, 2023 |3|

Frequently asked questions

Why can't I opt out of Lam's STD plan, as I could in the past?

Under the law, all employees in Oregon must participate in the state's PFML plan or an employer plan.

Lam's PFML and STD plans work together to provide excellent benefits to Lam employees and save you money. The total amount you pay for both the Lam PFML plan and the Lam STD plan is less than you would have to pay for the Oregon state PFML plan.

Could my costs increase in the future?

In 2023, Lam is paying all costs for the PFML plan, and you pay up to \$600 per year for the STD plan.

Under Oregon law, Lam must pay into the state-run plan and can collect contributions from your pay, up to the state limits. In the future, Lam may deduct PFML contributions from your pay, but your combined contributions for STD and PFML will not be more than the amount required by the state plan.

Why are payments during a leave so complicated?

Oregon created a specific structure for PFML payments, and Lam's plan must adhere to those requirements. However, Lam has chosen to provide a higher level of benefits to our employees, which is why our STD plan tops up the PFML payments to equal the benefits Lam provides all U.S. employees.

This is also why you need to file forms with both TRISTAR and The Standard to initiate a leave.

What should I do if I already have a claim set up with TRISTAR for my leave, which will go beyond or will begin after September 3, 2023?

You may be required to complete another set of documentation for the Oregon PFML. Contact TRISTAR so they can provide instructions on how to apply for your Oregon PFML benefits through The Standard.

How to request a leave of absence

If you plan to take a leave of absence, you should notify your supervisor at least one month prior to the leave (if foreseeable) or as soon as reasonably possible (when leave is not foreseeable).

After you've notified your supervisor, and as soon as you know the start date for your leave, **call TRISTAR** at **844-610-1885** to file your claim. Be prepared to supply the following information:

- Company name: Lam Research
- Employee ID or Social Security number
- Reason for your absence
- Expected start and end dates for your leave
- · Your regular work schedule
- If your absence is related to illness or injury: the name, fax, and telephone number of the treating physician
- If you're caring for a qualified family member: their relationship to you

If appropriate, TRISTAR will provide instructions and the necessary forms for you to send to The Standard to apply for your Oregon PFML benefits.

Lam Research Updated August 28, 2023 | 4 |

Learn more

Visit the state website for Paid Leave Oregon.

Visit LamBenefits.com for more information about your pay and benefits when <u>taking a leave of</u> absence.

If you have questions, contact TRISTAR first at 844-610-1885. If appropriate, TRISTAR may refer you to The Standard to answer questions about your Oregon PFML benefits.

Lam Research Updated August 28, 2023 | 5 |