Sick Time Policy

Paid time off is provided to eligible hourly and commissioned associates who need to miss work due to an illness or a personal situation.

Examples of when an associate can use sick time include, but are not limited to:

- Associate’s or the associate’s family member’s medical care or treatment, mental or physical illness, injury, or health condition
- Public health emergencies
- Domestic violence, sexual violence, abuse, harassment, stalking, or to obtain services from a victim services organization
- Death of a family member, making arrangements necessitated by the death of a family member

Because certain states and municipalities have paid sick time requirements, eligibility for paid sick time may vary depending on where an associate works. CarMax complies with all applicable state and municipal paid sick time requirements. To the extent anything in this policy conflicts with any such requirements, the applicable state or municipal law will control.

**Arizona**

- Accrued at a rate of one hour for every 30 hours worked, up to a maximum of 40 hours per year (consecutive 12-month period)
- Can begin accruing sick time at the commencement of employment
- Can begin using accrued paid sick time as soon as it is accrued. Associates can only use up to 48 hours of sick time in a 12-month period.
- Must use paid sick time in a minimum of one hour per occurrence
- Unused paid time can be carried over to the following year

Salaried associates will be given 40 hours of sick time every year and be covered under the Time Away Policy.

Unused sick time will not be paid out to associates upon termination of employment.

Rehired associates, within 9 months from the previous separation, will have their unused sick time reinstated.

**California**

- Can begin using accrued paid sick time beginning at the date of employment
- Accrued at a rate of one hour for every 30 hours worked, up to a maximum of 48 hours per year
- Part time associates can accrue up to 24 hours per year
- Must use paid sick time in a minimum of two hours per occurrence
- Can carry over up to 48 of unused accrued hours of paid sick time from one year to the next, but can only use up to 48 hours of paid sick time in each calendar year

**Sick Time Compensation for Eligible California Associates**

- Base rate of pay or average rate, whichever is greater

Accumulation of Hours is as follows: Hours worked plus paid time off (vacation, personal, sick, bereavement, etc.) should not exceed associate’s regular scheduled workday.
Unused sick time will not be paid out to associates upon termination of employment.

Rehired associates, within 12 months from the previous separation, will have their unused sick time reinstated.

Salaried associates (including salaried, non-exempt associates) will be given 24 hours of annual sick time at the start of every year and be covered under the Time Away Policy.

**Connecticut**
- Accrued at a rate of one hour for every 40 hours worked, up to a maximum of 48 hours per year for full time associates
- Part time associates will accrue 40 hours per year
- Must use paid sick time in a minimum of four hours per occurrence
- Can carry over up to 40 of unused accrued hours of paid sick time from one year to the next, but can only use up to 48 hours of paid sick time in each calendar year

Salaried associates are covered under the Time Away Policy.

Unused sick time will not be paid out to associates upon termination of employment.

**Illinois**
- Accrued at a rate of one hour for every 40 hours worked, up to a maximum of 40 hours per year
- Will begin accruing sick time on the first day after commencement of employment, or on 7/1/17, whichever is later at a rate of 1 hour for every 40 hours worked
- Must use paid sick time in a minimum of four hours per occurrence
- Can carry over up to 40 unused accrued hours of paid sick time at the end of the associate’s 12-month accrual period, to use exclusively for FMLA eligible purposes
- If an associate carries over 40 hours of FMLA leave and uses that leave, he/she is entitled to use no more than an additional 20 hours of accrued paid sick time in the same 12-month period
- Full time associates can borrow up to 48 hours of sick time during their 12-month accrual period
- Full time associates can use up to 48 hours of sick time
- Part time associates can use up to 40 hours of sick time during their 12-month accrual period respectively

Salaried associates will be given 40 hours of sick time every year and be covered under the Time Away Policy.

Unused sick time will not be paid out to associates upon termination of employment.

**Maryland (Montgomery County)**
- Accrued at a rate of one hour for every 30 hours worked, up to a maximum of 56 hours per year
- Will begin accruing sick time on date of hire
- Must use paid sick time in a minimum of two hours per occurrence
- Can carry over up to 56 unused accrued hours of paid sick time from one year to the next, but can only use up to 80 hours of paid sick time in each calendar year

Salaried associates will be given 40 hours of sick time every year and be covered under the Time Away Policy.
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Massachusetts
- Accrued at a rate of one hour for every 30 hours worked, up to a maximum of 48 hours per year
- Will begin accruing sick time on date of hire
- Must use paid sick time in a minimum of four hours per occurrence
- Can carry over up to 40 unused accrued hours of paid sick time from one year to the next, but can only use up to 48 hours of paid sick time in each calendar year

Salaried associates will be given 40 hours of sick time every year and be covered under the Time Away Policy.

Rehired associates, within 12 months from the previous separation, will have their unused sick time reinstated.

Unused sick time will not be paid out to associates upon termination of employment.

Oregon
- Accrued at a rate of one hour for every 30 hours worked, up to a maximum of 48 hours per year for full time associates
- Part time associate can accrue up to a maximum of 40 hours per year
- Must use paid sick time in a minimum of one hour per occurrence
- Can carry over up to 40 unused accrued hours of paid sick time from the current year period to the following year period
- Can only use up to 48 hours of paid sick time in each calendar year

Salaried associates will be given 40 hours of sick time every year and be covered under the Time Away Policy.

Rehired associates, within 180 days from the previous separation, will have their unused sick time reinstated.

Unused sick time will not be paid out to associates upon termination of employment.

All Other States

Eligibility
Full-time Hourly and Commissioned associates (regularly scheduled to work 30 hours or more per week) and Grandfathered Part-time (service date on or before Jun 1, 1993) associates.
- Sick time cannot be used for a tardy or no call/no show.
- Temporary and regular part time associates are not eligible. However, part-time associates in locations subject to the CarMax Attendance policy that do not have a state or municipal sick time requirement, may receive one excused unpaid sick day for missed scheduled work, per calendar year, that will not result in an occurrence point under the attendance policy
- Sick time accrues from January 1st (or the first of the month following the associates date of hire) through December 31st of each year based on the associate’s status on the 1st day of each month.

Example:
- If the associate’s hire date is June 1st; the associate will be eligible to use sick time as of June 1st.
- If the associate’s hire date is February 15th; the associate will be eligible to use sick time as of March 1st.
- If the associate’s hire date is November 10th; the associate will be eligible to use sick time as of December 1st.

- Sick time accrues at a rate of 4 hours per month, for a maximum of 48 hours for each calendar year.
Sick Time Policy

- Associates subject to the Attendance Policy must use paid sick time in a minimum of four hours per occurrence.
- Grandfathered Part-time associates accrue at a rate of 2 hours per month, for a maximum of 24 hours for each calendar year, regardless of length of service.

**Duration**
- Sick time may run concurrent with other Leave of Absences. Refer to the applicable Leave Policy on CarMax Way.
- Salaried associates: Refer to the Time Away Policy on CarMax Way.

**Associate Responsibilities (Applies to All States)**
- Available sick balances can be viewed by logging into Kronos under “My Timecard” and select the “Accruals” tab.
- When an unplanned event occurs for which the Associate is unable to work his or her scheduled shift, the Associate must call and speak to a CarMax Manager as soon as he or she is aware of the situation. If he or she is unable to speak to a Manager, a voice mail message should be left on the Manager’s direct extension.
- CarMax, Inc. and its subsidiaries reserve the right to decline a sick time request if the required notification is not given and may result in appropriate disciplinary action for the unauthorized absence(s).
- Associate should notify their manager if the anticipated length of time absent from work will exceed 7 calendar days and should notify the Leave Administrator. Please refer to the Medical Leave of Absence Policy for more details.

**Compensation (Applies to All States except CA)**
- Hourly associates – Hourly rate times the number of regularly scheduled hours in Kronos.
- Commissioned associates – Hourly base rate (GHR) times the number of regularly scheduled hours in Kronos.
- Salaried associates – Refer to the Time Away Policy.
- Accumulation of Hours: Hours worked plus paid time off (vacation, personal, sick, bereavement, etc.) should not exceed associate’s regular scheduled workday.
- Recovery: CarMax reserves the right to recover any negative sick time upon termination or status change from FT to PT.

**Borrowing (Applies to All States Except CA, CT, MA and OR)**
Associates may borrow up to the maximum number of sick hours that appear in the Total Available column in Kronos. This value assumes that the associate will remain in a full-time position for the duration of the calendar year. An associate must have received his/her first month’s accrual in order to borrow and cannot borrow into the next plan year.

**Examples:**
- If the associate’s hire date is July 10th, and today is July 31st; the associate is not eligible to borrow ahead.
- If the associate’s hire date is August 7th, and today is October 10th the associate is eligible to borrow November and December accruals if requested.
- An associate that has been with CarMax for two years calls out sick on November 27th and 28th and wants to use sick time. As of November, the associate has earned 44 hours of sick, but has used 40 hours during the plan year. The associate is only eligible to use 8 sick hours (4 hours already accrued and borrow December’s 4 hour accrual).

**Borrowing (Applies to CA, CT, MA and OR)**
Associates may borrow up to 48 sick hours if the associate was an active, full-time associate as of January 1st. Associates hired after January may borrow up to the assumed maximum number of sick hours that will be accrued in the calendar year based on our standard accrual plan, which is four hours per month for each month in the calendar year. This value assumes the associate will remain in a full-time position for the duration of the calendar year. An associate must earn an accrual in order to borrow and cannot borrow into the next calendar year. Part-time associates may not borrow.
Sick Time Policy

Examples:
- If the associate’s hire date is July 10th, and today is July 31st; the associate is not eligible to borrow ahead.
- If the associate’s hire date is August 7th, and today is October 10th the associate is eligible to borrow November and December accruals if requested.
- An associate that was hired on June 6th and is sick on December the 3rd. The associate wants to use 8 hours for that day. As of December 2nd, the associate has earned 29 hours of sick and used 26 hours. This associate is not eligible to borrow. Based on this associate’s hire date, the borrow balance is set at 24 hours (4 hours x 6 months) and already taken exceeds this number.
- An associate that has been with CarMax for two years calls out sick on November 27th and 28th and wants to use sick time. As of November, the associate has earned 44 hours of sick, but has used 40 hours during the plan year. The associate is only eligible to use 8 sick hours (4 hours accrued for November and borrow December’s 4 hour accrual).

Overtime Eligibility:
Hours and wages paid for Sick Day(s) are not used when determining overtime pay.

Carryover & Payouts (Excludes CA, CT, IL, MA, OR):
- Sales Consultants are not eligible for a payout since the position is eligible for monthly contests.
- Hourly and Commissioned Operation Associates may receive a payout of their unused sick time balance based on the following criteria:
  - Associate must be actively employed on the payout date.
  - Associate is in an hourly or commissioned operation position at the time the payout is processed.
- Depending on the bi-weekly pay period schedule, the payout will occur no later than January 31st.
- The payout amount is based on:
  - The base rate (GHR) in effect at the time the payout is processed

Termination
There is no payout for unused Sick time in the event of termination of employment, unless required by law.

Associate Benefits While Out on Sick Time (Applies to All States)
Associate remains an active participant in all benefit plans and programs that the associate participated prior to taking sick time.

Manager Responsibilities (Applies to All States)
- Verify that the associate has time available in Kronos.
- In Kronos, enter the paid time off directly into the schedule or on the associate’s timecard before the end of the pay period using the pay code “SIC – Sick” for only the hours the associate is scheduled to work.
- On the 8th consecutive day of absence, contact the Leave Administrator to report a Pending Leave of Absence.
- Manager should note the date, time and the person who called in the notification of absence.
- Keep track of absences. Generally, when an associate is absent for 3 consecutive scheduled days without notifying his/her Manager, the associate is considered to have voluntarily resigned his/her employment pursuant to CarMax policy. The Manager should contact the appropriate HR Manager to ensure the proper communication has taken place and to decide whether a voluntary termination is warranted. Upon determination that a voluntary termination is appropriate, the associate should be immediately terminated in Workday and use the termination code of Job Abandonment.