



Oct 28 2005

October 17, 2005

TO GENERAL CHAIRMEN:

Gentlemen:

This is in reference to the application of the Family Medical Leave Act (FMLA) for agreement employees. As you know, the federal regulations allow qualifying employees to annually take up to 12 weeks FMLA leave either in block leave or intermittently. For employees who elect to take intermittent leave, Section 825.205 of the federal regulations provides the following:

§ 825.205 How does one determine the amount of leave used where an employee takes leave intermittently or on a reduced leave schedule?

- (a) If an employee takes leave on an intermittent or reduced leave schedule, only the amount of leave actually taken may be counted toward the 12 weeks of leave to which an employee is entitled. For example, if an employee who normally works five days a week takes off one day, the employee would use 1/5 of a week of FMLA leave. Similarly, if a full-time employee who normally works 8-hour days works 4-hour days under a reduced leave schedule, the employee would use ½ week of FMLA leave each week.
- (b) Where an employee normally works a part-time schedule or variable hours, the amount of leave to which an employee is entitled is determined on a pro rata or proportional basis by comparing the new schedule with the employee's normal schedule. For example, if an employee who normally works 30 hours per week works only 20 hours a week under a reduced leave schedule, the employee's ten hours of leave would constitute one-third of a week of FMLA leave for each week the employee works the reduced leave schedule.
- (c) If an employer has made a permanent or long-term change in the employee's schedule (for reasons other than FMLA, and prior to the notice of need for FMLA leave), the hours worked under the new schedule are to be used for making this calculation.
- (d) If an employee's schedule varies from week to week, a weekly average of the hours worked over the 12 weeks prior to the beginning of the leave period would be used for calculating the employee's normal workweek.

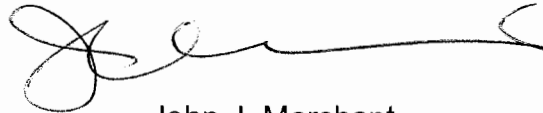
J. J. Marchant
Vice President

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To this point, Union Pacific has calculated the amount of FMLA intermittent leave used by train and engine service employees based on a uniform number of days worked per week. However, because actual work schedules for train and engine service employees vary from week to week, Union Pacific has determined that it is more appropriate to use the calculation method under Section 825.205(d). Hence, effective January 1, 2006, Union Pacific will begin calculating a weekly average of the hours worked by train and engine service employees over the 12 weeks prior to the beginning of a leave period for purposes of determining the amount of leave used when such employees take FMLA leave intermittently or on a reduced leave schedule.

If you have any questions concerning this application of the FMLA, please contact Geneva Dourisseau at (402) 544-4179.

Sincerely,

A handwritten signature in black ink, appearing to read 'John J. Marchant', with a long horizontal flourish extending to the right.

John J. Marchant
VP Labor Relations