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Non-Exempt Employee Travel Pay FAQs: Out-of-Town Meetings and Trainings

Employees asked to travel for out-of town meetings and training sessions will generally be paid for their travel time. How their travel pay is calculated, however, will depend on both the *duration* (one-day v. overnight) and *method* (driving a personal vehicle v. riding in a car/train/airplane) of travel. We know this can be confusing, and sounds a lot like a scene from *Planes, Trains & Automobiles*, so we highlighted some common questions below.

ONE-DAY MEETINGS AND TRAINING SESSIONS

In general, time spent traveling to a special 1-day meeting or training session should be paid time, with the exclusion of normal commute and meal times.

- Q1: If an employee's normal commute time is 30 minutes each way, and they are required to drive to an all-day training located 2 hours away, what is the total travel time the employee should be paid for?
- A1: In addition to the time spent at the training, the employee should be paid for 3 hours of travel time: 4 hours of drive time, minus the 1 hour (2x 30 min) of normal commute time. **Exception**: Employees in the following states have different guidelines: **California, North Dakota, New York** and **Utah** must be paid for their entire travel time, with no exclusion of normal commuting time.
- Q2: What travel pay is required if the above employee travels to a meeting 1 hour away after the employee's work day has begun (i.e., employee has already reported for work and leaves from his or her home store location)?
- A2: The employee should be paid for all travel time <u>to</u> the meeting (1 hour). If the employee travels home after the conclusion of the meeting, then the employee should be paid for the travel time home (.5 hours), minus the one-way normal commute (30 min), for a total of 1 hour travel time. But, if the employee travels back to the home store to continue a shift, the entire travel time from the meeting is paid (1 hour), for a total of 2 hours of total travel time.

OVERNIGHT TRAVEL

In most cases, employees traveling overnight for work will be paid for their travel time. However, their travel pay calculation will depend on *how* they travel to their overnight destination - by driving a personal vehicle or traveling as a passenger via personal vehicle, train, or airplane.

- Q3: If an employee drives his personal vehicle to an out-of-town meeting the night before, should the employee be paid for his or her entire driving time? What about expenses?
- A3: Yes, but the amount of the travel time will depend on the individual situation. If the location of the meeting legitimately *requires* that the employee drive in the night before so that they can attend an early-morning session, the employee should be paid for the entire drive time and reimbursed for hotel and meal expenses. If, however, the employee *chooses* to drive to the meeting the night before solely for their own convenience, and the location of the meeting does not otherwise require it, the employee should be paid for the drive time, minus their normal commute time, but should not be reimbursed for hotel or that night's meal expenses. Similarly, this same reasoning would apply if the employee drove home from the meeting the next morning, rather than the night that the meeting adjourned. (Note: the above exception in A1 for employees in California, North Dakota, and Utah still applies).

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- Q4: An employee who regularly works 9 a.m. to 5 p.m. makes his own flight arrangements to attend a 2-day brand training seminar. He chooses to work his normal shift until 5 p.m. and then travel to the airport after work for a 7 p.m. flight, and finally reaches his hotel at 11 p.m. He then takes the 9 p.m. red eye flight home on the last day of the seminar to make it to work on the next day by 9 a.m. What travel time should he be paid for?
- A4: None! Since all travel occurred outside of his regular working hours of 9 a.m. to 5 p.m., his travel time is unpaid, provided he performed no work for the company while traveling.

 Exception: Employees in California, Connecticut, District of Columbia, and Utah must be paid for their entire travel time, regardless of whether the travel occurs during their regular working hours. In such cases, employees must be paid from the time they leave their house until they reach their hotel, excluding time for meal breaks and personal activities.

For practical purposes, however, if the travel substantially aligns with the employee's normal work hours, consider paying for all travel time from home to hotel and vice versa.

Q5: A store manager who works varying store hours will travel by plane to attend this year's summit meeting. What travel time must the employee be paid for?

A5: The employee will be paid for the time it takes to travel from the employee's home to the hotel and from the hotel back to his or her home, up to a maximum of 8 hours per day. However, as noted in A4 above, employees in **California, Connecticut, District of Columbia,** and **Utah** must be paid for their entire travel time, and should not be limited to only 8 hours.

MISCELLANEOUS - MEALS, EXPENSES, AND PERSONAL TIME

Q6: Must an employee be paid for time spent at meals occurring before, during or after the out-of-town meeting or training? What about expenses?

A6: In general, meal periods may be excluded from an employee's *travel* time. In addition, time spent at a brand-organized meal (breakfast, lunch or dinner) is usually considered optional and may be excluded from the employee's *work* time. However, if the employee's attendance is required at the meal and/or it involves any actual working time (e.g., mandatory lunch speaker or group-led discussions), the employee must be paid for the time spent at the meal.

Meal expenses incurred during the business-related travel will generally be reimbursed in accordance with Company policy- even if the actual meal time is unpaid. However, if an employee chooses to skip an optional brand-organized event that includes a meal, the expenses incurred for any meal will not be reimbursed.

Q7: Must an employee be paid for time spent at the work location when the employee is not conducting Company business and is free to engage in personal activities (i.e., sightseeing or visiting with friends)? What about expenses?

A7: An employee would not need to be paid for any time spent at the work location if they are free to engage in personal activities and are not conducting Company business. This includes any time that the employee spends at the location before the out-of-town assignment begins and after it ends (i.e., choosing to stay the weekend after a meeting ends on Friday to visit friends).

Expenses unrelated to the work assignment will not be paid, with the exception of meals and transportation that occur during the timeframe of the business-related travel. For example, dinner and transportation expenses that occur during a "free" night during the overnight assignment will be reimbursed, but theater tickets would not.

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Q8: If an employee's home state has specific employment laws related to meal periods and/or the payment of daily overtime, must these same laws be followed if the employee travels to another state?

A8: Yes. The laws of the employee's home state must be followed, regardless of what state the employee travels to. For example, a California employee that travels to Hawaii for the annual summit meeting must still be given a 30-minute duty-free unpaid meal period for each five hours of work, a 10-minute paid rest break for every 4 hours of work, and payment of daily overtime if employee works over 8 or 12 hours in one day.

For further guidance please see the Travel Pay Reference Chart on the reverse side of the Travel Pay Timesheet for Non-Exempt Employee Employees or consult with your HR Business Partner.