

EXAMPLES OF FLEXIBLE WORK SCHEDULE

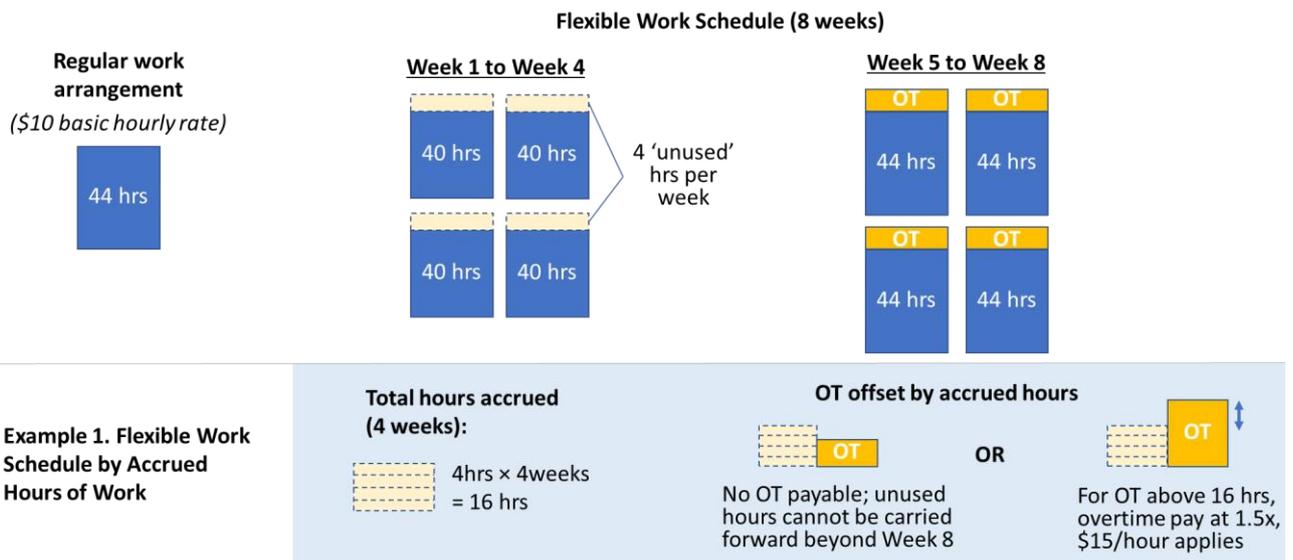
In a Flexible Work Schedule (FWS):

- The employee continues to receive his basic monthly wage based on 44 hours of work and applicable allowances.
- Hours that are not worked are accumulated, either as hours not worked, or as wages already paid.
- Accumulated hours or wages can be drawn down in future, when the employee clocks overtime hours.
- When the employee draws down the accumulated work hours, the maximum hours of work under the Employment Act must still be complied with. In other words, they still cannot work more than 12 hours a day or more than 72 hours a month.

For employees who are not eligible for overtime, alternative arrangements such as part-time employment or job-sharing may be more practical ways of implementing work flexibility.

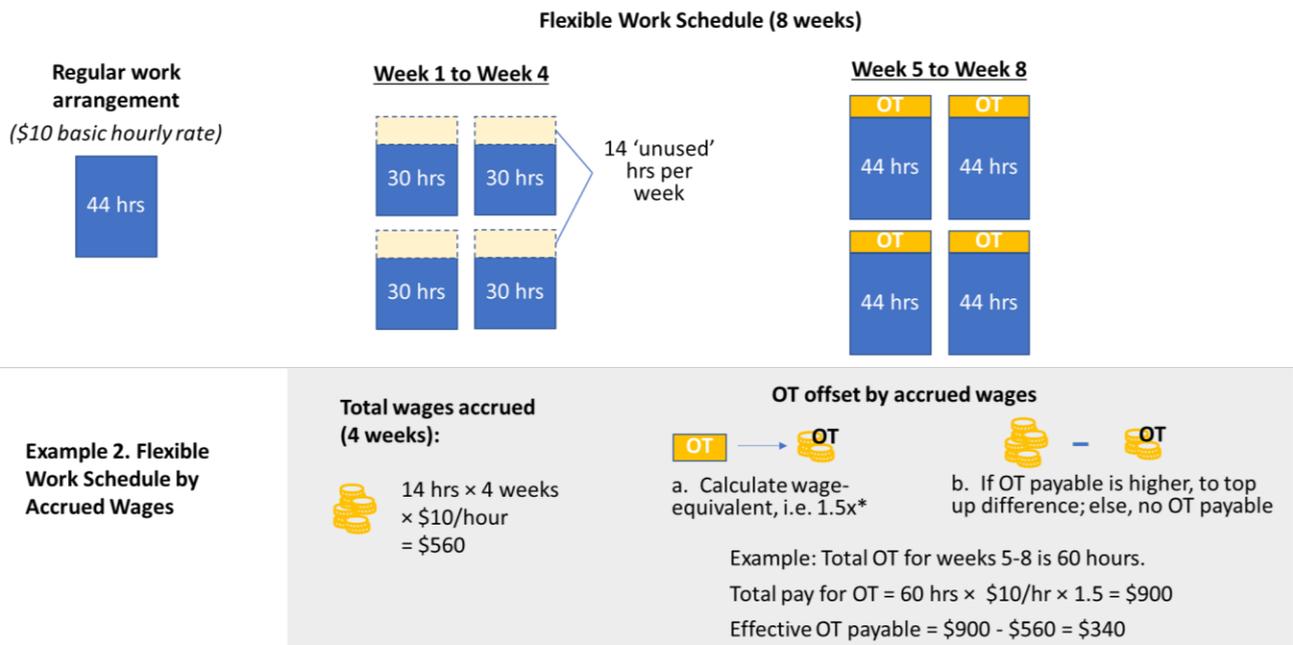
Example 1: Flexible Work Schedule by Accrued Hours of Work

- Company ABC applies for FWS to reduce weekly working hours from 44 hours to 40 hours for a total of 4 weeks. This means that a total of 16 hours (4 hours × 4 weeks) are accrued.
- Subsequently, Company ABC schedules overtime for the employees.
- Without the FWS, Company ABC would have had to pay the employees normal OT pay at 1.5x the basic hourly rate of pay.
- With FWS, Company ABC can draw down the accumulated work hours to offset the overtime hours. In this case, Company ABC and its employees agreed that when the accumulated work hours are drawn down, there will be no further pay (i.e., 1 accumulated work hour is equivalent to 1 OT work hour).
- However, once the accumulated work hours are fully drawn down, then the normal OT pay at 1.5x the basic hourly rate of pay would apply.
- Company ABC also committed to the following:
 - If business picks up earlier than expected within the 8-week window, company will consider restoring the OT rate of pay to 1.5x for all hours worked beyond 44;
 - When business volume resumes and operations ramp up, it will evenly rotate its employees so that no one will have to work consecutive weeks without any rest day or non-working day.



Example 2: Flexible Work Schedule by Accrued Wages

- Company XYZ applies to reduce weekly working hours from 44 hours to 30 hours per week for weeks 1 to 4 – a total of 56 hours (14 hours × 4 weeks) .
- Company XYZ logs the wage-equivalent of the unused 56 hours of work from week 1 to week 4, i.e. a total of \$560 (56 hours × \$10 basic hourly rate of pay).
- Company XYZ agrees with its employees that when they work overtime hours in the future, OT will be paid at the normal 1.5x the basic hourly rate of pay (i.e., \$15/hour). This amount is deducted from the accrued wages.
 - Example: If the employee works OT for 60 hours in week 5 to week 8, the gross OT pay is 60 hours × \$10/hour × 1.5 = \$900 while the effective OT pay due to the employee would be offset by the accrued wages of \$560. A nett amount of \$340 is due to the employee.
 - The accrued wages will reset at the end of cycle and any remaining wages that were not tapped on by week 8 cannot be deducted from the employees’ wage.



* OT rate of pay (1.5 × basic hourly rate) and pay for work on rest day (if any) applies.