

## Annual Leave - Sweden

### Quick view

#### Objective

This Policy defines employee leave entitlements and procedures in Sweden.

Base Hires and Deputies/Secondees are referred to as “Employees”.

#### Synopsis

- You will receive 25 days paid leave in each leave year.
- Base hires’ leave entitlement in the first and final employment years is calculated on a pro-rata basis.
- Deputies’ leave entitlement at any point in time is only in country of work.
- At the end of every full month worked you will be credited with 2.08 earned holidays..
- If you don’t take all of your vacation leave in a given year, you can carryover five of those vacation days per year, for a maximum of five years.
- However, to carryover such leave, you must have more than 20 days of vacation leave in any given year.
- When your deputation ends or employment is terminated you will receive pay in lieu of accrued leaves accordingly.
- If you exceed your leave entitlement, a deduction is made from your final salary payment.
- You must send your leave application to Attendance@infosys.com along with your manager’s approval.
- All requests for leave must be approved by your manager.
- Sick days cannot be adjusted against paid leave.

#### Definitions

1. **Annual Leave Year:** Year in which leaves are allotted. In Sweden, this runs from April 1 to March 31 in any given year.
2. **Qualifying Year:** Year in which leaves accrue to be available in the Annual leave year. In Sweden, this runs from April 1 to March 31 in any given year.  
*(For purposes of this policy, the Annual Leave Year and the Qualifying Year coincide, which means employees receive annual leave in the same year it accrues.)*
3. **Working days:** Monday to Friday are considered working days.
4. **Leave day:** One full day of normal working hours.
5. **Holiday pay:** The pay (i.e., corresponding to salary) you receive while on annual leave.
6. **Holiday supplement:** The additional pay you receive while on annual leave.
7. **LOP:** Loss of Pay.
8. **Manager:** The individual to whom you report.
9. **PayWorld:** The Web Application available to you through the intranet/extranet site Sparsh.
10. **Social-Security Authorities:** The relevant Sweden Authorities for administering social-security collections and payments.

11. **Eligible Employee:** A Base Hire or a Deputee/Secondee who, following a Swedish Social Insurance Agency (Försäkringskassan) ruling, is entitled to social-security benefits.

In Sweden the Social Insurance Agency determines who is eligible for social-security benefits (parental-leave benefits, sick-leave benefits, etc.). The Social Insurance Agency makes an overall assessment of your work and living situation to determine if you are eligible for social-security benefits. To receive more information about the Social Insurance Agency's considerations in this regard please see: [www.forsakringskassan.se](http://www.forsakringskassan.se). If you are deemed eligible for social-security benefits by the Social Insurance Agency, you are then entitled to all leave connected to the benefits (parental leave, sick leave, etc.).

### Eligibility

This policy applies to you if:

- You are employed under an IL Sweden employment contract , as a “Base Hire”.
- You are deputed/seconded to IL Sweden on a work permit, as a “Deputee/ Secondee”.

### Entitlement

#### For Base Hires

As a Base Hire, you may take 25 working days of paid annual leave in each Annual Leave Year. In your first year of employment, depending on your join date, you will be credited with prorated paid annual leaves. You can also request up to a maximum of 25 *unpaid* annual leaves in addition to paid annual leaves in the Annual Leave Year.

#### For Deputies/Secondees

- 1 As a Deputee/Secondee you may take 25 working days of paid annual leave from the beginning of your assignment prorated to the number of days worked in the Annual Leave Year. In the first year of deputation, depending on your deputation start date, you will be credited with prorated paid annual leaves. You can also request up to a maximum of 25 *unpaid* annual leaves in addition to paid annual leaves in the Annual Leave Year.
- 2 At any time, your leave entitlement is only in the country of work. During the term of your deputation, your leave balance in the base country is frozen with no accrual there.

### Annual Leaves Accrual and Credit

#### Base Hires

1. As a Base Hire, your paid annual leave entitlement is credited when you join or at the beginning of the Annual Leave Year.
2. In your first year of employment, paid annual leave is credited on a pro-rata basis depending on the number of days to be worked in the year. At year end, annual leave entitlement is calculated based on the number of days you worked in the year, per the formula below, and is compared against leaves you take:
  - $(\text{Annual Leave entitlement} / 365) \times (\text{number of calendar days worked in the year})$

Any fractions on Annual Leave accrual are rounded as follows:

- 0.01 to 0.5 — rounded to 0.5
- 0.51 to 0.99 — rounded to 1 full day

### Deputies/Secondees

1. For your first year of deputation, annual leave is credited at the beginning of the Annual Leave Year or deputation start date based on your assignment’s duration. For subsequent years, annual leave is credited at the start of the Annual Leave Year.
2. While on deputation/ Secondment you can take annual leave from the date of leave credit.
3. Your annual-leave entitlement in all fractional deputation years is calculated on a pro-rata basis, based on the number of days you worked in the Annual Leave Year.
4. Leave accrued on a pro-rata basis is calculated as follows:
  - $(\text{Annual leave entitlement} / 365) \times (\text{number of calendar days of deputation in the Annual Leave Year})$

Any fractions on annual-leave accrual are rounded as follows:

- 0.01 to 0.5 — rounded to 0.5
- 0.51 to 0.99 — rounded to 1 full day

### Holiday Pay during Annual Leave

1. The payment you receive during annual leave depends on whether you receive a fixed salary and/or variable-salary parts.
2. When not attending work you are not eligible for “salary”, but instead receive holiday pay if eligible. A “vacation deduction” is made from your salary for such leave days, and you instead receive “holiday pay” for entitled paid-leave days.
  - a) Fixed salary and no variable salary parts:**
    - i. The “same-pay rule” applies, which means you are paid the Monthly Gross Base salary and also receive a holiday supplement of 0.43% of the Monthly Gross Base salary per leave day you take in the month.
  - b) Fixed salary and variable salary parts, and variable salary is at least 10% of total annual salary:**
    - i. Also applies when you change roles during the Leave year, and when your absences are not eligible for annual-leave accrual.
    - ii. The “percentage rule” applies, which means that your total holiday pay is 12% of the total Annual Gross Base Salary and annual variable salary paid. The holiday pay is then divided by the number of accrued paid annual leave days.
  - c) Fixed salary and variable parts, and variable salary is less than 10% of total annual salary:**

- i. A combination of the “same-pay rule” and the “percentage rule” is applied, i.e., you are paid the Monthly Gross Base salary and also receive a holiday supplement of 0.43% of your Monthly Gross Base salary per leave day taken in the month. You also receive 12% on any annual variable salary parts divided by your accrued paid annual leave days.
3. You will be paid holiday pay and holiday supplement due to fixed salary within the leave year, along with salary for the month in which you take holiday. You will be paid holiday pay due on variable salary after the end of the Annual Leave Year or at the end of assignment /employment after payment of variable salary for the particular Annual Leave Year.

**For Deputies/Secondees:**

- Monthly Gross Base Salary = Global Salary per month (Base Allowance + City class allowance (if any) + Overseas Deputation allowance (if any))

**For Base Hires:**

- Monthly Gross Base Salary = Base Salary per month

4. Your total pay does not include:
  - i. Holiday pay.
  - ii. Compensation for days on which your whole or partial absence is credited for purposes of holiday pay.
  - iii. Pay you receive in respect of a layoff connected with the closing of the undertaking effected to enable employees to take annual leave.

**Leave Lapsing, Carry Forward and Encashment**

1. You are encouraged to use all 25 annual leave days during the Annual Leave Year, but if you're credited with more than 20 paid annual leave days in an Annual Leave Year, and are unable to use those leaves in that Annual Leave Year, you may carry forward a maximum of five annual-leave days.
2. Annual-leave days carried forward are scheduled within five years of the end of the Annual Leave Year from which they are carried forward.
3. If you don't take your annual leave, and it cannot be carried forward by the end of leave year, Company reserves the right to impose leave dates, giving you at least two months' notice before the end of carried over leave year. If you are serving notice period for termination of employment, your consent is also required for allocation of your leave dates.

**Payment in Lieu of Accrued Leave / Encashment of Leaves**

1. If your paid annual leave days are not carried forward and you are unable to schedule them during the Annual Leave Year, you are compensated with pay in lieu of annual leave. You'll receive payment in lieu of accrued unused annual leave days not later than one month after either the end of the Annual Leave Year, or your employment or deputation ends.
2. If you can't use forwarded leave within the Annual Leave Year in which it is scheduled, it will be encashed at the end of that Annual Leave Year.

3. Unused annual or carried-over leave is “encashed” (i.e., you receive payment in lieu of unused annual leave) only if:
  - a. you leave the Company’s service while in Sweden, or
  - b. your employment contract is terminated, or
  - c. you conclude your deputation period in Sweden, or
  - d. you are unable to take the annual leave during the Annual Leave Year per the clause above.

The formula for compensation in lieu of accrued annual leaves uses the holiday-pay calculation method defined in the previous section.

### **Subsequent Relocation or Deputation Outside the Country**

If you are a Base Hire transferred to another country of employment (i.e., your base-country contract is changed) or a Deputee/Secondee whose deputation ends, your Sweden-based employment/deputation is deemed terminated. In these situations a payment/deduction is made in lieu of your accrued leave, per the formula for paying or deducting leave.

### **Leave on Loss of Pay (LOP) / Unpaid Leave**

#### **Deduction in Lieu of Excess Leave**

1. If you exceed your leave entitlement, a deduction is made from your compensation in lieu of that excess annual leave.
2. The formula for deduction from compensation in lieu of excess paid annual leave follows the holiday-pay calculation method.
3. The formula for deducting unpaid annual leaves, LOP days, etc. is:

#### **For Base Hires:**

- i. Five working days or less: Monthly Gross Base salary (excluding variable pay, overtime, commission) / 21.75 x (number of approved LOP/LE days).
- ii. More than five working days: Monthly Gross Base salary (excluding variable pay, overtime, commission) x 12/365 x (number of approved LOP/LE days).

#### **For Deputies/Secondees:**

- i. Five working days or less: Monthly Base Allowance + City Class Allowance (if any) + Overseas Deputation Allowance (if Any) / 21.75 x (number of approved LOP/LE days).
  - ii. More than five working days: Monthly Base Allowance + City Class Allowance (if any) + Overseas Deputation Allowance (if Any) x 12/365 x (number of approved LOP/LE days).
4. A deduction is not made if you received the excess holiday pay more than five years before your employment ended, or if termination is due to your sickness, redundancy, or

if you terminate employment due to employer's breach of its employment-related obligations.

### **Loss of Pay (LOP) Days**

1. If you request and receive any additional leave in excess of your paid annual leave entitlement it is deemed "days without pay" or LOP. Company will deduct from your salary an amount based on the excess days you take.
2. Unpaid annual leaves are also treated as "days without pay".
3. If you apply for a LOP day, you consent to deduction of this amount from your pay, which is made per the formula under Deduction in Lieu of Excess Leave above. Approved LOP days are deducted from your monthly salary in the month they are taken.
4. Only working days are deemed LOP days. If you are on loss of pay (LOP) on both the day before and the day after a public holiday or weekly off days, the public holidays / weekly off days are not treated as LOP days. Saturday, Sunday and public holidays cannot be treated as LOP days.
5. All requests for LOP days must be approved by your manager (JL 6 and above) who will take into account the Company's/Department's business needs and the necessary workforce and operational planning. You must apply for LOP-days through the workflow-based Global Leave system accessed through Sparsh.
6. LOP is approved on a case-by-case basis, and is solely in your manager's (company's) discretion.
7. You must make excess leave applications through the workflow based in "PayWorld" system. The attendance department makes the necessary adjustments to the holiday system.
8. Annual Leave does not accrue during your LOP days.
9. Deputies/Secondes may not use LOP days to attend legal and immigration requirements. However in exceptional or emergency situations, LOP is allowed only after approval by your Geo HR and Manager.

### **Process details**

#### **Procedure for Taking Annual Leave**

1. You must apply for leave through the workflow-based Global Leave system, accessed through Sparsh, at least 15 days before starting the leave.
2. All requests for leave must be approved by your manager (JL 6 and above) who will consider the Company's/Department's business needs and the necessary workforce and operational planning. Managers may not unreasonably withhold consent to your leave requests.

3. You can apply for a full day's leave or a half day's leave as required.

#### **Other terms and conditions**

#### **Return after Leave**

- a. On returning to work after Leave per the entitlements in the policy above, you return to the same job, unless that is not reasonably practicable for the Company. In that event you are entitled to another job that is both suitable and appropriate in the circumstances, on terms and conditions no less favorable to you than those that would have applied were you not absent.
- b. Absence on Leave per entitlements in the policy above does not break your continuity of service.

#### **Discrepancy and Translation**

If a discrepancy between this policy and applicable Swedish labour legislation is found, the applicable local legislation prevails. If change of local law affects any part of this policy, the amended law automatically applies.

#### **Exceptions**

All exceptions to and deviations from this Policy require the approval of HR Business Leader (or employees in equivalent Role) and Head - Finance.