

January 18, 2007

Memorandum of Understanding  
Special Military Leave Policy

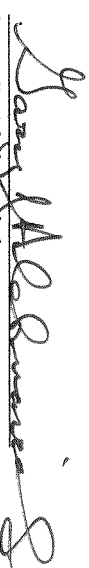
A special Military Leave Policy has been approved for employees who are called to military active duty. The policy, among other things, provides for differential pay between an employee's current base salary and their active duty pay for up to 5 years.

The conditions of the policy have been decided by the Company to be in effect from 12/23/2006 until such time as deemed otherwise by the Company. This policy represents an improved level of benefits made available to those employees called into active military duty. This benefit, however, shall in no manner be perceived or construed to establish neither a permanent benefit nor a precedent for future entitlements.

(See attached policy for details. Note: Some of the listed benefits may not apply to Bargaining Unit employees)



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6.2-01/18/2007-001

**FPL GROUP POLICY STATEMENT**  
**MILITARY POLICY FOR RESERVISTS CALLED TO ACTIVE DUTY**  
**Effective December 23, 2006**

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**OVERVIEW**

These guidelines have been developed to comply with the Uniform Services Employment and Reemployment Rights Act of 1994. Any benefits granted in addition to those provided by the Act are subject to review by the company and may be modified or terminated at any time. Any changes will be consistent and not detract from any regulations under the Act of 1994. The items listed in this policy will be offered for the duration of your active duty leave up to a maximum of five years (effective on December 23, 2006). If the employee has exhausted the benefits under the policy in effect prior to December 23, 2006, the employee will begin receiving benefits effective December 23, 2006 under the new policy. There will not be retroactive payments for time prior to December 23, 2006.

The following are the Human Resources policies that will become effective if and when employees are called for active duty in the military.

**NOTIFICATION REQUIREMENTS FOR LEAVE**

Employees or an appropriate officer of the branch of military in which the employee will be serving should notify the company as soon as possible upon receipt of military orders. Upon such notice, the employee should complete and provide a Request for Supplemental Military Differential to their immediate supervisor prior to their last day of work, along with copies of any official papers they have received.

Each location supervisor or manager will be responsible for obtaining and forwarding copies of the official military papers to HR/Payroll. Once all documents have been provided, the manager should complete a Leave of Absence Form (located on the Corporate Portal, My HR Direct, Forms) and fax all documentation to Payroll at 561-691-2559. In addition, copies of all original documentation should be mailed to HR/Payroll at HRP/JB. If orders are extended beyond the original duration of the initial orders, new orders must be obtained and mailed to HR/Payroll at HRP/JB. If you have any questions, contact Employee Services at 1-800-610-8999.

**SENIORITY**

During an absence from employment to perform uniformed service, a reemployed employee is treated as if they are on a leave of absence and retains any seniority accumulated before the leave and earns seniority during that leave.

Time spent on military leave will be counted toward automatic progression for represented employees. Please reference the Memorandum of Agreement for specifics.

**COMPENSATION**

For employees called to active duty, differential pay between their current base pay and their active duty pay will be paid.

Each location supervisor or manager will be responsible for obtaining and forwarding copies of the official military papers to HR/Payroll. **NOTE: Time keepers will not need to record the employee's time in HR Direct for the duration of active duty.** Once all documents have been provided, the manager or timekeeper should fax all documentation to Payroll at 561-691-2559. In addition, copies of all documentation should be mailed to HR/Payroll at HRP/JB. If orders are extended beyond the original duration of the initial orders, new orders must be obtained and mailed to HR/Payroll at HRP/JB. If you have any questions, contact Employee Services at 1-800-610-8999.

#### **EMPLOYEE BENEFITS**

Unless specified below, employee's benefits will be continued during the duration of their leave up to a maximum of five years while on active duty.

Unless otherwise stated, any applicable premiums will be deducted from an employee's differential pay. If there are not enough funds to cover the applicable premiums, the premiums will go into arrears and will accumulate each pay period. Upon return to work, these premiums will be deducted from the employee's first paycheck.

**Medical and Dental Coverage:** Employees, their spouses and/or dependents currently covered by FPL's medical and/or dental plans will remain covered under their current election.

If an employee elects to drop either medical and/or dental coverage, a Life Event Form must be completed. Forms can be located on the Corporate Portal, My HR Direct, Forms or call Employee Services at 1-800-610-8999.

#### **Life Insurance Coverage**

Life Insurance coverage will be continued while on active duty up to a maximum of five years. However, Accidental Death & Dismemberment coverage will end on the earlier of: 1) an act of war; or 2) upon reporting for active duty.

#### **Pension**

Employees will continue to accrue pension credits (based on biweekly rate of pay prior to active duty) as well as vesting and participating years of service while on active duty.

#### **Retirement Savings Plan**

Employees with 401(k) contributions will have their contributions continue based upon their actual pay. 401(k) deductions will be taken after all other pre-tax deductions are taken. If there is not enough pay remaining to make the full 401(k) contribution amount, the company will stop the employee's contribution (with Fidelity) and no contribution will be made.

Employees can elect to reduce or discontinue their 401(k) contribution amount for the duration of the active leave. The employee will need to contact Fidelity at 1-800-208-4015 or visit their website at [netbenefits.fidelity.com](http://netbenefits.fidelity.com) to change their elections.

In either case above, employees will be allowed to make up contributions upon returning from active duty. If you are interested in making up contributions to your 401(k) while you were on active duty contact Employee Services at 1-800-610-8999, option 6, upon your return.

Loans: 401(k) loans for those on military leave will be placed in suspense and the term of the loan will be extended for the length of time on military leave. While in suspense no payments will be required and your loan will not go into default but interest on the outstanding loan balance will accrue. However, while employees are receiving differential pay their loan payments will be deducted. If there is not enough money to cover the full payment, a partial payment will be taken and any remaining balance will go into arrears. Once you return to work from military leave, your loan will be reamortized over the extended term of the loan and payments will resume. Employees will continue to vest while they are on active duty.

#### **Contract Car Program**

Employees who have auto insurance through the contract car program will remain covered under the insurance policy, however, their auto insurance premiums will not be deducted from their differential pay.

#### **Union Dues**

Payroll deductions will continue while employees are serving active duty. Employees should contact the financial secretary of their local union office to learn more about their available options.

#### **Other Deductions**

All other voluntary deductions (such as vision-*if applicable*, fitness center, etc.) will continue unless the employee completes the appropriate form to stop the deduction. Contact Employee Services at 1-800-610-8999 if you have any questions about your other deductions.

#### **Vacation**

Employees will continue to accrue vacation while on active duty.

#### **Holiday**

Employees will receive holiday pay (minus any holiday pay from the military) for any holidays that may fall during active duty.

#### **REEMPLOYMENT**

Employees have the right to be immediately restored to their jobs when they return from active duty, provided that active duty is not more than five years and certain other requirements are met. Depending upon the length of service, a returning service person must be reinstated in the position they would have attained, their former position, or one with similar seniority, status and pay. Employees should submit a copy of military papers showing a release date upon return to employment and must submit a certificate of satisfactory military service.

Immediately upon notification of the employee's return to work, the supervisor or manager will be responsible for obtaining and forwarding copies of the official military discharge papers to HR/Payroll. Once all documents have been provided, the manager or timekeeper should fax all documentation to Payroll at 561-691-2559. In addition, copies of all original documentation should be mailed to HR/Payroll at HRP/JB. If you have any questions, contact Employee Services at 1-800-610-8999.