

EXEMPT OTHER EMPLOYEES BENEFITS & COMPENSATION SUMMARY

Updated November 2005

Exempt Other employees receive a comprehensive fringe benefits and compensation package consistent with the terms of their employment agreement. The following summarizes all of the benefits and compensation provided to Exempt Other Employees, except those benefits that are mandated by law. In the event there is a conflict between this summary and the insurance plan or document itself or the plan document, the contents of the plan/document shall prevail.

Vacation

Annual vacation is provided to employees as outlined below:

- Less than 5 completed years of service – 80 hours (may accrue up to 240 hours)
- Employees with 5 to 10 years of service – 120 hours (may accrue up to 360 hours)
- Employees with 10+ years of service – 160 hours (may accrue up to 480 hours)

The annual allocation described above is credited to the employee's vacation "bank" on July 1 of each fiscal year. A pro-rated amount will be provided to new hires that begin employment on or after July 16 (*refer to "New Hire Eligibility Criteria" below for additional information*).

Upon termination, the employee will receive pay for any unused vacation time at his or her regular rate of pay as provided in the employment agreement unless the employee has used more vacation than they would have accrued on a monthly basis. In such event, the "overpayments" will be deducted from any monies due the separating employee during the process of separation.

Sick and Emergency Leave

Employees are granted twelve (12) sick days per year. The full allocation of twelve (12) days is credited to the employee's "bank" on July 1 of each fiscal year. There is no ceiling or maximum accrual for sick leave. A pro-rated number of days will be granted to new hires that begin on or after July 16 (*refer to "New Hire Eligibility Criteria" below for additional information*).

Sick and Emergency Leave may be used for the following:

- Personal illness or injury of the employee
- Illness, injury or death of an immediate family member

A doctor's note certifying the illness may be required by the Employee's supervisor. When an employee returns to work from a personal illness or injury, he/she may be required to provide a doctor's note certifying his/her medical fitness for duty.

Personal Business

Employees receive five (5) personal business days per year. Time is granted July 1 of each fiscal year, and must be used during the fiscal year. Unused time is converted to sick and emergency leave time at the end of the fiscal year. A pro-rated number of days will be provided to a new hire whose start date is on or after July 16 (*refer to "New Hire Eligibility Criteria" below for additional information*).

Personal business hours will convert to sick and emergency leave if an employee dies. If the employee is eligible for retirement (55 years of age and 10 years of service) at the time of his/her death, then these converted sick and emergency hours may be eligible for payment consistent with the procedure for payment of sick leave at time of retirement (*see Sick and Emergency Leave above*).

Paid Holidays

Employees shall be paid for the following days when the day falls within a workweek in which the employee is regularly assigned to work:

Independence Day	Thanksgiving Day
Martin Luther King Day	Day after Thanksgiving
Labor Day	Memorial Day

In addition to the holidays above, the College is normally closed for the period of time between Christmas Eve and New Years Day. The actual number of days off depends on the calendar for that year.

If an employee is required to work a holiday, he/she may take off an equal number of hours at a later date as approved by his/her supervisor.

Family and Medical Leave (FMLA)

If an employee qualifies for FMLA, the leave will be administered according to the College's FMLA policy.

Jury Duty and Court Service

When an employee is called for jury duty or court service (i.e. subpoenaed to serve as a witness) he/she will be given leave with pay. Any juror or witness fees shall be paid to the College, except for mileage allowance.

Unpaid Leave Of Absence

Unpaid leaves of absence may be approved at the discretion of the College. Such unpaid leaves will be administered consistent with the procedures outlined in the various collective bargaining agreements. During an unpaid leave of absence, all College benefits cease, other than those required by law.

Health Insurance

Employees may choose from one of the following two (2) options: MESSA Super Care or HealthPlus of Michigan (HMO). The premium is fully paid by the College for the employee and his/her family.

The MESSA insurance program has an annual deductible of \$100 per person (not to exceed \$200 per family). The prescription co-pay is \$5.00 for generic drugs and \$10.00 for brand drugs.

The HealthPlus of Michigan (HMO) insurance program has no annual deductibles or prescription co-pays. There are a few services that require a co-pay (ex: there is a \$10.00 co-pay

for Psychiatric Outpatient Care). The participants must select a primary care physician for all service and referrals.

Physical Examinations

Employees may be reimbursed up to \$100 per fiscal year for costs related to annual physical exams that are not covered by health insurance.

Flexible Spending Accounts

Employees are eligible to participate in the College's Flexible Spending Accounts. The Medical Spending Account allows you to use pretax dollars up to \$3,000 annually to pay for health expenses not covered by another source, as defined by the IRS. You can use the Dependent Care Spending Account up to \$5,000 annually to pay for dependent care expenses on a tax-free basis

Cash in Lieu of Health Insurance

Employees that are eligible to receive Health Insurance benefits fully paid for by the College may elect to waive health insurance coverage and receive \$300 per month for every month they are considered eligible. The \$300 per month payment is taxable income. The employee may elect to apply the payment toward a tax-sheltered annuity. To be eligible for the cash payment, employees must sign a document stating that they have other health insurance coverage and indemnifying the College from any liability in connection with medical costs.

Dental

The College provides dental coverage for employees and their eligible dependents (up to age twenty-five [25]) as defined by the Internal Revenue code of the United States. SET-SEG provides 100% coverage for preventative and 80% coverage for specified services, up to a maximum of \$1,000 per year with the exception of orthodontic (\$1,300 lifetime). The premium is fully paid by the College for full-time employees and their eligible dependents.

Vision

The College provides vision coverage for employees and their eligible dependents up to age twenty-five [25]) as defined by the Internal Revenue code of the United States. The College's Vision Reimbursement Plan (VRP) provides reimbursement for exam, lenses, frames or contacts up to a specified amount per eligible participant. The vision benefit plan year is January 1 through December 31. The cost of the insurance is fully paid for by the College.

Life Insurance

Employees receive a \$35,000 life insurance policy and a \$70,000 accidental death or dismemberment policy.

Disability Insurance

There is a 60-calendar day elimination period from the time that an employee is disabled until they can begin drawing disability benefits. Benefits are 2/3 of monthly gross salary.

Deferred Compensation

Employees may defer a portion of their salary into tax-sheltered long-term savings plans {403(b) and/or 457(b) programs}. The College offers several investment options.

Sick Leave Donations

The Exempt Sick Leave Donation program enables any Exempt employee to donate a portion of his/her sick leave balance to another Exempt employee. The guidelines for this program can be found in the Exempt Sick Leave Donations Guidelines.

Retirement

Upon hire, employees may choose between a defined benefit and a defined contribution retirement plan.

- The defined benefit plan, administered by the Michigan Public School Employees Retirement System (MPERS), has a ten-year vesting requirement and provides a benefit based on salary and a multiplier of 1.5% for each year of service. Health insurance benefits are currently available through MPERS upon retirement.
- The defined contribution plan, also known as the Optional Retirement Plan (ORP), provides for immediate vesting. This plan is administered by TIAA-CREF. The amount contributed to the ORP by the College is 10% for employees hired on or after January 1, 2003 and is variable, based on the MPERS rate, for employees hired prior to January 1, 2003. There is no health insurance available through the Optional Retirement Plan upon retirement.

Legal Assistance

The College's insurance program (Errors and Omissions) provides coverage for employees acting within the scope of their duties and authority. Coverage includes defense costs in addition to the liability coverage itself.

Mott Tuition Waiver

Employees, their spouse, and dependent children (up to age twenty-five [25]) as defined by the Internal Revenue code of the United States may enroll in Mott College credit and non-credit courses without payment of tuition and related service fees.

Related Service Fees: The educational grant does not cover the cost of books or materials. A comprehensive list of service fees that are covered by the grant can be obtained from the Accounting Office or can be accessed through both the Accounting and Human Resources sites on the HR website.

Verification of Status: In order to provide verification of employee and dependency status (for purposes of State of Michigan audit and college record keeping) the employee

shall process the grant through the Office of Human Resources by completing an Educational Grant Waiver & Information form.

Repayment: The employee is responsible for any charges for which a student is liable if they, their spouse, or dependent does not complete a credit class with a passing grade or if the class is dropped. (A passing grade is 1.0 or above, Audit, or Satisfactory.) If a passing grade is not received by the end of the semester in which the credit class is taken or at the time grades are assigned, the appropriate charges will be applied.

The employee will also be responsible to repay any charges for non-credit courses under the same circumstances as if the employee were a paying customer. (For example, an employee registers for a Continuing Education class but never attends and does not drop before the deadline).

Payment to the College by the employee shall be by automatic payroll deduction of equal amounts each pay period over a period of twelve (12) months. The College is specifically authorized to initiate payroll deductions once the charges have been recorded and the employee has been notified that the requirements of the Educational Grant have not been fulfilled. The employee may authorize a repayment period of less than twelve (12) months or may pay the full amount due in a single lump sum. If the repayment obligation has not been fulfilled at the time of the employee's separation from employment, the College is authorized to deduct the full remaining obligation from the employee's final paycheck. Any remaining balance will be pursued through the College's normal accounts receivable and collections processes.

Tuition Reimbursement

Effective, July 1, 2003, and at the beginning of each fiscal year, \$6,000 will be put into a tuition reimbursement account for employees. Each employee will be eligible to receive up to \$700 per section/semester/term/session/quarter not to exceed \$1,400 per fiscal year. The funds can be used for tuition, books and related fees. The money cannot to be used for seminars and/or conferences.

To request reimbursement, the employee must submit a final grade and a copy of a billing statement along with any receipts for books to Human Resources. Reimbursement will be charged to the fiscal year in which the class is completed. The employee must receive a "C" or better in the course. All requests must be submitted within 30 days from the end of the section/semester/term/session/quarter in which reimbursement is being requested. An employee will not to be reimbursed for tuition, books or related fees that are covered by other grants, scholarships, or other reimbursement programs. Reimbursement cannot exceed the employee's total out of pocket cost. Reimbursement for less than full-time employees will be prorated based on each employee's FTE at the time of the request for reimbursement.

The program is on a first come, first served basis. Reimbursements cannot be made in excess of the annual allocation of \$6,000. Since reimbursements must be charged to the fiscal year in which the class is completed, requests for reimbursement cannot be "carried over" to a subsequent fiscal year once the total fund is depleted.

At the close of the fiscal year, any money remaining in the tuition reimbursement account will be divided equally among all employees' individual professional development accounts.

Professional Development Fund

Employees will receive an annual allocation of \$425, which may be used to reimburse the employee for purchases and activities related to professional development, including:

- Expenses related to setting up and maintaining a home office (for example, furniture and furnishings; office equipment and related services; computer software, hardware and services, such as internet access; home office supplies).
- Improving knowledge and skills (for example, books, memberships, subscriptions).
- Tools used in conjunction with work (for example, cell phones and cell phone costs, planners, digital cameras).
- Training, seminars, job exchanges, payment of tuition and fees.

Reimbursement for these items usually results in no tax liability for the employee. However, because you as an individual are ultimately responsible for payment of any taxes due, you should discuss planned purchases with the Accounting department if you have any doubts or questions as to taxability. Under certain circumstances, reimbursement for graduate tuition is taxable; you should discuss your particular situation with the Accounting Department to ensure appropriate tax deductions. These funds can accumulate up to a maximum of \$1,500. Any accumulation over \$1,500 will be forfeited.

New Hire Eligibility Criteria

Medical, vision, dental, life and LTD insurance will begin the first of the month following the date of hire.

During the first fiscal year of employment (if the employee does not begin work on July 1), the employee will receive a pro-rated number of vacation, sick and personal days. In making the pro-ration, the employee will receive 1/12th of the annual allocation for each remaining full month of the fiscal year. In addition, credit will be given for the first month of employment provided the employee begins work on or before the 15th of the month. Employees hired on or after the 16th of the month receive no pro-ration for that month for example, an employee hired on August 15 would receive eleven twelfths of the annual allocation whereas an employee hired on August 16 would receive only ten twelfths of the annual allocation.

Exempt Status/FLSA – Compensatory Time

The College has determined that all Exempt Other employees are exempt from the provisions of the Federal Fair Labor Standards Act, and the College therefore is not required to pay overtime to such employees. The College has, however, determined that it will provide a limited form of compensatory time for its Exempt Other employees. In cases where hours in excess of 40 (forty) in a week are required, scheduled and approved by the supervisor and worked by such employees, compensatory time will be credited to a comp time bank for the employee. One hour of compensatory time will be credited for each hour worked but the maximum accrued hours cannot exceed 80 regardless of the number of extra hours worked. Accrued hours may be taken off at a later date, subject to scheduling approval by the supervisor.

Longevity

Employees are eligible to receive longevity payments in December as follows:

- After 10 years of continuous service to the college, a lump sum payment of five hundred dollars (\$500.00) annually.
- After 15 years of continuous service to the college, a lump sum payment of six hundred dollars (\$600.00) annually.
- After 20 years of continuous service to the college, a lump sum payment of seven hundred dollars (\$700.00) annually.

Longevity payments are based on years of service as of July 1 of the current fiscal year. If employees have not completed ten (10) years of service prior to July 1, the initial longevity payment will be made in December of the following year. After the first longevity payment has been received, payments will be made in December of each year thereafter.

Out-of-Class Pay

Employees who are temporarily assigned to duties of a higher classification may receive a temporary increase in pay while performing those duties.

Terminal Leave Pay Out

Employees age 50 or older on July 1, 2003 are eligible to receive the remaining half of the terminal leave liability (the same amount they received on 7/11/03) in the event they retire no later than 6/30/07. Should an employee age 50 or older on July 1, 2003 die before 7/1/07, the amount that would have been paid to them in the event of retirement no later than 6/30/07 will be paid to his/her beneficiary.

Employee Assistance Program (EAP)

Employees have available to them an Employee Assistance Program operated by Help Net. The Employee Assistance Program provides counseling to the employee and any household members at no cost to the employee for a variety of issues.

*For additional information, contact the Human Resources department at
Mott Community College.*