LESS THAN FULL-TIME EXEMPT EMPLOYEES
BENEFITS & COMPENSATION SUMMARY
Updated June 2009

Less than full-time Exempt 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 less than full-time Exempt 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.

Definition of a less than full-time employee

A less than full-time employee is one who works fewer than 40 hours a week, and/or fewer than 52 weeks a year.

Calculating the Benefit Eligibility Factor

Because the employee has not yet worked a complete fiscal year, the initial benefit eligibility factor is an estimate. This is determined by multiplying the number of hours per week the employee is scheduled to work by the number of weeks scheduled to work, and dividing the total by 2080 (the total number of hours a full-time employee works). This estimated benefit eligibility factor will continue to be used until the less than full-time employee has worked a full fiscal year.

The benefit eligibility factor for less than full-time employees is recalculated at the beginning of each fiscal year after a full fiscal year has been worked. This is determined by taking the total number of hours actually worked during the previous fiscal year and dividing the total by 2080 (the total number of hours a full-time employee works).

Calculation of Leave Banks

During the first fiscal year of employment (if the employee does not begin work on or before July 1), the employee will receive a pro-rated number of vacation, sick, and personal days. Furthermore, 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.

Vacation

Annual vacation for employees is prorated based on the employee's benefit eligibility factor. For employees in grades 1-11 may earn up to a maximum of twenty (20) days per year (may accrue up to XXX days). Employees in grades 12-23 are granted vacation time based on the outline below:

- Less than 10,399 hours worked – up to a maximum of 2 weeks (80 hours)
- 10,400 to 20,799 hours worked – up to a maximum of 3 weeks (120 hours)

- 20,800 and over hours worked – up to a maximum of 4 weeks (160 hours)

The annual allocation described above is credited to the employee's vacation "bank" on July 1 of each fiscal year. 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

Sick leave is a form of disability insurance that is designed to be used primarily for situations where a medical condition renders an employee unable to work. Employees are granted a prorated number of sick days per year based on their benefit eligibility factor. Twelve (12) sick days per year is the maximum number of sick day a less than full-time employee can earn annually. The full allocation of sick 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.

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
- Medically necessary appointments for the employee or an immediate family member.

You may be required to provide your supervisor with medical documentation sufficient to validate the use of sick leave for its intended purpose, i.e., that the medical condition prevents you from performing your duties. When returning to work from a personal illness or injury, you may be required to provide documentation that you are able to perform your job.

Personal Business

Employees are granted a prorated number of personal business days based on the benefit eligibility factor. Forty hours (40) of personal business time per year is the maximum number of hours a less than full-time employee can earn annually. Time is granted July 1 of each fiscal year and must be utilized during the fiscal year. Unused time is converted to sick and emergency leave time at the end of the each fiscal year.

Personal business hours will convert to sick and emergency leave upon the employee's death. If the employee is eligible for retirement (55 years of age and 10 years of service) at the time of his/her death, 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 *Terminal Leave Pay Out below).*

Paid Holidays

Employees shall be paid for the following specific days when they fall 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.

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.

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.

Benefit Effective Dates

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

Health Insurance

Employees may choose from one of the following two (2) options: CBT PPO or HealthPlus of Michigan (HMO).

The CBT PPO insurance program has no annual deductibles for in-network services. Office visits require a $10 co-pay. The prescription co-pay is $5.00 for generic drugs and $15.00 for brand drugs.

The HealthPlus of Michigan (HMO) insurance program has no annual deductibles or prescription co-pays. There are a few services that do 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.

Employees who elect health insurance coverage are responsible for a prorated amount of the premium based on their benefit eligibility factor, with the balance of the premium being paid for by the College.

Flexible Spending Accounts

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

Dental

SET SEG provides dental coverage for employees and their eligible dependents (as defined by the IRS), up to age 25. The dental plan provides 100% coverage for preventative services and 80% coverage for specified services, up to a maximum of $1,000 per calendar year per person, with the exception of orthodontic services which is a one time payment of $1,300 for covered individual up to age 19. The dental plan year is January 1 through December 31.

Employees who elect dental coverage are responsible for a prorated amount of the premium based on their benefit eligibility factor, with the balance of the premium being paid for by the College.

Vision

The College provides vision coverage for employees and their eligible dependents, (as defined by the IRS), up to age 25. 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.

An employee who elects vision coverage is responsible for a prorated amount of the premium based on their benefit eligibility factor, with the balance of the premium being paid for by the College.

Disability Insurance

There is a 60-calendar day elimination period for disability insurance. Benefits are 2/3 of monthly gross salary.

Life Insurance

Employees in grades 1-11 receive a $100,000 life insurance policy and a $200,000 accidental death or dismemberment policy. Employees in grades 12-23 receive a $35,000 life insurance policy and a $70,000 accidental death or dismemberment policy.

Supplemental Life and Disability Insurance:

Supplemental Life Insurance: Employees may purchase, at their expense and through payroll deduction, additional life insurance from the College vendor for life insurance. Terms and conditions of such supplemental life insurance are determined by the carrier.

Supplemental Disability Insurance: Employees may purchase, at their expense and through payroll deduction, additional disability insurance from AFLAC. Terms and conditions of such supplemental disability insurance are determined by AFLAC. The College neither endorses nor recommends this supplemental insurance.

Retirement

- Employees will automatically participate in a defined benefit plan, administered by the Michigan Public School Employees Retirement System (MPSERS). The MPSERS plan contains a ten-year vesting requirement and provides a benefit based on the employees salary and a multiplier of 1.5% for each year of service. Health insurance benefits are currently available through MPSERS upon retirement.

- Upon notification of intent to retire, an employee may choose to extend their employment with the College through the use of unused, accumulated vacation time.

- Terminal Leave Pay Out: Upon retirement from the College, an employee shall be paid for unused accumulated sick and emergency leave up to a maximum of thirty (30) days at his/her regular rate of pay.

Employer Provided Retiree Benefits

Employees who retire from the College after the equivalent of ten (10) years of continuous full-time service and who meet the requirements for a regular or deferred retirement as outlined by MPSERS (including employees in the Optional Retirement System) shall receive the following employer provided benefits: use of the faculty/staff parking ramp, free course tuition for credit and non-credit courses at the College (with provision for reimbursement identical to active employees), use of the Mott Library, and inclusion on mailing lists related to activities at the College if requested by the retiree. Dependents (as defined by the Internal Revenue Service) of employees who satisfy the requirements of retirement are also eligible for free course tuition for credit and non-credit courses at the College (with provision for reimbursement identical to active employees).

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 has several investment options available

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 for a pro-rated price based on their BEF.

> **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 websites.
> **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.
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> **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 anytime after the full refund period. (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.
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> 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.)

Professional Development Fund

Each employee in the Exempt employee grades 1-11 will receive an annual allocation of $1,500 and employees in grades 12-23 will receive an annual allocation of $425. A less than full-time Exempt employee will receive a prorated amount of professional development dollars based on their benefit eligibility factor. These funds 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 the employee, as an individual, is ultimately responsible for payment of any taxes due, planned purchases should be discussed with the Account Department if there are any doubts or questions as to taxability. Under certain circumstances, reimbursement for graduate tuition is taxable. Again, particular situations should be discussed with the Accounting Department to ensure appropriate tax deductions.

Employees in grades 1-11 will be allowed to accumulate up to $3,000, and employees in grades 12-23 will be allowed to accumulate up to $1,500. Any accumulation over these maximums will be forfeited.

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.

Tuition Assistance

Eleven thousand dollars ($11,000) is budgeted annually for the entire fund.

Employees, with proper supporting documentation, will be reimbursed for tuition, books, fees, and travel for college credit or other courses related to professional development (travel reimbursements will follow standard College reimbursement policy). Employees must receive a "B" or better for graduate courses and "C" or better for undergraduate courses.

Full-time employees are eligible to receive up to a maximum of $700 per section/semester/term/session/quarter (not to exceed $1,400 per fiscal year). Reimbursement for less than full-time employees will be prorated based on each employee's benefit eligibility factor at the time of the request for reimbursement. Example: A person with a BEF of .85 is eligible to receive $595 per section/semester/term/session/quarter (not to exceed $1,190 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. The funds are distributed on a first-come first-serve basis.

Funds remaining at the end of the fiscal year will be distributed to employees who have expenses in excess of their initial reimbursement as shown in the example below. 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.

EXAMPLE:
Two employees submit $1000 each during the 1st semester. Two more employees submit $2000 each during the 2nd semester. Each are reimbursed $700. At the end of the fiscal year there is a balance of $2200 in the fund. Because there is money left over, each employee that submitted expenses in excess of their initial reimbursement will receive additional funds, not to exceed their submitted amount. The additional payment is a pro rata portion of the balance based on the unreimbursed amount.

$$\frac{\textit{Individual unreimbursed amount}}{\textit{Total groups unreimbursed amount}} \times \textit{y/e account balance}$$

1st Semester	2nd Semester	Unreimbursed Amount	Year-End Distribution

Employee one	*$700*		*$ 300*	*$206.25*
Employee two	*$700*		*$ 300*	*$206.25*
Employee three		*$700*	*$1300*	*$893.75*
Employee four		*$700*	*$1300*	*$893.75*
			$3200	

After this year end disbursement 0 (zero) remains in the fund. If there had been left over funds they would have been divided equally among all employees' individual professional development accounts.

Employees shall not be reimbursed for expenses that are covered by other sources, such as grants, scholarships, or other reimbursement provisions. Total reimbursement from all sources shall not exceed the total net expenses incurred.

Under certain circumstances, reimbursement for graduate tuition is taxable; you should discuss your particular situation with the Accounting Department to ensure appropriate tax deductions.

Fair Labor Standards Act (FLSA)

Given the professional and managerial nature of their work, most Exempt employees are exempt from federal (FLSA) and state overtime laws. Although the standard work week at the College is 40 hours, Exempt employees are expected to work the hours necessary to ensure timely and quality completion of assignments. Given the nature of our work, Exempt employees will, of necessity, somewhat regularly work a few hours in excess of the normal schedule of eight in a day or forty per week. Work demands may require employees to work considerably in excess of forty hours in a week for periods of up to several weeks. Despite the expectation and need to work hours in excess of eight in a day or forty in a week, it is not the expectation or culture of the organization to expect employees to work excessive hours to the extent that it negatively impacts the employee's family life or personal life activities.

Given the exemption from FLSA, employees are not required to charge accumulated leave banks for occasional flexing of hours up to and including four hours per incident or occasion which other non-exempt, non-similarly situated employees would be required to charge. Employees are expected, however, to satisfy their supervisor's expectation with respect to notice and approval of time off, including but not limited to the occasional flexing of hours and to ensure that his/her department/area work needs are covered appropriately.

In the event an employee believes his/her supervisor is requiring hours beyond the parameters noted above, he/she should promptly raise this as an issue of concern with his/her supervisor's supervisor.

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.

Employee Assistance Program (EAP)

Employees have an Employee Assistance Program available to them that is 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 Office of Human Resources at (810) 762-0565.