

EXEMPT EMPLOYEE BENEFITS & COMPENSATION SUMMARY

Updated June 2009

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 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.

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

Employees in grades 1-11 are granted 20 (twenty) vacation days per year (may accrue up to 60 days).

Employees in grades 12-23 are granted vacation time 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)

Time is granted July 1 of each fiscal year. You may receive payment for unused vacation at time of separation. Payment is made at the rate of pay in effect at the time of your separation. The guidelines for whether you will receive such payment are found in your Employment Agreement.

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 12 (twelve) sick days per year. The full allocation of 12 (twelve) days is credited to the employee's "bank" on July 1 of each fiscal year. There is no ceiling or maximum accrual of 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. Immediate family includes husband, wife, father, mother, brother, sister, son, daughter, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, uncle, aunt, nephew, niece, and first cousin.
- 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 receive five (5) personal business days per year. 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 each fiscal year.

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 the time of retirement (*see Terminal Leave Pay Out below*).

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 law and 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 premium is fully paid by the College for the employee and his/her family through June 30, 2010.

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 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. Effective January 1, 2010, employees will be responsible for paying a share of the HealthPlus monthly premium.

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. The dental plan 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.

Disability Insurance

There is a 60 (sixty) consecutive calendar day elimination period for disability benefits. Benefits are 2/3 of monthly gross salary. In the event of an extended absence due to illness or injury during the employee's first four years of employment, MCC will provide the employee with additional paid sick leave days sufficient to cover the waiting period for disability payments provided the employee first exhausts all accumulated sick, vacation, and personal business days.

Additional Employer Provided Disability Benefits

Full-time bargaining unit members who are unable to work due to disability or illness and who have been on an extended medical leave for a minimum of three (3) years are entitled to use the faculty/staff parking ramp, free course tuition for credit and non-credit courses at the College (with provision for waiver identical to active employees), use of the Mott College Library and inclusion on mailing lists related to activities at the College if requested by the employee.

Eligible dependents (as defined by the Internal Revenue Service) of bargaining unit members who meet the criteria above are eligible for free course tuition for credit and non-credit courses at the College (with provision for waiver identical to active employees).

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

- 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 MPSERS rate, for employees hired prior to January 1, 2003. There is no health insurance available through the Optional Retirement Plan 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

Unit members 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). (*CBA: Article 22*)

Deferred Compensation

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

Educational Grant 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 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.

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.

Professional Development Fund

Employees in grades 1-11 will receive an annual allocation of \$1,500 per fiscal year for activities and purchases related to professional development. Employees in grades 12-23 will receive an annual allocation of \$425 per fiscal year. These funds may be used for:

- 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.

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.

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

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.

Employees will receive an initial reimbursement of up to \$700 per semester and \$1,400 maximum per fiscal year, assuming funds are available. 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.

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

	<u>1st Semester</u>	<u>2nd Semester</u>	<u>Unreimbursed Amount</u>	<u>Year-End Distribution</u>
Employee one	\$700		\$ 300	\$206.25
Employee two	\$700		\$ 300	\$206.25
Employee three		\$700	\$1300	\$893.75
Employee four		\$700	<u>\$1300</u>	\$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.

Relocation Allowance

Employees in grades 1-11 who move into the College district to comply with the residency requirement shall be fully reimbursed for the packing and movement of household goods such as clothing, dishes, furniture, appliances, etc. and up to two automobiles.

In addition to reimbursement for the shipping of household goods, employees in grades 1-11 who move to comply with the residency requirement may receive reimbursement for other expenses related to moving such as temporary storage of household goods; transportation costs for family and pets; house hunting expenses; interim living expenses; alteration or replacement costs for curtains, draperies, rugs; and service charges for connection of standard household electrical and plumbing appliances and for utility set-up. In no event, however, shall the fully reimbursable cost of packing and moving household goods and additional costs exceed:

10% of the starting base salary of the President

8% of the starting base salary of Vice Presidents

5% of the starting base salary for Exempt employees in grades 3 and 4

4% of the starting base salary for other Exempt employees in grades 5-11

Employees who do not complete two full years of active employment with the College will be expected to repay the College for moving expenses and must, at the time of initial hire, authorize repayment from any severance pay to which they might become entitled.

Fair Labor Standards Act (FLSA) Status

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.

Longevity

Employees in grades 12-23 are eligible to receive a longevity payment each year 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 an employee's years of service as of July 1 of the current fiscal year. Employees who do not have 10 years of service prior to July 1 will receive their initial payment in December of the following year.

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 Office of Human Resources at (810) 762-0565.