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.

**EXEMPT EMPLOYEE BENEFITS & COMPENSATION SUMMARY**

*Updated January 2019*

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.

At the end of the fiscal year, employees are eligible to carry over two (2) times their annual accrual amount. On July 1st, any time over the maximum accrual limit will be forfeited.

**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, step-parent, brother, step-brother, sister, step-sister, son, daughter, step-child, foster child, grandparent, grandchild, father-in-law, mother-
in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, uncle, aunt, nephew, niece, and first cousin, and next of kin in the event the employee has no living immediate family.

- 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
- Martin Luther King Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- 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.

**Pay for Work Performed During Emergency Closure**

1. Employees required by Management to report to a work site that is closed due to an emergency condition in order to perform necessary emergency or deadline-required duties will receive additional compensation in the form of an additional hour of pay for each hour of work performed during the emergency closure.
2. This additional hour compensation is also paid:
   - To employees who are required by their supervisor to represent the College at off-campus business meetings or events during the emergency closure to a maximum of eight hours for each business day.
• In the event the employee begins working at his/her work site before the decision is made to close due to an emergency event. In such event, premium is not paid beyond the time the employee learns that the work site is closed.

3. With the exception of 2 above, the requirement to report for work must have the prior approval of an Executive Cabinet Member.

4. The premium is paid as wages and cannot be received in the form of “banked hours” such as compensatory time.

**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 (1) of four (4) plan options through MESSA. The MESSA plans include: two (2) Traditional PPO plans (Choices 1 and 2) and two (2) High Deductible PPO plans (ABC 1 and 2). Employees can also contribute to a Health Savings Account if electing a High Deductible Health Plan.

**Premium Contributions**

As required under PA152 of 2011, employees may be required to pay a portion of the medical premium through bi-weekly payroll deductions.

See your HR Representative for current rates and accurate calculation of your premium contribution, if applicable.

**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 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 pay for dependent care expenses on a tax-free basis.

Health Savings Accounts

Employees that elect a High Deductible Health Plan are eligible to participate in a Health Savings Account. The Health Savings Account allows you to use pretax dollars to pay for health expenses not covered by another source, as defined by the IRS.

Cash in Lieu of Health Insurance

Employees that are eligible to receive health insurance benefits 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 dental plan provides 100% coverage for preventative services and 80% coverage for specified services, including implants, up to a maximum of Two Thousand ($2,000) Dollars per calendar year per person, with the exception of orthodontic services which is a lifetime maximum of One Thousand Five Hundred ($1,500) Dollars for covered individuals up to age nineteen (19). The premium is fully paid by the College for full-time employees and their eligible dependents.

Vision

The vision plan provides 100% coverage for in network exams, lenses and medically necessary contacts. In network frames are covered at $65 plus 20% off remaining balance. In network cosmetic contacts are covered at $125 plus 10% off remaining balance. The cost of the insurance is fully paid for by the College for full-time employees and their eligible dependents.

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 Michigan Public School Employees Retirement System (MPSERS) offers several options depending upon your enrollment date. Health insurance benefits are currently available through MPSERS upon retirement.
  
  - The defined contribution plan, also known as the Optional Retirement Plan (ORP), provides for immediate vesting. This plan is administered by the Teachers Insurance and Annuity Association (TIAA). 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**

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 provisions 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 provisions 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)}. The College offer several investment options. There is no College matching.

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.
**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.

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.

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.

**Professional Development Fund**

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

- Reasonable expenses related to setting up and maintaining a home office (for example, office furniture; 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).
- Training, seminars, job exchanges, payment of tuition and fees.

These funds should not be used for decorative accessories (for example, paint, wall decorations, curtains, carpet, rugs) or home remodeling or repairs (built in cabinets, drywall, ceiling, etc.).

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.

Relocation Allowance

There is a residency requirement for Executive Cabinet employees. Executive Cabinet employees who relocate to comply with this requirement will receive a relocation allowance.

Although there is no residency requirement for other Exempt Managers, a relocation allowance may, in the discretion of the College, be provided to newly hired Exempt Managers other than Executive Cabinet employees.

Employees approved to receive a relocation allowance will 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 approved to receive a relocation allowance 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:

Beginning in 2018, these expenses are taxable. The College has elected to “gross-up” the expenses amount to cover the taxes for the employee.

The amount of moving expenses reimbursed is limited to the following amounts:
- 10% of the starting base salary of the President
- 8% of the starting base salary of Vice Presidents, Associate VPs, & Assistant VPs
- 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.

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.

**Military Leave**

Full-time employees ordered to active military duty other than the annual training obligation or initial period of basic and advanced training will be paid the difference between their Mott Community College base pay and their military pay for up to 52 weeks.

The amount of the military differential pay is the difference between:

(a) The employee’s rate of pay immediately prior to the beginning of the military leave, and
(b) All military wages and allowances earned for the period of active duty other than reimbursement of expenses (for example, travel reimbursement).

To be eligible for military differential pay, an employee must meet all of the following requirements:

1. Be a full-time, non-probationary employee covered by this Agreement when called to active duty;
2. Provide the HR Office with copies of the active military duty orders prior to the military leave;
3. Provide documentation of military pay and allowances received prior to the military leave; and
4. Provide proof of honorable service within 60 days of completing the active military duty.

If the military pay is less than the employee’s regular base pay from Mott Community College (grade and step on salary chart), the College will pay the difference to the employee for the qualified period of active duty service, and be reflected as W-2 wages. If the military pay is greater than the employee’s regular pay from Mott Community College, no payment is due the employee. Any differential pay will be calculated and determined prior to the military leave. Differential pay will be paid bi-weekly according to the College’s normal payroll schedule during the military leave.

If the employee is unable to provide HR with proof of honorable service after their military leave (as stated above in (4), the employee will reimburse the College for any differential pay received from the College. The College is authorized to initiate payroll deductions to satisfy this debt.

An audit and reconciliation of military versus Mott pay will be conducted at the end of the period of military service. Any amount due the employee will be paid as soon as practical and
any amount owed the College by the employee shall be repaid by payroll deduction or in a lump sum at the choice of the employee. The period of repayment shall not exceed six months.

**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.*