

EMPLOYMENT BENEFIT POLICIES

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EMPLOYEE BENEFIT POLICY

Eligible employees of the Saint Paul Parish are provided a wide range of benefits consistent with those offered by the Diocese. A number of the programs (such as Social Security, Workers' Compensation, State Disability, and Unemployment Insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. The Coordinator of Benefits can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the employee handbook.

The following benefit programs are available to eligible employees;

- 401 – Payroll Deductions
- 402 – Direct Deposit
- 403 --Vacation Policy
- 404 --Holiday Policy
- 405 – Sick Leave Policy
- 406 – Bereavement Leave Policy
- 407 – Jury Duty Policy
- 408 – Health Insurance Policy
- 409 – Life Insurance Policy
- 410 Benefits Continuation (COBRA)
- 411 Workers' Compensation Insurance
- 412 – 403 (b) Thrift Plan
- 413 – Family Medical Leave Act (FMLA)
- 414 – Personal Days
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Some benefits programs require contributions from employees, but most are fully paid by the Saint Paul Parish or the Diocese of Gary. The benefits package for regular full-time employees represents a substantial benefit, effectively increasing your total compensation by thousands of dollars.

401 PAYROLL DEDUCTIONS

Such programs include:

- Dependent Health Coverage
- Credit Union Contributions
- Tax Sheltered Annuities
- Voluntary Insurance Coverage
- Approved Pre- Tax Deductions

402 DIRECT DEPOSIT

Saint Paul Parish provides employees the optional benefit of having their earned wages deposited directly into their individual bank checking and/or savings accounts. If there are any changes to your bank information, the Payroll Department must be notified in writing.

403 VACATION POLICY -this policy does not apply to teachers, childcare workers, aides or principals

Vacation time with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following classifications are eligible to earn and use vacation time as described in this policy:

- Regular full-time employees
- Regular part-time “A” employees (Pro-rated vacation)

An employee earns vacation time during the current calendar year from January 1 to December 31, and is eligible to use earned vacation time during that same calendar year. New employees are eligible to use earned vacation time after the first thirty (30) days of service.

Vacation time is accrued each month as 1/12th of the annual entitlement. An employee’s annual entitlement is based on years of service. During the month of an employee’s 6th and 16th anniversary date, the monthly accrual rate would increase to that annual entitlement for the remainder of that calendar year.

The following schedule shows an employee’s annual entitlement and the monthly accrual rate:

SERVICE YEARS COMPLETED	ANNUAL ENTITLEMENT	MONTHLY ACCRUAL RATE
1 Year	5 days	.42 days per month
2 – 5 Years	10 days	.83 days per month
6 – 15 Years	15 days	1.25 days per month
16 + Years	20 days	1.67 days per month

Calculating a Pro-rated vacation for Regular part-time “A” employees will be done on the bases of the number of hours the employee works per week in relation to a standard of a forty hour week, fifty two weeks per year.

Vacation accruals are available online through our payroll vendor. Vacation accrual and balance inquiries should be made to the Pastor or his designee or Payroll Coordinator.

Annual earned vacation must be used before the end of each calendar year. During the 4th quarter of the current calendar year employees will be notified of their

vacation balances. In the event that available vacation is not used before the end of the calendar year, employees will forfeit any unused vacation time.

In the event of employment termination and re-hire within a 12-month period, credit will be given for past service for purposes of vacation accrual only. If a terminated employee returns after a 12-month period, credit for past service will not be given.

To take vacations, an employee should request advance approval from the Pastor or his designee. Requests will be reviewed based on a number of factors, including business needs, staffing requirements and seniority. An employee should not assume that the needs of a particular office would be able to accommodate their request for time off. Granting vacation leave is at the discretion of the Office Coordinator.

Paid vacation time can be taken in minimum increments of one-half day. All paid vacation time must be exhausted before unpaid time will be granted in cases of emergency or a leave of absence.

Staff wishing to draw upon unearned vacation time may do so with the consent of the Pastor or his designee, with the understanding that should they terminate their employment without accruing sufficient vacation time, they may be required to reimburse the Diocese.

Vacation time off is paid at the employee's base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work.

404 HOLIDAY POLICY -This section does not apply to teachers, childcare workers, aides or principals

Federal Law does not require employers in the private sector such as the Saint Paul Parish to have a holiday policy or to observe Federal recognized holidays. Notwithstanding this fact, the Saint Paul Parish may give its employees twelve (12) paid days off for the following holidays.

The Saint Paul Parish may grant holiday time off to all employees on the holidays listed below:

- New Year's Day (*January 1st*)
- Martin Luther King, Jr. Day (*Third Monday in January*)
- Good Friday (*Friday before Easter*)
- Easter Monday
- Memorial Day (*Last Monday in May*)
- Independence Day (*July 4th*)
- Labor Day (*First Monday in September*)

- Day Before Thanksgiving ½ day
- *Day before Thanksgiving
- Thanksgiving Day (*Fourth Thursday in November*)
- Day After Thanksgiving
- Christmas Eve (*December 24th*)
- Christmas Day (*December 25th*)
- Day After Christmas (*December 26th*)

The Saint Paul Parish may grant paid holiday time off to all eligible employees immediately upon assignment to an eligible employment classification. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) *times the number of hours the employee would otherwise have worked on that day.* *Holiday pay hours are not counted towards overtime eligibility.* Eligible employee classification(s) are:

- Regular full-time employees
- Regular part-time employees "A" and "B"

If a recognized holiday falls during an eligible employee's paid absence (e.g., vacation, and sick leave), the employee will be ineligible for holiday pay. However, scheduled vacation leave may bookend a paid holiday.

If eligible employee works on a recognized holiday, a flexible work schedule will be provided. They may request an alternate day off with holiday pay in the pay cycle.

If a recognized holiday falls on a Saturday, eligible employees are scheduled for time off with pay on the Friday prior to the holiday.

If a recognized holiday falls on a Sunday, eligible employees are scheduled for time off with pay on the Monday following the holiday.

405 SICK LEAVE POLICY -This section does not apply to Principals or Teachers

Employers are not required by Federal or State Law to provide sick pay to employees. Notwithstanding this fact, the Saint Paul Parish provides paid sick leave benefits to all eligible employees for periods of temporary absence due to illnesses or injuries. Eligible employee classification is:

- Regular full-time employees 10 days per year.
- Regular part-time employees 3 days per year.

Eligible full time employees accrue sick leave benefits at the rate of .83 of a day for every full month of service. Sick leave benefits are calculated on the basis of a "benefit year," the 12-month period that begins when the employee starts to earn sick leave benefits.

Employees become eligible to accrue sick leave benefits upon hire. Paid sick leave can be used in minimum increments of one-half day. Employees may use sick leave

benefits for an absence due to their own illness or injury or that of a family member.

Employees who are unable to report to work due to illness or injury should notify their Pastor or his designee before the scheduled start of their workday, if possible. The Pastor or his designee must also be contacted on each injury; a physician's statement must be provided verifying the disability and its beginning and expected ending dates. Such verification may be requested for other sick leave absences as well and may be required as a condition to receiving sick leave benefits. Before returning to work from a sick leave absence of five (5) calendar days or more, an employee must provide a physician's verification that he or she may safely return to work.

Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, or bonuses.

If an employee receives an injury or becomes ill during a vacation or holiday, they may *not* transfer one of their sick days for a vacation day or a holiday.

A lifetime total of thirty (30) sick days may be accumulated and used only for catastrophic medical conditions such as major surgery or life-threatening disease of the employee or a family member. Once the maximum of thirty (30) sick days is reached, no further sick days may accrue unless and until some or all of the previously accrued thirty (30) sick days are used for a catastrophic medical condition. Unused lifetime accrued sick days are *not* to be calculated in any benefit settlement as a result of the employee's resignation or discharge. The Saint Paul Parish reserves the right to determine what constitutes a "catastrophic medical condition."

Sick leave benefits are intended solely to provide income protection in the event of illness or injury, and may not be used for any other absence. Unused sick leave benefits will *not* be paid to employees at the time of their departure from their employment with Saint Paul Parish.

[*]Thirty Accumulated Sick days per year mandated by Bishop Melczek, June 6, 2010]

406 BEREAVEMENT LEAVE POLICY

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately.

All regularly scheduled employees receive up to 3 days time (part-time) and 4 days (full-time) off with pay for the death of an immediate family member, including parent, brother, sister, spouse, child, grandparent, grandchild, mother/father-in-law, daughter/son-in-law, brother/sister-in-law, or step-relative. If additional time off is needed, employees should use vacation time or floating holiday time (if available) or unpaid personal day.

407 JURY DUTY POLICY

The Saint Paul Parish encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees may request up to two (2) weeks of paid jury duty leave over any one (1) year period. Pay for time spent serving as a juror will be the difference between the per diem the court pays and the regular daily salary of the employee. In other words, if an employee regularly earns \$50.00 a day from the Saint Paul Parish, and the court pays the employee for serving as a juror \$30.00 a day, then for up to two (2) weeks, the Saint Paul Parish will pay the employee \$20.00 a day. To qualify for this benefit the employee must present proof of court payment.

Jury duty pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence. Employee classifications that qualify for paid jury duty leave are:

- Regular full-time employees
- Regular part-time employees "A" and "B"

If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available paid time off (for example, vacation benefits) or may request an unpaid jury duty leave of absence.

Employees must show the jury duty summons to their Pastor or his designee as soon as possible so that the Pastor or his designee may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Either the Saint Paul Parish or the employee may request an excuse from jury duty if, in judgment of the Saint Paul Parish, the employee's absence would create serious operational difficulties.

The Saint Paul Parish will continue to provide health insurance benefits for the full term of the jury duty absence.

Vacation, sick leave and holiday benefits will continue to accrue during unpaid jury duty leave.

An Office Coordinator on an as needed basis will review circumstances outside the above parameters.

408 HEALTH INSURANCE POLICY

The Saint Paul Parish's/Diocese of Gary health insurance plan -- Preferred Provider Organization (PPO) provides employees and their dependents access to medical insurance benefits. Employees in the following employment classification(s) are eligible to participate in the health insurance plan:

- Regular full-time employees working 30 + hours per week and at least 40 weeks per year

Eligible employees may participate in the health insurance plan subject to all terms and conditions as contained in the summary plan description. The details of our plan are explained in this booklet which is available from the Coordinator of Benefits. It is important that all employees understand that the Diocese of Gary funds its own health insurance plan. In other words, to some extent we act as our own insurance company. It is every employee's responsibility to carefully read the summary plan description and direct any questions to the Coordinator of Benefits. It is important that eligible employees wishing to participate in the health insurance sign up within the first thirty-(30) days of employment without being subject to late enrollee penalties. If an eligible employee does not want to participate in the health insurance, they should complete a medical insurance waiver form.

409 LIFE INSURANCE POLICY

Life Insurance offers you and your family important financial protection. The Diocese of Gary provides a basic life insurance plan for eligible employees.

Employees in the following employment classification(s) are eligible to participate in the life insurance plan:

- Benefits eligible employees

Eligible employees may participate in the life insurance plan subject to all terms and conditions of the agreement in the Group/Life Handbook.

Details of the basic life insurance plan, including benefit amounts, are described in the Summary Plan Description provided to eligible employees. Conversion of this policy is available upon separation of employment. Contact the Coordinator of Benefits for more information about the life insurance benefits.

410 BENEFITS CONTINUATION (COBRA)

As a not-for-profit religious organization, the Diocese of Gary and Saint Paul Parish is exempt from Federal Benefits Continuation (COBRA).

Benefits continuation will *not* be available to employees who resign or who are discharged unless other arrangements are agreed upon between the employee and the Director of Human Resources.

411 WORKERS' COMPENSATION INSURANCE

The Diocese of Gary provides a comprehensive Workers' Compensation Insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical or hospital treatment. Subject to applicable legal requirements, Workers' Compensation Insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses should inform the Moderator of the Curia immediately. No matter how minor an on-the-job injury may appear, it is important that the injury be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible. Parishes will report the "First Report of Injury" form directly to Gallagher Basset insurance company.

Neither the Diocese of Gary nor its self-insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social or athletic activity sponsored by the Saint Paul Parish.

412 403 (b) THRIFT PLAN

The purpose of the 403 (b) Thrift Plan is to enable you to accumulate long term savings for your retirement while benefiting from contributions from your pre-tax salary. Participation in this 403 (b) retirement savings program is voluntary. You are eligible to participate in the plan on the first day of the month coinciding with or immediately following your date of hire.

Employee contributions are always 100% vested. Full-time employees are eligible to receive employer matching contributions on the first of the month following one year of service. Employer matching contributions are 100% vested after 3 years of service.

Contact the Benefits Office for more information, on the 403 (b) Thrift Plan, including eligibility and enrollment.

413 FAMILY MEDICAL LEAVE ACT (FMLA)

The Family Medical Leave Act of 1993 (FMLA) provides an entitlement of up to twelve (12) weeks of leave during a twelve-month (12) period.

The leave period commences with the date the leave begins.

FMLA leave is available for the following reason(s):

- a) the birth of a child
- b) the placement of a child for adoption
- c) the need to care for a family member (child, spouse, or parent) with a serious health condition as defined under the FMLA
- d) an employee's own serious health condition

The Diocese of Gary provides an unpaid leave of absence, in accordance with the requirements of FMLA, to eligible employees. This leave may be paid, or a combination of paid and unpaid, depending on the amount of vacation time, personal days and/or applicable sick pay the employee has earned.

Employees are eligible if they have worked for at least one year and for 1,250 hours over the previous twelve (12) months.

The Diocese of Gary maintains health care coverage for the duration of the leave. However, the employee must pay any applicable dependent contributions during the course of the leave. Payment is by payroll deduction for the paid portion of the leave. The employee and their Office Coordinator should make written arrangements for payment of premiums during the unpaid portion of FMLA leave and notify the Coordinator of Benefits of the arrangements.

Employees will not earn seniority or employment benefits, such as vacation, personal and sick days during a leave period.

In most cases, employees are restored to their original or an equivalent position upon their return from FMLA leave.

Request for leave must be in writing to your Pastor or his designee and a copy forwarded to the Coordinator of Benefits. A thirty-day (30) advance written notice is required when the leave is foreseeable, and as soon as possible when the leave is unforeseeable. This notice should include the approximate ending date of the leave.

Saint Paul Parish requires medical certification to support a request for leave because of a serious health condition. Saint Paul Parish, at their own expense, may require an employee requesting a leave to obtain a second opinion from a physician designated or approved by the Diocese. If the second opinion differs from the

original certification, the Saint Paul Parish may require, at the expense of the Diocese, a third opinion to be obtained from a physician that is jointly approved by the employee seeking the leave and the Saint Paul Parish. The opinion of the third physician is final and binding.

Saint Paul Parish may request periodic progress reports from the employee's physician and a fitness to return to work release from the employee's physician upon their return to work.

In the event that an employee does not return to work from FMLA leave for at least thirty (30) days, the Saint Paul Parish may collect from the employee any health and life insurance premiums that were made on the employee's behalf during the leave.

The Saint Paul Parish will also provide up to 26 weeks of FMLA leave during a single 12-month period to permit a spouse, son, daughter, parent or next of kin to care for a member of the Armed Forces, including a member of the National Guard or Reserves who is undergoing medical treatment, recuperation, or therapy is otherwise in outpatient status, or is otherwise on the temporary disability retired list for a serious injury or illness. The Saint Paul Parish will also provide 12 weeks of FMLA leave to the immediate family members (spouses, children or parents) of soldiers, reservists and members of the National Guard who have a "qualifying exigency," such as an overseas assignment, recall to active duty or troop mobilization.

Personal Leave of Absence

The Pastor or his designee may grant personal leave in blocks of 30 days for reasons other than those listed above at their discretion and consistently applied only to employees that have passed the introductory period. An employee must exhaust all vacation time prior to the personal leave.

Military Leave of Absence

Employees who are inducted into the U.S. Armed Forces or who are reserve members of the U.S. Armed Forces or state militia groups will be granted leaves of absence for military service, training or other obligations in compliance with state and federal laws. These employees may use accrued vacation leave but are not required to do so. At the conclusion of the leave, employees generally have the right to return to the same position held prior to the leave or to positions with equivalent seniority, pay and benefits. Saint Paul Parish will pay the difference between military pay and regular wages/salary for up to one month.

Employees are requested to notify their Pastor or his designee as soon as they are aware of the military obligation.

Questions regarding the company's military leave policy, applicable state and federal laws and continuation of benefits should contact Human Resources.

414 PERSONAL DAYS

All employees are entitled to take three (3) personal business days each year. Anyone who begins employment after the first day of January will receive one day of personal business leave for that calendar year.

415 FLEXIBLE WORK SCHEDULE SCHEDULING

Flexible work schedule allow employees to adjust the hours of their daily schedule to accommodate their needs within a pay period. For example, an employee may come in late or leave early one day, and work longer on another day, or days in the same pay period. The total number of hours worked in a given pay period should be as originally scheduled. The intent of flexible work schedule is to allow for appointments or unexpected delays on an occasional basis, not to allow tardiness.

It is the policy of Saint Paul Parish that the Pastor or his designee grant requested flexible work schedule on a case by case basis. The Pastor or his designee has the sole discretion and reserves the right to terminate flexible work schedule.

It is the policy of Saint Paul Parish to incorporate a Flexible Work Schedule into the schedule of an employee. The purpose of a flexible work schedule is to allow an employee to work from a remote location or home to fulfill an obligation or objective set forth by the Pastor or his designee. The Flexible Work Schedule may be requested in writing and approved by the Pastor or his designee in advance. Such approval will be for a specific purpose and the written terms and conditions of the flexible work schedule set by the Pastor or his designee must be signed by the Pastor or his designee and the employee.

It is the policy of Saint Paul Parish that the Pastor or his designee reserves the right to change the regular workday, workweek and hours of its staff and employees.

416 DISABILITY INSURANCE POLICY

The Diocese of Gary's voluntary disability insurance plan provides access to disability insurance benefits. Both Short-Term and Long-Term Disability policies are available. The premium cost is 100% employee paid. Employees in the following employment classification(s) are eligible to participate in the disability insurance plan:

- Regular full-time employees working 30 + hours per week and at least 40 weeks per year

Eligible employees may participate in the disability insurance plan subject to all terms and conditions as contained in the plan booklet which is available from the Human Resources Office. It is every employee's responsibility to carefully read the plan information and direct any questions to the Human Resources Office. It is important that eligible employees wishing to participate in the disability insurance sign up within the first 31 days of employment.

417 VOLUNTARY LIFE INSURANCE POLICY

The Diocese of Gary's voluntary life insurance plan provides employees and their dependents access to life insurance benefits. The premium cost is 100% employee paid. Employees in the following employment classification(s) are eligible to participate in the voluntary life insurance plan:

- **Regular full-time employees working 30 + hours per week and at least 40 weeks per year**

Eligible employees may participate in the voluntary life insurance plan subject to all terms and conditions as contained in the plan booklet which is available from the Human Resources Office. It is every employee's responsibility to carefully read the plan information

and direct any questions to the Human Resources Office. It is important that eligible employees wishing to participate in the voluntary life insurance sign up within the first 30 days of employment without being subject to late enrollee penalties.