

Office Manual

Maine Hospital Association Research and Education Trust Associated Health Resources

Unless otherwise noted, all of the enclosed organizational policies, practices and procedures are equally applicable to employees of the Maine Hospital Association, Research and Education Trust and Associated Health Resources, collectively referred to as the Company(ies) or the Association.

MAINE HOSPITAL ASSOCIATION

PERSONNEL POLICIES AND PROCEDURES.....	1
<u>PROCEDURE FOR EMPLOYMENT</u>	1
<u>ESTABLISHMENT AND CHANGE OF PERSONNEL RECORDS</u>	1
<u>EMPLOYMENT DEFINITIONS</u>	2
<i>Status</i>	2
<i>Classification</i>	2
COMPENSATION	3
<u>HOURS OF OPERATION</u>	3
<u>PAYROLL/TIME SHEETS</u>	3
<u>PROBATIONARY PERIOD</u>	4
<u>TERMINATION OF EMPLOYMENT</u>	4
<i>Resignation</i>	4
<i>Discharge for Cause</i>	5
<i>Involuntary Termination Without Cause</i>	5
DISCIPLINE	5
<u>UNLAWFUL DISCRIMINATION OR HARASSMENT</u>	6
<u>WHISTLEBLOWER CLAIMS AND PROTECTIONS</u>	6
GENERAL PROCEDURES AND POLICIES.....	8
<u>APPEARANCE</u>	8
<u>BULLETIN BOARD</u>	8
<u>CELLULAR TELEPHONE</u>	8
<u>CONFIDENTIAL INFORMATION</u>	8
<u>CONTACT WITH THE NEWS MEDIA</u>	8
<u>CONTINUING EDUCATION</u>	8
<u>EARLY DISMISSAL</u>	9
<u>ELECTRONIC MAIL (E-MAIL) SYSTEM</u>	9
<u>EXPENSE REPORTS</u>	9
<u>EXTREME WEATHER CONDITIONS</u>	9
<u>GIFTS</u>	9
<u>LUNCH AND BREAK PERIODS</u>	9
<u>PARKING</u>	10
<u>PERSONAL TELEPHONE CALLS</u>	10
SAFETY	10
SMOKING	10
<u>SUBSCRIPTIONS/PUBLICATIONS/PROFESSIONAL MEMBERSHIPS</u>	10
<u>SUPPLIES/EQUIPMENT</u>	10
<u>TRAVEL</u>	10
<i>Travel Advance</i>	10
<i>Reimbursed Travel-Related Expenses</i>	10
<i>Meals and Lodging</i>	11
<i>Unreimbursed Travel-Related Expenses</i>	11
<u>USE OF COMPANY CREDIT CARD</u>	11
<u>USE OF COMPANY TELEPHONE CREDIT CARD</u>	11
<u>WORKING FROM HOME</u>	11
EMPLOYEE BENEFITS.....	12
HOLIDAYS	12
<i>Regular Holidays</i>	12
<i>Flex Holidays</i>	12
<u>VACATION</u>	12

<u>VACATION ACCRUAL SCHEDULE</u>	13
<i>Non-exempt employees-administrative support</i>	13
<i>Exempt employees-management</i>	13
<i>Exempt employees-senior management</i>	13
<i>Vacation for an employee who resigns (based on a 40 hour work week)</i>	13
<u>SICK LEAVE</u>	14
<i>Medical Leaves of Absence</i>	14
<u>ABSENCES (OTHER THAN SICK LEAVE)</u>	14
<i>Family Emergency Days</i>	15
<i>Personal Days</i>	15
<i>Personal Leave</i>	15
<i>Bereavement Leave</i>	15
<i>Childbirth Leave</i>	15
<i>Family Medical Leave</i>	15
<i>Employment Leave for Victims of Violence</i>	16
<i>Employment Leave for Caregivers and Persons Affected by Extreme Public Health Emergency</i>	16
<i>Jury Duty</i>	17
<i>Military Leave</i>	17
<i>Other Leaves of Absence</i>	17
EMPLOYEE FRINGE BENEFITS	18
<u>MEDICAL COVERAGE</u>	18
<u>DENTAL COVERAGE</u>	18
<u>LIFE INSURANCE, ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE</u>	18
<u>LONG-TERM DISABILITY COVERAGE</u>	19
<u>PENSION PLAN</u>	19
<u>SOCIAL SECURITY</u>	19
<u>UNEMPLOYMENT COMPENSATION</u>	19
<u>WORKERS' COMPENSATION</u>	20
OPTIONAL BENEFITS	20
<u>CHECKING/SAVINGS</u>	20
<u>DEPENDENT CARE/MEDICAL REIMBURSEMENT ACCOUNTS</u>	20
<u>HEALTH AND FITNESS</u>	20
JOINT VENTURE POLICY	21
DOCUMENT RETENTION AND DESTRUCTION POLICY	22
<i>E-mails</i>	24
<i>Server Back-up Process</i>	24
<i>Shredding</i>	25
<i>Credit Card Information Handling</i>	25

This manual contains statements relating to organizational policies, practices and procedures. These policies are intended to increase understanding, reduce the need for ad hoc decisions on matters of organizational and personnel policy, and help to assure uniformity throughout the organization in matters relating to personnel administration. Employees are urged to consult their supervisor should they have any questions about the policies. The President shall be responsible for final interpretation of these policies. These policies are not an employment contract.

PERSONNEL POLICIES AND PROCEDURES

PROCEDURE FOR EMPLOYMENT

1. Each person applying for employment shall provide a resume and shall authorize the Association to interview past employers, all references and any other persons concerning the applicant's ability, character, reputation, and previous employment record.
2. Employees are selected on the basis of qualifications for the job, future potential contributions to the organization, reliability, and past performance. No applicant will be discriminated against or given preference because of race, sex, age, religious creed, national origin, ancestry, color, physical or mental disability, political beliefs, veteran status, marital status, sexual orientation, or other protected category.
3. Upon employment, completion of all necessary forms will be required, including W-4s, insurance applications, and an I-9 form required by the Federal Immigration and Naturalization Reform Act of 1986. Proper identifying documents may be required for identification. A copy of these forms will be a permanent part of the employee's file.
4. New employees may be trained about the organization, its objectives and purposes, its place in the pattern of the community, state and national health care, relationship with hospitals, other hospital associations, and policies and procedures that will affect the employee. A new employee's supervisor may train the employee in the details of the job assigned and in orientation to office routines and schedules.
5. Upon employment and whenever it is updated, a copy of the Office Manual will be given to and reviewed with the employee.

ESTABLISHMENT AND CHANGE OF PERSONNEL RECORDS

A record for each employee will be established at the time of initial hire. This record is maintained on a confidential basis. An employee shall notify the Director of Business Development and Administration of any change in the employee's name, address, marital status or phone number. Employees who wish to review or copy their own personnel records may do so by requesting their file from the President. An employee's supervisor may review the employee's personnel record upon approval by the President.

EMPLOYMENT DEFINITIONS

Status

Full-Time

Full-time employees are those who are regularly scheduled to work no less than 32 hours per week.

Part-Time

Part-time employees are those who are scheduled to work less than 32 hours per week on a regularly scheduled basis. A part-time employee who actually works 32 or more hours in a workweek shall continue to be a part-time employee unless formally scheduled to work 32 or more hours per week regularly.

Probationary

Probationary employees are those full-time or part-time employees in their first three months of employment. Probationary employees participate in a performance evaluation at the conclusion of the three months. Employment is conferred at that time, contingent upon a satisfactory appraisal.

Temporary

Temporary employees are those who are hired to work for a limited period of time. Temporary employees may be full-time or part-time. A temporary employee who works beyond the initially scheduled period shall continue to be a temporary employee unless formally reclassified.

Classification

Exempt Employees

Executive, administrative and professional employees may be exempt employees if they meet the requirements specified for one or more of the exemptions from coverage by the Fair Labor Standards Act. Exempt employees are paid on a salary basis and are not compensated for additional hours above their normal working day or week.

Non-Exempt Employees

All other employees not classified as exempt as identified above are considered non-exempt employees and are covered by the Fair Labor Standards Act. Non-exempt employees are compensated for hours worked over forty (40) hours per week at the rate of 1 1/2 times their normal hourly rate of compensation.

Consultants

Those individuals who are retained as independent contractors for special situations. Arrangements regarding the terms and conditions of retention shall be specified by a letter of agreement signed by the individual and a representative of the Association. All agreements must be approved by the President.

COMPENSATION

The Association operates a compensation program designed to:

- compensate all employees according to the combined considerations of the competitive marketplace.
- compensate all employees on an equitable basis without regard to race, sex, age, religious creed, national origin, ancestry, color, physical or mental handicap or disability, political beliefs, veteran status, marital status, or other protected category.
- provide appropriate differentials in compensation to recognize differences in individual performance, seniority and level of job.
- provide, within its financial means, competitive salary levels for all employees.

Prior to any changes in an employee's compensation, the following information may be discussed with each employee:

- 1) job performance;
- 2) growth potential;
- 3) where appropriate, the compensation ranges for jobs in the organization for which the employee may be qualified; and,
- 4) what standards of performance must be met in order to receive further salary rewards.

An evaluation may be done by the employee's immediate supervisor and approved by the President. The evaluation will be shared with the employee. It will be signed by both the employee and the evaluator. The evaluation will become a permanent part of the employee's personnel file and may be used to help determine annual salary adjustments.

The evaluation process may be conducted on the anniversary date of employment or, if the employee has changed positions, the anniversary date of the employee's appointment to his or her current position. The Association may deviate from these compensation guidelines at any time for any reason.

HOURS OF OPERATION

Regular office hours shall be from 7:30 a.m. until 5:00 p.m. with one hour for lunch. Each employee may choose to work 7:30 a.m. to 4:30 p.m. Support staff must work 8:00 a.m. to 5:00 p.m. throughout the week for which they have been assigned. Permanent variation of work hours must be approved by the President.

PAYROLL/TIME SHEETS

The salary and wages of all employees are computed and paid on Wednesday every two weeks.

Accurate time sheets must be submitted by all non-exempt employees. Time sheets must be submitted to the Director of Business Development and Administration on Monday morning following a pay week. Regular work hours should be accurately noted for non-exempt employees, as well as Vacation, Sick Time, Holidays, Flex, and Family Emergency Days so that

the employee's account may be updated. Non-exempt employees must sign their time sheet before it is submitted. In addition, time sheets must be initialed by a non-exempt employee's supervisor if overtime was included in the time period worked.

PROBATIONARY PERIOD

The first three (3) months an employee is new to the Association or a different position within the Association is considered a probationary period. During this period, the employee has the opportunity to demonstrate the knowledge, skills and attitudes required for the position in order to qualify for continued employment. Upon completion of a satisfactory performance appraisal an employee may be advanced to regular employment status.

Upon approval of the President, employees may be placed on probation by the employee's supervisor at any time when the employee's performance no longer meets the requirements of their position. This probation may be for a period up to six (6) months. When an employee is placed on probation, the supervisor may document the employee's performance problem, meet with the employee, provide a copy of the documentation to the employee and the President, and allow an appropriate amount of probationary time for improvement.

When the probationary period ends, the supervisor may make a recommendation to the Association as to whether the employee is put on probation again, taken off probation or terminated. The President shall make the final decision.

TERMINATION OF EMPLOYMENT

Since employment is based on mutual consent, either the employee or the employer may terminate employment at any time, for any reason. So that termination may be carried out properly, the following policy exists.

Resignation

The Association may need adequate time to provide for a resigning employee's replacement and to process the employee's final payments. Thus, notice of one (1) month for exempt staff and two weeks for non-exempt staff is requested. All resignations should be in writing and must be submitted to the employee's immediate supervisor within the time limit noted. The Association may pay the employee's salary or wage in lieu of the employee working out the notice, or the Association may immediately discharge the employee without further pay.

Whenever possible, before an employee is discharged with or without cause, the supervisor will make that recommendation to the President. The President shall make the final decision. In the absence of the President, the decision to discharge an employee may be made by a member of Senior Management.

Discharge for Cause

Immediate discharge of an employee without notice may be affected for serious misconduct such as any one of the following:

- Willful neglect of duty;
- Insubordination;
- Theft;
- Coming to work under the influence of, or the unauthorized use on company property of, any intoxicant or unlawful drug; or the abuse of prescription medications;
- Fighting;
- Sexual or other harassment of another employee;
- Possession of a lethal weapon;
- Willful destruction of company property;
- Habitual tardiness in reporting to work and/or excessive absenteeism;
- Discourteous treatment of members and/or guests;
- Dishonesty of any nature or type;
- Incompetence;
- Actions contrary to the best interest of the company, whether on-the-job or off-the-job;
- Falsification of either company or personnel records;
- Any violation of company policy or standards of conduct; or,
- Inappropriate disclosure of confidential information;
- Any other intentional or gross misconduct.

No notice or payment of wages in lieu of notice shall be granted when an employee is discharged for cause.

Involuntary Termination Without Cause

An employee may be discharged without cause. Employees other than probationary or temporary employees shall be granted notice or payment of wages in lieu of notice. Exempt employees shall receive one month notice or payment of wages in lieu of notice and non-exempt employees shall receive two weeks notice or payment of wages in lieu of notice.

DISCIPLINE

The Association may discipline an employee for minor, major, or persistent misconduct. Discipline may consist of verbal warnings, written warnings, suspensions without pay, demotions, placement on probation, or other discipline, as the Association may determine. A salaried, exempt employee shall not be disciplined by means of a suspension without pay of less than one week.

UNLAWFUL DISCRIMINATION OR HARASSMENT

The Companies will not engage in or tolerate unlawful employment discrimination against any applicant for employment because of race or color, gender, sexual orientation, physical or mental disability, religion, age, ancestry or national origin, because of the applicant's previous assertion of a Workers Compensation claim under Title 39 or Title 39-A or because of previous actions taken by the applicant that are protected under Maine's whistleblower laws under Title 26, chapter 7, subchapter 5-B or because an applicant exercised their rights under the Maine Human Rights Act; or, because of those reasons, to discharge an employee or discriminate with respect to hire, tenure, promotion, transfer, compensation, terms, conditions or privileges of employment or any other matter directly or indirectly related to employment.

The Companies will not engage in or tolerate harassment on the basis of sex. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of sexual nature constitute sexual harassment when:

- a. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- b. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- c. such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Any employee who has a good faith belief that s/he has experienced or observed unlawful discrimination or sexual harassment should promptly report such incidents to the employee's immediate supervisor or the President without fear of reprisal before it becomes severe or pervasive. An investigation will be made of all such reports and the information relating to the investigation will be kept as confidential as possible. Furthermore, the Companies will not tolerate retaliation against anyone who complains of discrimination or sexual harassment or who participates in an investigation. Any employee who engages in any discriminatory behavior or sexual harassment may be disciplined or discharged.

WHISTLEBLOWER CLAIMS AND PROTECTIONS

It is the policy of the Companies to abide by all applicable federal, state and local laws, rules and regulations, and to have all of their employees do the same. Additionally, the Companies are committed to creating and maintaining a work environment in which staff members feel welcome to step forward and report suspected illegal activities or a condition or practice that puts a person's health or safety at risk.

In accordance with this policy and applicable law, an employee will be protected from discrimination and retaliation if the employee reports to the President or General Counsel any good faith concern regarding the Company's practices or conditions, which the employee has reasonable cause to believe are in violation of any federal, state or local law, rules or regulation, or which the employee has reasonable cause to believe risks the health or safety of that employee or any other individual.

The Company will not discharge, threaten, discriminate or otherwise retaliate against an employee who submits a good faith complaint, participates in any investigation or legal proceeding arising from any such complaint, or on the basis of any other lawful actions of such employee in submitting a good faith report relating to real or perceived unlawful conduct. This statement applies even if an investigation proves that there has been no unlawful activity involving the Company or any of its employees.

The Company will promptly investigate each complaint to determine its merits and the appropriate action to be taken. Confidentiality will be maintained to the extent practical and appropriate under the circumstances. If an investigation reveals that unlawful conduct has taken place, appropriate disciplinary action will be taken, up to and including suspension or discharge.

In order to receive the protections under the Maine Whistleblowers' Protection Act, the employee who has reported or caused to be reported a violation, or unsafe condition or practice, to a public body must first bring the alleged violation, condition or practice to the attention of the President or General Counsel, and must allow the Company a reasonable opportunity to correct that violation, condition or practice, unless the employee has specific reasons to believe that a report to the Company will not result in a prompt correction of the violation, condition or practice.

Any action considered to be discriminatory or retaliatory should be reported immediately to the President or General Counsel. The Company will not tolerate discrimination or retaliation against the complainant by any employee and will subject such employee to discipline, up to and including suspension or discharge from employment. Employees who are not themselves complainants, but who assist in an investigation relating to unlawful activity, will also be protected from discrimination and retaliation.

The whistleblower protections afforded in this policy do not protect the person from disciplinary actions that could result from any personal wrongdoing by the whistleblower within the allegation being presented.

GENERAL PROCEDURES AND POLICIES

APPEARANCE

All employees are expected to present a professional and business-like appearance which reflects favorably on themselves, as well as the Association and fellow employees. The personal appearance of everyone is an important asset to the Association's image.

For purposes of this policy, very casual clothing such as athletic type shoes, tank tops, tee shirts, jeans, or shorts is unacceptable. Proper business attire is mandatory. On certain occasions, exceptions may be made by the President. Exceptions may also be made for medical reasons.

BULLETIN BOARD

The Association maintains a bulletin board on which notices of importance to employees are posted. Employees are responsible for being aware of information posted on the "Official Notices" bulletin board.

CELLULAR TELEPHONE

The president and vice presidents are frequently working out of the office. The Companies have determined that it is necessary for the president and vice presidents to carry cellular phones to be reachable while away from the office in order to provide prompt and efficient service to members. Phones will be issued and paid for by the Companies so that the Association can purchase blocks of minutes for the group, which the Companies have determined is less than the cost of carrying separate plans.

To be reimbursed for phone calls made on a cellular phone, an employee must get prior approval from the President.

CONFIDENTIAL INFORMATION

Employees are expected to respect the confidentiality of activities of the company, as well as its members. Such matters shall not be discussed except within the job responsibilities as outlined. Upon termination of employment, an employee shall promptly return to the Association all confidential information and documents belonging to the Association.

CONTACT WITH THE NEWS MEDIA

Contact and conversation about Association matters with the news media shall be restricted to those staff members so designated by the President.

CONTINUING EDUCATION

The company will reimburse 50% of an employee's tuition for up to two completed programs of study per semester provided the subject is related to the employee's work at the company, has been approved in advance by the President and the employee attains a passing grade.

EARLY DISMISSAL

The President will be responsible for notifying all employees of the decision to close the Association before the regular closing time. Employees at work on this day at the time of closing will be compensated at their normal daily rate of pay. Employees scheduled off on this day will record their time and be compensated in the previously scheduled manner, i.e. Vacation, Sick Time, etc.

ELECTRONIC MAIL (E-MAIL) SYSTEM

The Association makes available an internal and, through the Internet, an external electronic communications system (e-mail) for conducting Association business. The records created through the use of this system are the property of the Association who reserves the right to monitor the operation of the system, to access all of the records within it and to retain or dispose of those records it deems necessary.

Individual employees who use the e-mail system may make occasional and incidental use of it to send and receive personal messages. In doing so, employees acknowledge the Association's ownership of the system, its files and its rights concerning its use.

EXPENSE REPORTS

Expense reports should be filled out on a timely basis. They should be filled out neatly and concisely on the appropriate form with all explanations and receipts supplied. The Companies recognize that there will be times when a receipt is not practical or possible. In that case, expenses under \$20.00 (such as taxis or tips) do not require receipts; however, expenditures must be itemized and accurate. The form should be submitted to the Business Office. Once approved, a check will be issued by the Business Office in the next scheduled run of checks. Employees may request that expenses be reimbursed via electronic transfer.

EXTREME WEATHER CONDITIONS

Should a non-exempt employee be tardy or absent due to extreme weather conditions, the employee must use vacation or flex-time as compensation. An exempt employee absent a day or more shall do the same. If the employee does not have any vacation or flex-time accrued or would prefer, the time off may be taken without pay. If the President closes the office, employees are compensated in the same manner as the early dismissal policy. Completing work at home will not be an acceptable alternative, as all employees do not have such an option available. For purposes of the extreme weather conditions policy, an employee is considered tardy ninety (90) minutes past the start of an employee's regularly scheduled workday.

GIFTS

Employees may not accept gifts, payments, fees or other favors where these would, or might appear to improperly influence performance of official duties. Cash gifts or honorarium may not be accepted; non-cash gifts may be accepted if they are promotional in nature, with an approximate value under \$100, and unlikely to be perceived as influencing the recipient.

LUNCH AND BREAK PERIODS

Appropriate lunch and break periods will be provided in accordance with work schedules and in compliance with the provisions of the Fair Labor Standards Act and Maine statutes.

PARKING

Parking is provided for the employees in the building parking lot and employees are expected to comply with the parking rules and regulations which will be announced from time to time.

PERSONAL TELEPHONE CALLS

Personal telephone calls, whether incoming or outgoing, shall be held to a minimum in number and length.

SAFETY

Employees shall conform to and comply with any and all safety rules and fire plans, and comply with standards formulated by regulatory agencies.

SMOKING

Smoking is not allowed in the Association offices.

SUBSCRIPTIONS/PUBLICATIONS/PROFESSIONAL MEMBERSHIPS

Employees who wish to order or renew magazines, newsletters and other publications, or professional memberships may do so if within the annual Association budget.

SUPPLIES/EQUIPMENT

All supplies and equipment must be purchased by the designated purchasing agent. The purchasing agent will consolidate all orders onto a purchase order which will be reviewed and approved by the Director of Business Development and Administration. Orders over \$500 will also be reviewed and approved by the President.

All packing lists should be given to the Staff Accountant to match up with the purchase order and invoices.

TRAVEL**Travel Advance**

The frequent need to travel in order to conduct the Association's business often requires employees to make expenditures of money from personal funds. These expenditures are reimbursable. When considerable personal funds are required by an employee who has not been issued a company credit card, a travel advance is available, subject to the approval of the President.

Reimbursed Travel-Related Expenses**Transportation**

Employees will be reimbursed for round-trip airfare utilizing the most direct route from home or the Association to the airport nearest the destination at a rate less than first class.

Employees will also be reimbursed for actual and necessary limousines, taxis, personal automobile mileage, parking, rental, or other appropriate means used to travel to and from the airport at the points of origin and destination and while on Association business at destination.

When travel is by personal automobile, the Association will reimburse the employee for actual and necessary tolls, parking fees for work-related activities and the current established mileage rate for miles traveled to and from the destination. If an employee leaves from his or her home, the total miles reimbursed will be calculated either from the home to the destination or from the office to the destination, whichever is less.

Meals and Lodging

The Association will cover the following actual and necessary expenses:

- reasonable cost of meals, beverages and gratuities while on Association business;
- lodging at the single room rate;
- reasonable telephone charges due to the employee's absence from the Association and his or her residence; and,
- reasonable and necessary gratuities not covered under meals and transportation.

Unreimbursed Travel-Related Expenses

Transportation, meals and lodging expenses for individuals accompanying an employee on Association business will not be reimbursed to the employee by the Association. Additional expenses for double occupancy lodging greater than single room rate must be paid by the employee.

Costs related to repair or replacement of personal items damaged, lost or stolen while on Association business beyond applicable insurance benefits are not reimbursable to the employee by the Association.

USE OF COMPANY CREDIT CARD

A company credit card will be issued to various management staff and the Staff Accountant. The company credit card is to be used only for business purposes. Employees should be prepared to provide receipts for all expenses upon request by the Staff Accountant. Receipts for purchases of non-travel related items that are, or may be, subject to state sales tax must be submitted to the Staff Accountant.

USE OF COMPANY TELEPHONE CREDIT CARD

Telephone credit cards are provided to all management staff and other individuals whose work requires them to be away from the office. Employees not issued a telephone credit card may borrow one from the Staff Accountant if they are out of the office.

The Association has a contract with One Communications for telephone charges. It is important that employees follow the directions on the back of the credit card when placing calls. In order for the Association to receive the best possible rate, employees must use the toll-free number (800-567-5006) to access One Communication's calling service.

The Association also has an 800 number for staff use only. This number should be used to retrieve voice mail messages when away from the office.

WORKING FROM HOME

Employees will not be allowed to choose to work at home instead of coming to the office. Exceptions will be granted by the President on a case-by-case basis.

EMPLOYEE BENEFITS

HOLIDAYS

The Association observes 12 paid holidays per calendar year. In the event a paid holiday occurs on a Saturday, the holiday will be observed on the preceding Friday. If the paid holiday falls on a Sunday, the holiday will be observed on the following Monday. When an observed holiday falls within the employee's vacation period, an additional day is allowed. Full-time employees receive pay for all observed holidays. Employees working forty (40) hours per week receive holiday pay at the rate of eight (8) hours. Any employee whose regularly scheduled work week is less than forty (40) hours per week is not eligible for holiday pay except as specifically authorized by the President.

Regular Holidays

There are seven (7) regular holidays. They include: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, the day following Thanksgiving, and Christmas.

Flex Holidays

In addition to the regular holidays, five additional days may be taken as discretionary holidays in a calendar year. The Association offices will remain open on these days. Employees who work are compensated at their regular rate of pay. These holidays can be worked as a regular day and taken either alone or in conjunction with another holiday or weekend. The Flex Holidays include: Martin Luther King Day, President's Day, Patriot's Day, Columbus Day, and Veteran's Day. Employees who work on a Flex Holiday must take another regular working day off in trade for the holiday worked before August 31 of the following year. For example, if an employee worked the Veteran's Day in November, he or she would have until August 31 of the following year to take another day off.

VACATION

All full-time employees are entitled to vacation benefits equal in hours to their regularly scheduled work week. An employee will earn a pro-rata amount of vacation in the year he/she begins work. Any employee whose regularly scheduled work week is less than forty (40) hours per week is not eligible for vacation pay except when specifically authorized by the President.

Vacations must be authorized by the employee's immediate supervisor. Whenever possible, employees are expected to give reasonable advance notice when requesting vacation.

Any vacation time carried over (limited to no more than five days) must be taken by August 31 of the following year. Unused time carried over and not taken by August 31 of the following year will be forfeited.

The Association may allow an employee to take a paid vacation before the employee has earned all of the vacation time, on terms and conditions determined by the Association.

VACATION ACCRUAL SCHEDULE**VACATION ACCRUAL SCHEDULE FOR FULL-TIME EMPLOYEES WITH A REGULAR SCHEDULE OF 40 HOURS PER WEEK:****Non-exempt employees-administrative support**

Length of Employment	# of Vacation Days per year
1 to 5 years	10 days per year
6 to 10 years	15 days per year
11 or longer	20 days per year

Exempt employees-management

Length of Employment	# of Vacation Days per year
1 to 5 years	15 days per year
6 to 10 years	20 days per year
11 or longer	25 days per year

Exempt employees-senior management

Length of Employment	# of Vacation Days per year
1 to 10 years	20 days per year
11 or longer	25 days per year

Vacation for an employee who resigns (based on a 40 hour work week)

Employees who voluntarily terminate after giving proper notice will receive pay in lieu of time off for accrued and unused vacation time. If advance vacation benefits have been granted and taken in excess of accruals through exception approved by the President, a deduction of the excess amount will be made from the employee's final paycheck. An employee will earn a pro-rata amount of vacation for the year in which he/she resigns.

SICK LEAVE

It is recognized that personal illness may require absence from work, thus the following sick leave benefits are provided.

All full-time employees are entitled to sick leave. Employees working forty (40) hours per week will earn sick leave at the rate of eight (8) hours per month of employment. Employees whose regularly scheduled work week is less than forty (40) hours per week are not entitled to sick leave except when specifically authorized by the President.

Unused sick leave may be accumulated to a maximum of ninety (90) days. Any sick leave accumulated over ninety (90) days is forfeited. Unused sick leave will not be payable upon termination of employment.

An employee compensated by paid sick leave will continue to accrue additional paid sick leave during the employee's absence. Paid sick leave must be earned before it is paid.

To qualify for paid sick leave, the employee must actually have a personal illness unless a "Family Emergency Day" is being used (as explained below) and the employee's immediate supervisor must be notified by 8:00 a.m. on the day of absence. Exempt employees must notify the Director of Business Development and Administration of vacation or other leave upon returning to work.

The employer reserves the right to request a physician's certification of illness prior to approval of payment for sick leave.

Annual, semi-annual or occasional dental and medical visits are not deducted from sick leave provided prior approval is given by the supervisor. If approved by the supervisor the employee will be compensated for the time needed directly associated with these visits.

Medical Leaves of Absence

A medical leave of absence may be granted by the President when the employee has used up all accrued sick leave and vacation benefits upon the presentation of acceptable evidence indicating the need for the leave. Such leave will be for not longer than three (3) months and at the end of this time, if evidence produced indicates a need for an extension, such may be considered. If the employee fails to request an extension or otherwise has not returned to work, employment will automatically be terminated.

ABSENCES (other than sick leave)

From time to time an employee may, by necessity, be absent from work for reasons not covered in other sections of these Policies and Procedures. These are defined in this section as follows.

Family Emergency Days

Three (3) days of a full-time employee's sick leave each calendar year may be used as "Family Emergency Days" (FED) to be taken for family illness or emergencies. After these days are used, vacation or flex days may be taken for family illness or emergencies. Family Emergency Days are not carried over from year to year and require the same approval procedure as sick leave.

Personal Days

Full-time non-exempt employees receive two (2) personal days each calendar year which may be used at the employee's discretion. Personal Days are not carried over from year to year and require the same approval procedure as sick leave.

Personal Leave

Personal Leave without pay may be granted by the President for good cause including, but not limited to, attendance at school, or personal or family crisis. Benefits are not provided by the Association nor do they accrue while an employee is on personal leave. An employee may be allowed to continue premium paid benefits while on personal leave by paying the premium upon approval by the President.

Bereavement Leave

Bereavement leave benefits apply to members of an employee's family. Paid leave of up to three (3) days may be granted a full-time employee for a death of the employee's immediate family. Immediate family is defined as spouse, child, mother, father, brother, sister, mother-in-law and father-in-law. A paid leave of one (1) day may be granted a full-time employee for a death of the employee's immediate relative. Immediate relative is defined as grandmother, grandfather, grandchildren, aunt, uncle, niece, nephew, sister-in-law, brother-in-law, daughter-in-law or son-in-law, and members of the employee's household.

If additional days of leave are required, the employee may use vacation, flex days, family responsibility days, or a personal leave of absence. Part-time employees are not eligible for paid bereavement leave.

Childbirth Leave

Employees shall be given childbirth leave in accordance with any applicable federal and state statutes.

Family Medical Leave

The Association will grant to an eligible employee an unpaid Family Medical Leave in accordance with any applicable federal or state law to the extent that employee is entitled to any such leave and not covered by any of the Association's other leave policies.

An employee who has been employed by the Association for 12 consecutive months is entitled to up to 10 work weeks of family medical leave in any 2 years. The employee must give at least 30 days notice of the intended date upon which family medical leave will commence and terminate, unless prevented by medical emergency from giving that notice. The Association may require certification from a physician to verify the amount of leave requested by the employee, except that an employee who in good faith relies on treatment by prayer or spiritual means, in

accordance with the tenets and practice of a recognized church or religious denomination, may submit certification from an accredited practitioner of those healing methods.

Family medical leave granted under this policy may consist of unpaid leave. If the employee has accumulated sick and/or vacation time for fewer than 10 weeks, the additional weeks of leave added to attain the total of 10 weeks required may be unpaid.

Intermittent or reduced leave schedule family medical leave may be taken subject to the following limitations:

- Leave for the birth or adoption of a child may not be taken by an employee intermittently or on a reduced leave schedule unless the employee and the Association agree otherwise.
- Subject to the notice and physician certification policies above, leave for serious health condition of an employee; serious health condition of a child, domestic partner's child, parent, domestic partner, sibling or spouse; donation of an organ of that employee for a human organ transplant; death or serious health condition of the employee's spouse, domestic partner, parent, sibling or child if the spouse, domestic partner, parent, sibling or child as a member of the state military forces, or the United States Armed Forces, including the National Guard and Reserves, dies or incurs a serious health condition while on active duty may be taken intermittently or on a reduced leave schedule when medically necessary. The taking of leave intermittently or on a reduced leave schedule pursuant to this paragraph may not result in a reduction in the total amount of leave to which the employee is entitled beyond the amount of leave actually taken.

Employment Leave for Victims of Violence

An employee may be granted reasonable and necessary leave from work, with or without pay, to prepare for and attend court proceedings; receive medical treatment or attend to medical treatment for a victim who is the employee's daughter, son, parent or spouse; or obtain necessary services to remedy a crisis caused by domestic violence, sexual assault or stalking.

Employment Leave for Caregivers and Persons Affected by Extreme Public Health Emergency

An employee may be granted reasonable and necessary leave from work, with or without pay, for the following reasons related to an extreme public health emergency as defined in Title 22, section 801, subsection 4-A:

- The employee is unable to work because the employee is under individual public health investigation, supervision or treatment related to an extreme public health emergency;
- The employee is unable to work because the employee is acting in accordance with an extreme public health emergency;
- The employee is unable to work because the employee is in quarantine or isolation or is subject to a control measure in accordance with extreme public health emergency information or directions issued to the public, a part of the public or one or more individuals;
- The employee is unable to work because of a direction given by the Association in response to a concern of the Association that the employee may expose other individuals in the workplace to the extreme public health emergency threat; or
- The employee is unable to work because the employee is needed to provide care or assistance to one or more of the following individuals: the employee's spouse or

domestic partner, the employee's parent, or the employee's child or child for whom the employee is the legal guardian.

Leave granted under this policy must be for the duration of an extreme public health emergency and for a reasonable and necessary time period following the termination of the extreme public health emergency for diseases or conditions that are contracted or exposures that occurred during the extreme public health emergency. Upon the employee's return to work, the Association may request written documentation from a physician or public health official supporting the employee's leave.

Jury Duty

In the event an employee is required to perform jury duty, he or she will receive his or her salary as a full-time employee. The employee must give notice of being selected for jury duty. This benefit is available to full-time employees only.

Military Leave

In the event an employee is called into service in the armed forces, he or she will be granted military leave of absence and subsequent reinstatement in accordance with existing state and federal laws.

Other Leaves of Absence

Other leaves of absence may be granted without pay for other purposes recommended by the immediate supervisor and approved by the President.

EMPLOYEE FRINGE BENEFITS

Fringe benefits are available through the Association to all full-time employees.

It is the employee's responsibility to provide updated information to be used in the fringe benefit programs on a timely basis. Updated fringe benefit information is provided when necessary. The Association can provide no assurance nor make any representation concerning the tax-free status of any fringe benefit provided to employees. It is possible that a portion or all of the value of fringe benefits provided or actual benefits may become taxable due to legislation. In the event such fringe benefits are determined to be taxable, then such benefits will be subject to Federal Income Tax (FIT), Maine State Income Tax, and Social Security Taxes (FICA), and Medicare.

The Association reserves its right to replace, modify, amend, or terminate any fringe benefits for its employees.

MEDICAL COVERAGE

The Association pays the full cost of health benefits coverage for full-time employees and 70% for their eligible dependents. Each year employees may opt to enroll in a traditional PPO plan or a PPO with a corresponding health savings account.

Eligibility and Effective Date: Full-time employees, eligible on the first day of the month following the date of employment.

Information detailing the coverage and benefits is available upon request from the Director of Business Development and Administration

DENTAL COVERAGE

The Association pays the full cost of dental benefits coverage for full-time employees and their eligible dependents.

Eligibility and Effective Date: Full-time employees, eligible on the first day of the month following the date of employment. Information detailing the coverage and benefits is available upon request from the Director of Business Development and Administration

LIFE INSURANCE, ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE

The Association pays the full cost of Life and AD & D benefits for full time employees.

Eligibility and Effective Date: All full-time employees, effective on the first day of the month following the date of employment.

Life insurance amount is two (2) times annual earnings rounded to the next \$1,000 with a maximum of \$85,000.

Life and AD&D amounts reduce to 65% at age 70 and 50% at age 75.

LONG-TERM DISABILITY COVERAGE

Long-term disability benefits are provided by UNUM Insurance Company.

Eligibility and Effective Date: Full-time employees, effective on the first day of the month following the date of employment.

Benefit Summary: 60% of earnings to a monthly maximum benefit of \$14,000. Coverage will continue if employee cannot do his or her own occupation to age 65 with zero-day residual even if they are able to do something else.

PENSION PLAN

Eligibility and Effective Date: All full-time employees, eligible after six (6) months of service. Employee must be at least 20 1/2 years old.

Benefit Summary: The Association contributes 6% of gross wages to a 401(k) plan and employees may contribute unmatched funds.

SOCIAL SECURITY

All employees on the Association payroll are covered by Social Security from the employee's date of employment to the employee's date of termination and/or retirement.

Social Security is a federal program which provides for social security (old age, survivors and disability insurance) and for Medicare (hospital insurance). Benefits are paid by the federal government to you, your spouse or dependent child(ren) based upon the circumstances which surround your application for and awarding benefits.

Social Security taxes are also known as FICA taxes and are paid by the employee and the employer. For Social Security, the tax rate is 6.2% for both employees and the Association for wages paid in the calendar year up to a gross maximum determined by the IRS annually. For Medicare, the tax rate is 1.45% for both employees and the Association for all wages paid in the calendar year.

Application for benefits is made at the nearest office of the Social Security Administration.

UNEMPLOYMENT COMPENSATION

Full-time and part-time employees are covered by Unemployment Compensation through the State of Maine from the employee's date of employment to the employee's date of termination and/or retirement.

Unemployment compensation benefits are weekly payments to eligible workers who have become unemployed as a result of reasons identified in Maine State statute. Application for unemployment compensation benefits is made through the State of Maine. Benefits are administered under State and Federal laws and financed through payroll taxes which are paid in full by the Association.

WORKERS' COMPENSATION

Full-time and part-time employees on the Association payroll are covered by Workers' Compensation from the employee's date of employment to the employee's date of termination and/or retirement.

This insurance reimburses employees for medical expenses which are the result of injury incurred at their regular places of work or when on Association business away from their regular place of work. It also provides for partial reimbursement of salary lost as a result of work-incurred disability.

OPTIONAL BENEFITS**CHECKING/SAVINGS**

Employees may elect to have all or any portion of wages directly deposited to checking and/or savings account or other accounts as made available by the employee's individual banking institution.

DEPENDENT CARE/MEDICAL REIMBURSEMENT ACCOUNTS

Benefit Strategies: Employees may elect to contribute up to \$2,000 of their salary to a Medical Reimbursement account and up to \$5,000 annually to a Dependent Care Reimbursement account. These pre-tax contributions will then be used for medical and/or dependent care expenses allowed by the Internal Revenue Service and incurred during the plan year. Unused amounts at year-end will be forfeited to the plan.

HEALTH AND FITNESS

The Association will pay for 1/2 of the cost of the annual membership fee for an employee to join a health and fitness club not to exceed \$250 per calendar year. One half of the cost of a family membership will be assumed to be the employee share, which is eligible for the 1/2 reimbursement.

JOINT VENTURE POLICY

This Joint Venture Policy is designed to assure that proposals to participate in joint ventures of any kind, whether commercial or otherwise, are fully reviewed to determine compliance with federal tax law and other applicable law or regulation, as well as corporate purposes.

Definitions:

Joint Venture: Any business undertaking created by contract between the Maine Hospital Association (MHA) and/or the Research and Education Trust (RET) and one or more other organizations carrying at least twenty-five percent (25%) voting or controlling interest whether for-profit or not-for-profit in character to carry out any joint purpose. This definition shall not include normal contractual and other relations among MHA and/or RET and contractors and consultants providing products or services to them.

Company: The family of tax exempt corporations which includes the MHA and the RET. All references in this policy to “Company” or “Companies” are equally applicable to both companies unless otherwise specifically noted.

Procedure:

All proposed joint ventures shall be carefully evaluated by corporate staff and legal counsel as appropriate with a full and complete recommendation made for consideration by the respective governing board(s). The recommendation shall include, but not be limited to, the following factors and considerations:

- tax status of the Company or Companies participating in the proposed joint venture;
- tax status of the external entity or entities forming the joint venture;
- an evaluation of the impact, if any, of the proposed joint venture on the tax status of the Company or Companies participating in the venture;
- an evaluation of whether the purpose of the proposed joint venture is consistent with the vision, mission and values of the participating Company or Companies;
- an evaluation of whether the element of control through governance is sufficient to protect the tax status of the participating Company or Companies; and
- an evaluation of whether the contractual relationship(s) and related mechanisms are sufficient to assure that all dealings among the joint ventures are and will be maintained as arms-length dealings.

DOCUMENT RETENTION AND DESTRUCTION POLICY

Purpose

The purpose of this policy is to manage the storage, protection and disposition of the organizational records in a legal and efficient manner.

Applicability

The term “records” is defined as any form of recorded data or information, regardless of medium, relating to the business or operations of the Maine Hospital Association, the Research and Education Trust or Associated Health Resources. This includes all paper documents, documents recorded and stored on individual workstation computers, network computers, data storage systems of any sort, personal data assistants, cell phones, voicemail systems, and email whether current or archived and computer tapes created for the purpose of providing back up capability in the event of loss or destruction of records. The term “record” also includes any of the foregoing that may be maintained in any form at an employees’ home or any offsite location and shall be managed consistent with this policy.

In the event litigation, government investigations or an audit is pending or imminent, records shall not be destroyed even when otherwise permitted by this policy.

Record Category	Record Type	Retention Period	Related Instructions
ADMINISTRATIVE			
	Accounts payable/receivable	7 years	
	Accounts written off	7 years	
	Audit reports	Permanently	
	Balance sheets	Permanently	
	Bank records	7 years	
	Brokerage annual statements	Permanently	
	Budgets	7 years	
	Cash receipts	7 years	
	Charts of accounts	Permanently	
	Check registers	Permanently	
	Checks	10 years	Checks for taxes and capital purchases to be retained permanently
	Cash disbursement and receipt record	Permanently	
	COBRA records	5 years	
	Contracts, notes and leases	Life of the term plus 7 years	
	Council and committee records	Permanently	
	Corporate records (bylaws, articles of incorporation, Board of Director records)	Permanently	

	Deeds/mortgages	Permanently	
	Disbursements	3 years	
	Fire inspection reports	6 years	
	Fixed asset records and depreciation schedules	Permanently	
	Financial statements (year end only)	Permanently	
	FUTA/FICA/Income tax withholding	4 years	
	Insurance policies (expired)	10 years	
	Insurance records, reports, claims etc.	Permanently	
	Invoices—fixed assets	Life of equipment plus 6 years	
	Invoices—vendor	7 years	
	Journal entries	Permanently	
	Leases	Life of the lease plus 6 years	
	Legal records—all	Permanently	
	Ledgers—general	Permanently	
	Payroll records	10 years after termination	
	Payroll register	4 years	
	Petty cash records	7 years	
	Profit/loss statements	Permanently	
	Property appraisals	Permanently	
	Salary history	8 years	
	Social security reports	4 years after taxes are paid	
	Tax returns (income, sales, and payroll)	Permanently	
	Time sheets	7 years	
	Titles to property	Permanently	
	Travel and expense reports	7 years	
	Trial balance	Permanently	
	Unemployment tax records	7 years	
	W-4 forms (withholding tax exemptions certificates)	7 years	
	Withholding tax statements	7 years after taxes are paid	
	Workers compensation records	10 years after inactive	
	PERSONNEL		
	Employment applications	3 years after the date of action	
	Employee benefits	Dental 5 years; Disability 7 years after settlement or expiration; Life insurance 5 years; Medical 7 years	

	Equal Pay Act records	4 years	
	Garnishment records	7 years	
	Job classification	6 years	
	OSHA forms/summaries	At least 30 years beyond duration of employment	
	Overtime reports	10 years	
	Pension records	Permanently	
	Personnel file	7 years after termination	
	Profit-sharing records	Permanently	
	Personnel records for: Title VII of the Civil Rights Act; Americans with Disabilities Act; Age Discrimination in Employment Act; Family and Medical Leave	4 years	
	Vacation and sick leave	4 years	
	W-2 forms	Permanently	
	Wage statements, itemized	7 years	
	Workers compensation documents	10 years	
PUBLIC RELATIONS			
	Permissions, copyrights etc.	Permanently	
	Press releases/op eds	Permanently	
	In-house publications	Permanently	
EDUCATION			
	Continuing education certificates	4 years	
MEMBERSHIP			
	Applications	Permanently	
	Hospitals' MHA membership dues statements	Permanently	

Emails

All e-mails in employee “delete” and “sent” boxes that are more than 60 days old are automatically and permanently deleted.

Server Back-up Process

A backup is done each week night of applications and documents that reside on the servers. The Companies use ten tapes to give a two week rotation. The most recent backup tape is kept on site in case files need to be restored. The second most recent tape is kept off site. Employees are encouraged to periodically review their files on the server and determine which files can be archived onto CDs and removed from the server. One copy of each archived CD is kept on site while a second copy of the CD is kept off site.

Shredding

Records that have been archived to CD or no longer need to be kept in accordance with the retention policy will be shredded.

Credit Card Information Handling

The registration form containing credit card information received from individuals purchasing products or services from the Association is altered once the transaction has been processed. All but the last 4 digits of the credit card number are removed from the registration form. The registration form (without the credit card number) along with the transaction confirmation e-mail from PayPal are scanned and saved on the Staff Accountant's private network drive. Once that information has been confirmed backed up on the nightly server backup tape, the paper copies of the information are shredded. Eventually, the stored electronic information is deleted in accordance with the document retention policy.

Updated: March 21, 2011