

[DATE]

[APPLICANT NAME]

[ADDRESS]

Dear [APPLICANT FIRST NAME]:

It is my pleasure to offer you the [POSITION TITLE] position in the [DEPARTMENT NAME] Department of the Tennessee Hospital Association (THA) with a beginning annual salary of \$[AMOUNT], with your beginning employment date at THA to be [DATE].

[ADD FOR FULL-TIME STAFF] It is THA's policy to have an independent consultant evaluate the compensation of all positions every three years and to recommend the salary ranges and market values of these positions. By maintaining competitive salaries, THA can better attract and retain talented staff. These evaluations have resulted in some significant salary increases for staff. This position is scheduled to be reevaluated [DATE OF REEVALUATION].

[ADD FOR NON EXECUTIVE STAFF] In addition to your salary, you will be eligible for a longevity bonus. For this bonus you will receive \$50 for each completed full year of employment with no service breaks.

[ADD FOR EXECUTIVE STAFF] In addition to your salary, you will participate in the THA bonus pool. The bonus opportunity to be paid in March following the close of the year is up to [??% of salary or \$??,??]. The bonus for your first year will be prorated based on the number of months employed with THA.

[ADD FOR FULL-TIME STAFF] Other benefits currently offered to full-time THA employees include:

- Holidays – nine paid days per year
- Flex Time – [ADD FOR FULL-TIME EXEMPT STAFF] twenty-three days annually (15.33 hours per month). OR [ADD FOR FULL-TIME NONEXEMPT STAFF] twenty days annually (13.33 hours per month).
- Vacation Buy Back – Subject to budget approval, employees can elect to be paid for up to ten days at a rate of 95%, as long as they have a minimum of ten days earned in addition to the days being sold.
- Short-term Disability – Employees are eligible if they have completed 120 days of service and have at least six days of flextime. Short-term disability pay at 100% of pay begins on the seventh consecutive workday through the two calendar month qualifying period for long-term disability.
- Long-term Disability – Employees are eligible if they have completed 120 days of service. Long-term disability begins two calendar months from the beginning of consecutive days off for illness or injury. Long-term disability is paid at 60% of salary with a maximum monthly benefit of \$6,000.

- Health and Vision Insurance – [Family coverage provided OR Individual coverage provided and family coverage currently available for \$160 per month]; coverage begins on the first day of the first full month of employment.
- Dental Insurance – Individual coverage provided and family coverage is currently available for \$55.74 per month; coverage begins on the first day of the first full month of employment.
- Life Insurance
- Business Travel Insurance – Accidental life insurance in the amount of \$100,000
- Retirement Savings – THA will match 100% of the first 4% of contributions into THA's 401(k) plan. Employees are automatically 100% vested in any funds contributed or earned by this program.
Beginning January 1 or July 1 following an employee's first full year of service, THA full-time employees are also eligible for a discretionary contribution equal to 5.7% of an employee's total compensation to his/her 401(k) plan and an additional 5.7% for earnings above the Social Security ceiling up to legally mandated limits. Funds in this program are subject to a six year vesting schedule.
- Flexible Benefits – Allows employees to pay for family health expenses that are not covered by insurance and dependent care expenses using pre-tax dollars.
- Section 529 College Savings
- Educational Assistance – Subject to approval, THA will provide \$500 per semester or \$1,000 per year in direct educational assistance for courses that enhance job performance.
- Healthy Lifestyle Program – This program provides free health screening and one-on-one follow-up consultations for employees. Employees who participate in the health screening are currently eligible for \$175 and an additional \$225 for participating in consultations.
- Health Club Membership – Employees are eligible for reimbursement up to \$35 per month for their health club membership dues.

For federally required employment eligibility verification, it is necessary for us to examine one or more documents on the enclosed list (one from list A or one from list B and one from list C). Please bring it/them with you on your first day of employment. Our office hours are 8:00 a.m.-4:45 p.m. Monday through Friday.

THA does not have contracts for a particular length of service and both the employer and employees have the right to terminate the employment at will.

I look forward to working with you. Please indicate your acceptance of this offer by signing in the appropriate space below and returning the signed acceptance letter to me by [day, date].

Sincerely,

[THA DIRECTOR NAME]
[TITLE]

Signatures:

[ADD FOR EXECUTIVE STAFF]

[APPLICANT NAME]

Craig A. Becker, President

Date _____

Date _____

B

EMPLOYEE HANDBOOK

(Revised January 22, 2007)

TENNESSEE HOSPITAL ASSOCIATION

THA SOLUTIONS GROUP, INC.

TENNESSEE HOSPITAL EDUCATION AND RESEARCH FOUNDATION, INC.

TENNESSEE HOSPITAL INSURANCE PROGRAM, INC.

**500 Interstate Blvd., South
Nashville, Tennessee 37210-4634**

615/256-8240

EMPLOYEE HANDBOOK

This edition of the employee personnel policy handbook is effective January 22, 2007, and all previous printings and related changes and additions are hereby withdrawn and revoked.

These policies are applicable to the employees of:

Tennessee Hospital Association (THA)
Tennessee Hospital Education and Research Foundation, Inc. (THERF)
THA Solutions Group, Inc.
Tennessee Hospital Insurance Program, Inc. (THIP)

(All chartered by the state of Tennessee)

Even though THA, THERF, THA Solutions Group and THIP are four separate legal entities with separate financial records, all employees are governed by the same personnel policies and employee benefit programs. Therefore, the use of the term THA, unless otherwise specified in these policies, shall mean employees of all four entities.

LEGAL DISCLAIMER

This personnel policy handbook and these policies are NOT a contract of employment—they merely set out policies and procedures in effect on the date issued. The personnel policies are subject to change at any time by THA. Where applicable, any changes in the law, federal or state, will supersede any related provisions that are included in this handbook.

Notwithstanding any of the provisions of this handbook or any personnel policy, all employees are “employees-at-will” who may quit at any time, with proper notice expected; or who may be terminated at any time for any reason including, but not limited to, budgetary reasons. *(See sections on resignations and dismissals.)*

ANTI-DISCRIMINATION POLICY

THA is an equal opportunity employer and does not discriminate against applicants or employees on the basis of race; color; religion; sex; age; national origin; citizenship status; ancestry; or past, present or future membership in a U. S. Uniformed Service. In addition, THA does not discriminate against qualified individuals with physical or mental disabilities. *(Detailed policy on page 2.)*

POLICY WAIVERS OR CHANGES

The only individual who has the authority to waive or change any provisions of this handbook is the president and chief executive officer, unless otherwise stated within a specific policy. Any waivers or changes must be in writing and signed by the president and chief executive officer.

WELCOME TO THA

We are happy to have you as a member of the THA, THERF, THA Solutions Group or THIP staff. This employee handbook has been designed to help you understand THA, THERF, THA Solutions Group and THIP and the rules and regulations that guide your employment. It will help you establish and maintain a good working relationship whether you are a new member of our staff or have been with us for a long time. As you know, teamwork is essential to the efficient operation of any organization, and it is good to have you on our team—a team dedicated to giving quality services to its members.

We want you to be happy in your job, and want to hear your suggestions on anything that will help make THA a better place to work.

The rules and policies of employment set forth in this handbook are to simply let you know what we expect from you and what you may expect from THA. These policies can be changed by THA when it is considered appropriate to meet new standards, legal requirements or improve current operations and philosophy.

Please read your handbook carefully and keep it for future reference. We ask that you sign a form indicating you agree to read the policies, obtain clarification on items you have questions about and agree to abide by them.

Each employee plays an important part in making THA a success. Part of our responsibility is to keep you accurately informed about our policies and procedures. This handbook is a summary of the principles that guide our employee-employer relationship. It outlines the benefits that are available, the working environment which you may expect, and the guidelines and obligations which you assume as an employee.

It is a pleasure to welcome new employees and extend best wishes to those whose careers have become a part of the growth of THA. We are sincerely proud to have you on our staff.

Craig A. Becker
President and Chief Executive Officer

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HISTORY OF THE TENNESSEE HOSPITAL ASSOCIATION AND ITS MEMBERSHIP

THA was established in 1938 by hospital executives from across the state. It is a not-for-profit corporation chartered by the state of Tennessee as a public service corporation. THA's mission is to lead its members in advocacy for, and support of, community-based hospitals and health systems and assist them in delivering accessible, cost-effective quality health services. Its regular membership consists of most hospitals in the state, other healthcare facilities and related organizations. Associate institutional members are firms that provide products and/or services to healthcare facilities. Personal members consist of approximately 1,200 individuals, most of whom are employed by hospitals.

In 1969, the Tennessee Hospital Education and Research Foundation (THERF) was established as a separate but integral not-for-profit entity that qualifies for tax-exempt donations and grants. THERF conducts a variety of educational and public service programs that are designed to enhance the effective management of healthcare facilities.

In 1981, Diversified Services, Incorporated was chartered as a wholly owned for-profit subsidiary of THA. In 1995, the name was changed to THA Solutions Group, Inc. Its purpose is to provide needed, cost-effective and competitive programs, which do not qualify for tax exemption, to health-related entities.

In 2003, and in response to a hospital malpractice insurance crisis, the Tennessee Hospital Insurance Program (THIP) was formed. THIP is a subsidiary of THA Solutions Group and exists to provide a variety of insurance services to THA members.

AFFILIATED AND ALLIED GROUPS

A variety of professional healthcare groups are associated with THA. Their primary objective is to promote the professional interests and fill the educational needs of their members.

Affiliated Groups

Healthcare professional organizations that have formally joined together for the purpose of professional education and development, adopted bylaws and elected officers may become affiliated with THA through a formal application to THA's board of directors. The purpose of such affiliations is to promote excellence in patient care in hospitals and other healthcare facilities, facilitate the exchange of information, and further the professional education and personal development of individual members. Members of affiliated groups may hold joint personal membership in their organizations and in THA and are eligible for certain benefits from THA.

Allied Organizations

Healthcare professional organizations that have formally joined together for the purpose of professional education and development, adopted bylaws and elected officers may become allied with THA through a formal application to THA's board of directors. Allied organizations are recognized by THA but do not maintain a joint membership arrangement and are not eligible for many of the benefits provided to affiliated groups.

VALUED QUALITIES

Effective job performance by each individual is required and essential to the achievement of THA's overall goals.

EMPLOYMENT POLICIES

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of THA to grant equal employment opportunities to all qualified persons without regard to race; color; religion; sex; age; national origin; citizenship status; ancestry; physical or mental disability; or past, present or future membership in a U. S. Uniformed Service. It is the intent and desire of THA that equal opportunities be provided in employment, promotion, compensation, benefits and all other privileges, terms and conditions of employment. Employees with questions regarding policies or procedures in any area of equal employment opportunities should contact human resources personnel.

EMPLOYEES WITH DISABILITIES

THA will fully comply with all requirements of the Americans with Disabilities Act.

Our policy is to treat all employees without discrimination because of physical or mental disability in regard to any position for which they are qualified (with or without an accommodation) and to treat them equally in employment practices, such as the following: rate of pay or other forms of compensation, benefits, training, upgrade, transfer or demotion, layoff or termination and all other terms, conditions and privileges of employment.

THA will make reasonable accommodation to the known physical or mental limitations of qualified applicants or employees with a disability to enable them to perform essential job duties, unless such accommodation would impose an undue hardship on the operation of the business.

TITLE VII COMPLIANCE

No person shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of or be subjected to discrimination under any THA program or activity receiving federal financial assistance. It is also the policy of THA to ensure that applicants for employment and employees are treated without regard to race, color or national origin. Employees who feel they or any constituent(s) have been subject to discrimination in any of those areas should contact the THA human resources coordinator, the Title VII representative. Also, discrimination complaint forms are available in the first and fourth floor mailrooms and can be sent to the address on the form.

EMPLOYEES AND SUPERVISORS

The immediate supervisor will discuss how the employee's work fits into the overall picture, the steps needed to complete assignments and explain the overall details of his or her duties.

PERSONNEL EXECUTIVE AND EMPLOYEE RECORDS

The president will designate a member of the management staff to serve as THA's personnel executive.

The personnel executive will usually conduct exit interviews just prior to an employee's last work day. This executive also will perform other functions that are usually handled by a company personnel services director.

Human resources personnel maintains pertinent employment records on all THA employees. All new employees will be requested to complete insurance forms, the W-4 form and other employment information. For THA to comply with federal immigration laws, employees must provide documentation establishing identity and employment eligibility within three working days of hire date or else the employee will be

terminated. All employees have an obligation to report, on a timely basis, all changes to such information in the human resources personnel office.

HIPAA PRIVACY RULE

The Standards for Privacy of Individually Identifiable Health Information (the Privacy Rule) are federal government regulations, which implement certain privacy protections required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Privacy Rule creates national standards to protect individuals' medical records and other personal health information.

THA's healthcare provider annually sends a copy of its' Notice of Privacy Practices to each employee receiving health coverage. The most current copy is made available to each new employee.

ATTENDANCE

Employees are expected to start their work day on time and be punctual for all working appointments. Regular attendance is a necessary condition of employment. Occasionally, it may be necessary to be absent from work as a result of unexpected illness or personal reasons. However, notification is necessary so proper arrangements can be made to handle work during an absence. This notification is necessary for the absence to be excused. Should an employee be absent three consecutive work days without personally contacting the supervisor, THA will conclude that the employee has voluntarily resigned without notice.

All employees who are out sick or must be off for other unpredictable reasons due to circumstances beyond their control are to personally notify their supervisor and the receptionist within the first hour of absence or earlier, if possible. If the employee will not be at home, the employee must provide a telephone number where contact can be made.

STAFF CLASSIFICATIONS

The senior management staff is composed of the president and all vice presidents.

The consulting management staff is composed of those persons who are employed as consultants to THA.

The associate management staff is composed of the assistant vice presidents plus designated directors and managers of specific functions.

Members of the senior management, associate management and consulting staffs are employed as exempt salaried employees, as defined by currently applicable laws and regulations. Overtime provisions of the federal Fair Labor Standards Act (FLSA) do not cover exempt employees.

The administrative staff consists of all other employees and are employed as nonexempt salaried employees, as defined by currently applicable laws and regulations. Nonexempt employees are employees who are covered by the minimum wage and overtime provisions of the federal Fair Labor Standards Act (FLSA).

HOURS OF WORK AND THE WORK WEEK

Exempt employees who work over 40 hours during a calendar week are not eligible for overtime, but non-exempt employees are eligible.

Administrative Staff

The official calendar week for employees of THA begins at 12:01 a.m. each Sunday and ends at 12:00 midnight the following Saturday. The normal working hours for most employees are from 8:00 a.m. to 4:45 p.m., Monday through Friday. Normal working hours are subject to change for an employee if the change is in the best interest of THA, THEREF, THA Solutions Group, THIP or the employee.

Senior Management, Associate Management and Consulting Staff

Senior management, associate management and consulting staff do not have a fixed number of hours per week. They are expected to get their jobs done regardless of the number of hours that are required.

SALARY ADMINISTRATION

THA has a formal wage and salary administration program, which provides for equitable pay differentials among jobs of varying skills and responsibilities. This permits individual consideration so each employee is paid in accordance with his/her responsibilities and performance.

Administrative staff and associate management salaries are reviewed on the employee's anniversary date. If performance warrants, an employee may be considered for an increase in pay. In instances where an employee's current salary reaches the median of their salary range, a bonus may be given instead of a salary increase. Senior management staff that participate in the THA incentive program do not necessarily receive an annual salary increase.

THA provides a salary administration program, which ensures wages and salaries are consistent with job performance, qualifications and job classification and are competitive with locally prevailing rates being paid for similar work in area organizations. Periodic salary surveys are conducted to compare the overall salary levels of THA with those of similar organizations and the surrounding area.

Specific responsibilities, qualifications and requirements are set forth in job descriptions that are part of the wage and salary program, and are used as guidelines to determine the wage and salary levels.

TIME SHEETS

Administrative staff must not begin work more than 15 minutes prior to, nor continue to work more than 15 minutes after, scheduled work times. These must be limited to no more than 1.25 hours per week, which will bring the work week up to 40 hours, unless overtime is approved in advance by the supervisor.

Employees should not complete their time sheets at the end of the week—do it on a daily basis.

The laws and regulations under which THA operates require non-exempt employees to record the exact number of hours worked. It is the employee's responsibility to turn in accurate time sheets. Falsifying a time sheet is prohibited and will be grounds for disciplinary action. Time sheets are used for payroll computation. All non-exempt employees should fill out a time sheet daily, showing the exact number of hours worked and other paid hours. If an employee leaves THA premises, other than a lunch period, and is not on THA business, the employee should show this time away from the premises on the time sheet. **The employee and employee's supervisor must sign the time sheet.**

When an administrative staff employee is required to work during the lunch hour, such as taking minutes at a meeting that prevents them from taking a complete break from work, the lunch time should be taken immediately following adjournment of the meeting.

Completed time sheets for each week are to be signed by administrative staff and their supervisors and turned in to human resources personnel no later than Tuesday morning of the following week. If an individual plans a scheduled absence, the time sheet should be submitted for the week in advance.

Senior management and associate management staff who have taken flex time must complete a regular absenteeism form. This form must be signed by the respective immediate supervisor and forwarded to the accounting department within three working days following the employee's return to work.

OVERTIME WORK

Working overtime is sometimes required. An employee is asked to cooperate with the supervisor when approached about working overtime. If, during peak periods, an employee feels it is necessary to work overtime, prior approval must be obtained from their supervisor before doing so. Compensatory time off for non-exempt staff must be taken during the calendar week in which it is earned.

The normal work week is 38.75 hours; however, as the official work week is a 40-hour week, an employee's supervisor may request the employee to stay past 4:45 p.m. to complete a project. For non-exempt staff, time worked in excess of 40 hours per week will be paid at one and one-half of the regular hourly wage. Overtime includes time actually worked and does not include flex time, holidays, etc.

BREAK AND LUNCH PERIODS

Employees will have a one-hour lunch period and one paid 15-minute break period each day scheduled by their supervisor.

The one hour meal period should be scheduled between 11:00 a.m. and 1:30 p.m. Employees should always take a full hour for meal periods unless requested to do otherwise by the supervisor. Any work performed during the meal period must be done with the permission of the supervisor and noted on the employee's timesheet so any appropriate compensation or alternate time off may be arranged.

Break periods and lunch periods should never be allowed to result in the interruption of service to the membership. Consequently, please arrange with other employees to see that working staff remains available at all times. In consideration of fellow staff members, employees are expected to return to work promptly at the completion of the lunch or break period.

PAY DAYS AND PAY ERRORS

Payroll is handled via direct deposit to the employee's bank. Pay days occur semi-monthly on the 15th and the last day of the month. Pay stubs will show gross compensation less the tax deductions, which are required to be made from earnings such as federal income tax (withholding tax), FICA (Federal Insurance Contribution Act) and Medicare tax, along with any other authorized deductions. All voluntary deductions must be authorized by the employee, in writing, before they can be made through the payroll system, as required by law.

Pay is current, i.e., the first payroll deposit will be on the first 15th or the last day of the month following date of employment. Salaried employees will be paid through the 15th or the last day of the month. Hourly employees pay will include time worked and submitted to the payroll department five business days prior to the 15th or last day of the month.

Every precaution is taken to avoid errors in pay. If an error does occur, contact the accounting department. If an error is found, the adjustment will be made on the next pay day.

INTRODUCTORY PERIOD

The first 90 days of employment are considered an introductory period. There is no guarantee the employee will be retained the entire 90 days of the introductory period, because all THA employment is on an at-will basis. Employees will receive a performance review at the end of their 90-day introductory period.

It is within the discretion of the supervisor to impose a new 90-day introductory period when new responsibilities are assumed or performance is marginal at the end of the initial introductory period.

PERFORMANCE REVIEWS

Associate management staff and administrative staff performance will be reviewed at the end of their 90-day introductory period and then periodically, but not less than annually, and their supervisors will discuss their performance with them at the time of each review and other times, as deemed appropriate. Employees who have questions about how they are doing or what they can do to improve their performance should discuss the situation with their supervisor.

The performance review is designed to serve as an opportunity to offer advice and counsel regarding the strengths and weaknesses of an employee's performance, as well as an opportunity for the employee to express feelings regarding their performance and THA in general. Performance reviews are not for the purpose of criticism but for professional growth of the employee.

PERFORMANCE EVALUATION DATE

The evaluation date may differ from the anniversary date due to the following reasons:

1. Promotion with an increase in salary
2. Leave of absence
3. Long-term disability

OPPORTUNITY FOR GROWTH

A goal of THA is to encourage employee growth by providing a good working atmosphere, training opportunities and promotions whenever it appears it would be of mutual benefit to the employee and THA. Announcements usually will be made about job openings, which will provide information about becoming a candidate. While internal candidates will be considered and, all other factors being equal, will be given preference, THA reserves the right to seek resumes from outside sources and consider any applicants. THA also reserves the right to "restructure" a position without prior announcement.

OUTSIDE EMPLOYMENT OR PRIVATE CONSULTING

THA does not want to control the personal affairs of its employees in any way or regulate the use of an individual's own time. However, holding another job, operating a private business or consulting, in addition to a full-time position at THA, may interfere with a person's efficiency, promptness and overall performance, as well as create a possible conflict of interest. Prior to entering outside employment, including self-employment, an employee must advise their supervisor of the arrangement, who, if necessary, will discuss it with the president. The following are the specific rules governing outside employment (but may not be all inclusive):

1. Any outside job or business can in no way conflict with THA or compete with services provided by it, as determined by the supervisor.
2. The employee must completely fulfill all obligations and job responsibilities to THA.

3. The time during normally scheduled work hours shall be devoted to THA business, and there shall be no involvement in a private business unless the employee wishes to request time off, which may be charged against flexible time (flex time).
4. No employee shall conduct private business in the THA office.
5. THA telephones, email, internet, equipment or supplies shall not be used for private business.
6. Work for a private business shall not be assigned to any THA employee.

THA recognizes that an employee may invest in a private business or purchase stock in a company without such an interest deemed a conflict or in violation of the provisions of this section.

LEAVE WITHOUT PAY

Leave of Absence

A leave of absence is defined as an absence, approved in advance, when an employee will not be receiving regular full pay.

Leaves of absence may, upon request, be approved for reasons such as unusual family situations or short-term educational programs. In these situations, all factors will be taken into consideration during the evaluation of the request.

No benefits will be granted or accrued during a leave of absence unless otherwise required by law. The employee must pay all insurance premiums, which normally would be paid as a benefit, while on a leave of absence.

All leaves of absence must be requested by the employee in writing, which shall include the reason, duration and expiration date of the leave of absence. This request must be approved by the employee's supervisor, division executive and the president (except in emergency situations).

Other

Leaves without pay for other reasons may be approved on an individual basis.

An employee may not take other employment during leave without pay without written authorization from the president. Employees may be terminated with forfeiture of all accrued benefits for failure to return to employment at the expiration of a leave of absence or falsification of reasons to justify a request for a leave of absence.

While on an approved leave of absence, the following benefits shall not accrue:

1. Flex time
2. Holidays
3. Any other paid benefits

Employees on unpaid status for more than half of a calendar month are responsible for making arrangements to pay amounts normally deducted from their payroll deposit and paying their insurance premiums.

Time spent on a leave of absence does accrue:

1. Service required for additional flex time entitlement
2. Longevity bonus

Factors considered when granting a leave of absence:

1. Length of service (six months required)
2. Work needs of the department
3. Performance of the employee
4. Reason for leave
5. Anticipated length of leave

Examples of Leave without Pay

Education

An educational leave may be granted at the discretion of the employee's supervisor and on approval of the president to allow an employee to further his/her career development, pursue a specific degree or both.

Illness (Including Maternity)

In situations where the duration of an employee's illness exhausts all accrued flex time, yet the physical condition persists, leave without pay may be granted on a day-to-day basis.

Military

Leaves for military service will be granted as required by the Uniformed Services Employment and Re-Employment Rights Act of 1994 and any subsequent amendments. Employees receive full credit for the time spent, up to five years, for seniority and benefits that are determined by seniority, that the employee had at the beginning of the leave, plus any additional seniority and benefits the employee would have attained if they had remained continuously employed. This applies to periods of reserve or guard training and to active service. THA's health plan will provide continuous coverage for up to 24 months to persons who are absent due to military service. Individuals may not be required to pay more than the employee share for any health care coverage if the military service does not exceed 31 days. Beyond that, employees may be required to pay no more than 102 percent of the full premium under the plan.

DISCIPLINARY ACTIONS, INCLUDING DISMISSALS

If an employee's performance, attendance or level of production is unsatisfactory, the supervisor may utilize any of the following forms of disciplinary action: verbal warning, written warning, suspension or termination. These examples are not intended to be an exhaustive list. THA is not obligated to administer disciplinary steps in any certain order and may use any corrective action at any time as is appropriate in its view. The possibility of alternative corrective actions does not affect THA's at-will employment relationship.

If an employee feels that any disciplinary action is improper, he or she has the right to an interview with the president, who shall consult with all involved parties, as he/she deems necessary, and render a final determination. Advance notice will not be given in dismissal situations.

SUSPENSION

An employee may be temporarily suspended without pay for disciplinary reasons. A suspension period may vary from a minimum of one day to a maximum of 30 days, depending on the seriousness of the offense and the employee's classification as an exempt or nonexempt employee. A suspended employee may file an appeal in writing within 10 working days of the suspension in accordance with the grievance procedure (*found on page 25 of this handbook*). Employees on unpaid status for more than half of a calendar month are responsible for making arrangements to pay amounts normally deducted from their payroll deposit and paying their insurance premiums.

RESIGNATIONS

Administrative staff employees should give at least two weeks written notice and all other employees should give at least four weeks written notice of their resignation to their supervisor. Absences of three consecutive working days, without notification to the employee's supervisor, shall be considered a voluntary resignation without adequate notice.

The advance notice will allow the supervisor to adjust work schedules and recruit an individual to fill the position. This act of courtesy will be entered on the individual's employment record.

Employees who leave in good standing are given priority consideration with regard to open positions for which they are qualified if they wish to return to THA at a future date.

TERMINATION PAYMENT

Employees who leave THA are eligible for payment in lieu of accrued flex time, provided proper termination notice has been given and all THA property returned. The employee will not be paid for accumulated old sick leave. The final payroll deposit for flex time will be issued at the end of the pay period following the one that included the last day of work.

EXIT INTERVIEW

Usually, an exit interview will be conducted by the personnel executive for anyone leaving THA employment. Individuals are asked to give frank and honest opinions about THA policies and practices. The information obtained during the exit interview is confidential and shall not reflect against any individual.

EMPLOYMENT REFERENCES

THA will respond directly to reference requests from prospective employers pertaining to individuals who have left employment. Information provided in response to a reference generally will be limited to confirmation of dates of employment and position(s) held. THA does not give "To whom it may concern" letters of recommendation.

RE-EMPLOYMENT

Former employees who resigned in good standing may be considered for re-employment, subject to review by the president. Benefit status will be at the discretion of the president.

Former employees who left without adequate notice or were dismissed will not be considered for re-employment.

EMPLOYMENT OF RELATIVES

THA's policy on the employment of relatives of employees follows:

1. The employment of spouses, children, parents, siblings or persons living in the same household is prohibited. In addition, the employment of spouses of children or siblings is prohibited.
2. The employment of uncles, aunts, grandchildren, grandparents, nieces, nephews, cousins and other-in-laws also is prohibited in the same administrative division of THA, or if the employment results in a relative being in a supervisory reporting

relationship. In all other situations, the employment of relatives is permitted but discouraged.

3. Step relatives will be deemed to be full relatives as listed in the two preceding categories.

In the event any employees who were not within the scope of this policy establish a relationship which is covered, the situation will be resolved on an individual basis in order to maintain compliance with this policy.

EMPLOYEE BENEFITS

THA reserves the right to replace, modify, amend or terminate any employee benefits for its employees. In the event of such change, modification or termination, employee benefits that were accrued prior to the effective date of such change, modification or termination will not be affected.

THA can provide no assurance nor make any representation concerning the tax-free status of an employee benefit provided to employees. It is possible that a portion, or all, of the value of employee benefits provided or actual benefits received may become taxable. In the event such benefits are determined to be taxable, such employee benefits will be subject to Federal Income Tax (FIT) and Social Security/Medicare Tax (FICA).

ABSENCE WITH PAY

Holidays

THA officially closes for nine paid holidays each year. These nine paid holidays are as follows:

New Year's Day	Thanksgiving Day
Martin Luther King, Jr. Day	Day after Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	

To be eligible for holiday pay, individuals must be regular employees on the active payroll at the time of the holiday. They must have worked the regularly scheduled work day immediately preceding and following the holiday unless they have been approved for flex time or are on short-term disability.

Premium overtime compensation will not be paid for any work on holidays. Employees who work a full work week will be eligible for all approved holidays. Part-time employees who work at least one-half time, but less than the full work week will receive holiday pay according to the number of hours regularly worked. Holidays cannot be worked and added to scheduled flex time. They must be taken when they occur.

Flexible Time (Flex Time)

Flex time is leave employees earn to take time out of the office due to illness or other approved personal reasons. Flex time can be broken down into increments as small as one-quarter hour for non-exempt staff and in one-day increments for exempt staff. Flex time begins to accrue monthly on an employee's employment date, but must not be taken during the first 90 days of employment. No flex time may be taken until the time is actually earned.

Flex time should be requested a minimum of 24 hours in advance. Prior approval must be obtained from an employee's supervisor before taking flex time unless it is being used for an unanticipated absence. Approvals for scheduled flex time are not automatic, and could depend on workload and how many other requests already have been approved for the same day(s).

If an employee is unable to report to work due to an unanticipated event, the employee must personally contact the supervisor and the receptionist no later than the first hour of absence or earlier, if possible. Any employee who fails to notify the office, unless in a hospital or circumstances make it impossible to give notice, must take that day as a deduction from pay. The employee must keep the supervisor updated daily if he/she is using flex time for an unscheduled, unanticipated absence.

Flex time will be used for the first six consecutive work days or less of each unanticipated absence due to illness or injury. For eligible employees who work at least 30 hours per week, any consecutive days off beyond six and up to the number of days required to meet eligibility for long-term disability (two calendar months from the beginning of consecutive days off for one illness or injury) will be self-insured (short-term disability) and paid at 100 percent. Employees must have six days of accrued flex time to qualify for short-term disability.

Eligible employees who work at least 30 hours per week can make application for long-term disability for any consecutive days off for an illness beyond the two calendar month qualifying period by the long-term disability plan and after depleting all of an employee's old sick leave. Flex time may be used prior to the employee going on long-term disability. Long-term disability insurance pays 60 percent of salary or a maximum \$6,000 per month benefit.

Subject to budget approval, employees can elect to be paid for up to 10 days at the rate of 95 percent for each one day of flex time that exceeds 10 days on October 31; however, a minimum of one half of the annual accrual of flex time must be used as time off each year. A written request for payment must be provided each year. The written request for payment must be certified by the person maintaining the leave records to ensure the number of days for which payment is requested is credited and does not exceed the number of days eligible for paid time off. Any flex time in excess of 44 days will be forfeited at the end of the year. Flex time accumulates in accordance with the following schedule:

Non-exempt Employees	Through 5th Yr.	6th Yr.	7th & 8th Yr.	9th & 10th Yr.	11th & 12th Yr.	13th & 14th Yr.	15th Yr. & After
Flex Time	20 days	23 Days	24 Days	25 Days	26 Days	27 Days	29 Days
Exempt Employees	Through 5th Yr.	6-7th Yr.	8-10th Yr.	11th Yr. & After			
Flex Time	23 Days	24 Days	26 Days	29 Days			

Part-time employees who work less than 38.75 hours per week are eligible to receive a reduced amount of flex time based on the number of hours they are regularly scheduled to work, providing they work a minimum of 20 hours a week. They are eligible to take accrued flex time after 90 days of continuous employment.

THA holidays falling during flex time will not be counted as flex time.

THA Payroll/Flex Time Procedures for Unscheduled Office Closings—On occasion, the THA office will be closed during normal business hours, primarily due to inclement weather, a subsequent holiday or an unusual event. In order to reduce confusion about what employees are expected to do relative to taking flex time during these occasions, these procedures will be used for processing payroll during a pay period affected by unscheduled office closings.

All employees on flex time during unscheduled office closings: Since these employees had already scheduled time off, flex time will be recorded for the time the office was closed.

Full-time exempt employees: In the event of an unscheduled office closing, full-time exempt employees will receive their normal salary regardless of hours worked.

Full-time nonexempt employees: Non-exempt employees who work during unscheduled office closings will be paid at their normal rate, unless they work beyond 40 hours that week. Then they will receive overtime pay for any hours worked beyond 40 hours. Nonexempt employees should record actual hours worked on their timesheets but will be paid for the full day.

Part-time employees: Part-time employees scheduled to work during unscheduled office closings will be paid for the lost hours.

Disability and Old Sick Leave

Short-term Disability—Short-term disability coverage is provided to eligible employees who work at least 30 hours per week after completion of 120 days of employment. The first six consecutive work days of each illness, accident or maternity leave will be charged to an employee's flex time. In instances where the employee does not have six days of flex time, the employee will be on leave without pay and will be ineligible for short-term disability. THA wishes to protect its employees against loss of income caused by personal illness or injury. Therefore, THA, upon completion of 120 days of employment, will provide self-insured, short-term disability coverage at 100 percent of pay to eligible full-time employees and the pro-rata amount for eligible part-time employees working at least 30 hours per week for the 7th consecutive day of absence due to sickness or injury through the two calendar month qualifying period for long-term disability benefits.

To begin short-term disability, the employee is required to provide a statement to the accounting department indicating the anticipated duration of their absence on their physician's letterhead signed by their physician. If the employee is unable to return to work on the date indicated on the physician's statement, they must provide an additional statement on their physician's letterhead signed by their physician indicating the date it would be medically safe for him/her to return to work. When returning to work after taking short- or long-term disability, THA requires a statement on the physician's letterhead signed by the employee's physician stating that the employee is able to resume work duties.

The employee will continue to receive the employer's portion of all fringe benefit costs, flex time accruals, and any holidays during their absence due to illness or accident until long-term disability is effective.

Old Sick Leave— Old sick leave is sick leave balances that were carried over on December 31, 1997, when flex time was implemented. Any employee with a balance in their old sick leave will continue to be paid at 100 percent of pay after the first two calendar months of consecutive days of an illness or injury (or pro-rata amount in the case of part-time employees) and the time will be charged to their old sick leave until depleted, at which time eligible employees who work at least 30 hours per week can make application for long-term disability benefits at 60 percent of salary (maximum monthly benefit of \$6,000). Eligible employees can make application for long-term disability for any consecutive days off for illness beyond the two calendar month qualifying period by the long-term disability plan and after depleting all of the employee's old sick leave, unless the employee decides to utilize available flex time prior to applying for long-term disability.

The employee's performance evaluation date will be moved forward by the number of work days an employee is absent from work in excess of two calendar months of consecutive days off.

Sickness or accident covered by workers' compensation will be charged against the employee's flex time and/or old sick leave for the first seven days. In the event the disability extends beyond seven days, the employee may elect to have his/her flex time and/or old sick leave charged on a pro-rata basis based on the workers' compensation payment and the employee's regular monthly salary. Paid old sick leave will not be granted if an employee is receiving workers' comp as a result of outside employment.

Old sick leave balances will not be paid to terminating employees.

Long-term Disability—Long-term disability is provided for eligible employees who work at least 30 hours per week after completion of 120 days of employment. Coverage begins after two calendar months of absence due to sickness or injury, unless the employee has a balance in their old sick leave account (details below). Application for long-term disability benefits must be made through the accounting department. Employees on long-term disability must make full arrangements to pay amounts normally deducted from their payroll deposit and pay full insurance costs. Copies of the long-term disability handbook are available from the accounting department upon request.

Any employee with a balance in their old sick leave account will continue to be paid at 100 percent of pay after the first two calendar months of consecutive days of an illness or injury (or pro-rata amount in the case of part-time employees) until it is depleted. At that time the employee will be eligible to make application for long-term disability benefits at 60 percent of salary (maximum monthly benefit of \$6,000). An employee may use available flex time prior to applying for long-term disability.

Employees on long-term disability do not accrue flex time or receive holiday pay. Contributions to the THA Employees' Retirement Plan will be discontinued.

When returning to work after taking long-term disability, THA requires a statement on the physician's letterhead signed by the employee's physician stating that the employee is able to resume work duties. An employee in good standing returning from short- or long-term disability due to an illness, accident or pregnancy will be placed in his/her previous position if it is available. In the event that the position is not available, the employee will be placed in a position of like responsibility or compensation if such a position is available. Should a position be unavailable, he/she will be placed on a preferential hiring list and given the first opportunity to return to THA. The position of an employee in good standing will be held open for a period of three months beginning with the first day off the job if this is consistent with business needs.

The employee's performance evaluation date will be moved forward by the number of work days an employee is absent from work in excess of two calendar months of consecutive days off.

Funeral Leave

Full-time employees will be granted three days time off with pay when a death occurs in their family. For the purpose of the funeral leave policy, family is defined as spouse, father, mother, sister, brother, child, grandchild, grandmother, grandfather, mother- or father-in-law, son- or daughter-in-law and sister- or brother-in-law. The same policy applies to step families and to individuals who are not legally related but who reside with an employee.

One day's absence with pay will be permitted in the death of a full-time employee's uncle, aunt, niece or nephew. If the funeral, in this case, is more than 50 miles from Nashville, an additional day may be allowed, up to a maximum of two days. The same policy applies to step families.

In the event of the death of other relatives, in-laws or friends, the employee may be allowed time off, with such time charged against flex time.

Marriage Leave

Provided there is at least one year of continuous service, an employee who gets married is eligible to receive one day off with pay.

Time Off to Vote

Employees who are eligible to vote in any election may take up to three hours time off with pay if their normal work schedule prevents them from voting. Employees must notify their supervisors at least two days in advance if they plan to take time off to vote. They are requested to vote during the early voting days or outside their normal work schedule if at all possible.

INSURANCE PROTECTION

Health and Vision Insurance

Every employee working at least 30 hours a week is eligible to participate in the health insurance program and vision care plan. Coverage begins on the first day of the first full month following the employment date. THA pays 100 percent of the individual coverage premium. THA pays 100 percent of family coverage for senior management staff and a portion of the additional premium cost for family coverage for associate management staff and administrative staff. Employees on unpaid status for more than half the calendar month are responsible for paying their health and vision insurance premiums. Employees can pay their portion of family coverage through payroll deduction. Please review the separate summary plan description for more complete information. Employees leaving employment of THA will be informed of their continuation rights on THA health insurance policies.

COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is part of a federal law enacted in 1986 requiring certain employers to offer employees and their families an opportunity for the temporary extension of health coverage under certain instances where coverage under the plan would otherwise end. At the time a new employee becomes eligible for healthcare coverage through THA, that employee will be provided literature notifying them and their family of their rights under COBRA. This should be read carefully, both by the employee and their family, and retained for future reference.

If an employee's hours are reduced or an employee is terminated for any reason other than gross misconduct and this reduction of hours results in loss of healthcare coverage, that employee and their family will be provided literature notifying them of their right to elect coverage under COBRA. If elected by the employee or the employee's dependents, coverage will continue for a period of time specified by law at the expense of the employee or the employee's dependents.

In order that THA may comply with this law, we require that the employee notify the accounting department of any change in status. Specifically, those changes are:

- Employee's change of address
- Change of address of spouse or dependent
- Birth or death of a dependent
- Death of a spouse
- Divorce or legal separation from a spouse
- Disability of employee, spouse or dependent within 60 days of qualifying event
- Medicare eligibility for employee or spouse
- Dependent child ceases to be a "dependent child" (child reaches age 19 and is not eligible for continued coverage)

Any questions regarding COBRA continuation coverage should be addressed to the accounting department.

Dental Insurance

Every employee working at least 30 hours a week is eligible to participate in the dental insurance program. Coverage begins on the first day of the first full month following the employment date. THA pays 100 percent of the individual coverage premium. Employees can pay the difference in premium amounts should they elect to have family coverage. Employees on unpaid status for more than half the calendar month are responsible for paying their dental insurance premium.

Life Insurance

Every employee working at least 30 hours a week is provided life insurance upon employment. THA pays the total cost of the premiums for this life insurance protection. Supplemental policies also are available for the employee and their family members at employee expense. Please review the separate summary plan description for more complete details.

Business Travel Insurance

When employees travel on THA business, they are provided accidental life insurance in the amount of \$100,000.

Unemployment Insurance

If an individual becomes unemployed through no fault of their own, he/she may be eligible for unemployment compensation for a limited period under the provisions of the Tennessee Employment Security Law administered by the Employment Security Division of the Tennessee Department of Labor and Workforce Development. THA pays the entire cost of this insurance program. Applications for benefits are made through the Tennessee Department of Labor and Workforce Development.

Workers' Compensation Insurance

All employees are provided workers' compensation insurance from the day they start work. THA pays the full cost for this protection. This policy covers injuries resulting from accidents while on the job. Benefits include reasonable medical expenses, weekly benefits, compensation for total or partial permanent disability, and death benefits. An employee injured on the job should report it immediately to the supervisor, regardless of how minor the injury. The supervisor should report this to the accounting department which, in turn, will file proper reports with the insurance company. Tennessee's workers' compensation laws governs how claims are processed, the benefits and payments.

Sickness or accident covered by workers' compensation will be charged against the employee's flex time and/or old sick leave for the first seven days. In the event the disability extends beyond seven days, the employee may elect to have his/her flex time and/or old sick leave charged on a pro-rata basis based on the workers' comp payment and the employee's regular monthly salary.

When returning to work after being on workers' compensation, THA requires a statement on the physician's letterhead signed by the employee's physician stating that the employee is able to resume work duties.

The employee's performance evaluation date will be moved forward by the number of work days an employee is absent from work in excess of two calendar months of consecutive days off.

THA EMPLOYEES' RETIREMENT PLAN**Profit Sharing Contributions**

Employees who have completed one year of service and have reached the age of 21 become eligible for a discretionary profit sharing contribution after one year of service in which he/she has worked at least 1,000 hours. Eligibility begins on the January 1 or July 1 that next follows this year of service. THA intends to make a discretionary profit sharing contribution of 5.7 percent of total compensation and another 5.7 percent for eligible earnings above the Social Security ceiling up to the IRS limit for defined contribution plans. In order to share in the profit sharing contribution for a plan year, you must be employed on the last

day of the year or, if employment terminated during the year, you must have completed more than 500 hours of service. Discretionary profit sharing contributions are subject to a vesting schedule identified in the current THA Employees' Retirement Plan.

Salary Deferral Contributions, After-Tax Contributions and Employer Matching Contributions

Employees become eligible to make salary deferral or pre-tax contributions and after-tax contributions on the first day of the month following their 21st birthday. Pre-tax contributions are limited to 75 percent of compensation, up to annual IRS limits. After-tax contributions are limited to 10 percent of compensation. THA will match 100 percent of each employee's salary deferral contributions up to 4 percent of compensation. In order to share in the matching contribution for a plan year, you must be employed on the last day of the year or, if employment terminates during the year, you must have completed more than 500 hours of service. Salary deferrals and matching contributions are 100 percent vested at all times.

OTHER BENEFITS

Social Security

Social Security and Medicare deductions from the employee's pay are required by law. A matching amount is contributed by THA. These amounts are adjusted upward periodically by federal legislation.

Flexible Benefit Programs

THA makes available to employees who work at least 30 hours per week flexible benefit programs that allow employees to pay for certain expenses with pre-tax dollars. These programs are:

1. **Premium Conversion.** The premium conversion program allows employees to pay for the family portion of their health and dental insurance premium or other eligible premiums withheld from salary with pre-tax dollars.
2. **Medical Care Flexible Benefits.** The medical care flexible benefit program allows employees to pay for health expenses for themselves and their dependents that are not paid for by insurance with pre-tax dollars. This could include medical expenses, dental, vision, glasses, contact lenses, medication, etc.
3. **Dependent Care Assistance Program.** The dependent care assistance program allows employees to pay for dependent care of a child under age 13 or a qualified mentally or physically disabled dependent of any age with pre-tax dollars.

These programs come under Section 125 of the Internal Revenue Code. The government has placed certain restrictions on the programs in exchange for the favorable tax treatment. Please review the separate summary plan descriptions for further information.

Section 529 College Savings Plan

A Section 529 college savings plan is available for all employees through payroll deduction for college savings.

Educational Assistance

Educational assistance is available for full-time employees. The educational assistance for tuition costs is up to \$500 per semester for a maximum of \$1,000 per calendar year for courses that enhance job performance. THA in no way attempts to cover the full cost of this education. This financial assistance is intended to encourage the employee's educational efforts. Application for any educational assistance must be made in writing, recommended by the supervisor and approved by the president. Approval will be contingent on the availability of funds.

The student must maintain a "C" average in undergraduate school and a "B" average in graduate school. Copies of grades and/or certificates must be submitted for reimbursement.

Incentive Plan

Senior management staff participates in the THA incentive plan and establishes individual work goals based on THA's goals. In March, bonuses are paid to eligible participants that are still employed by THA on that date based on percentage of achievement of the prior year's goals as reviewed and approved by the Compensation Committee.

Longevity Bonus

THA provides longevity pay to the administrative staff and other staff not participating in incentive plans that are on active payroll who work at least 30 hours per week. A longevity bonus of \$50 per year for each completed full year of employment with no break in service will be paid on November 15 each year. There is not a pro-rata bonus for those who leave employment of THA during the year.

Service Awards

For employees who work at least 20 hours per week, service awards are presented in appreciation for the completion of five years of employment and each additional five years thereafter.

Healthy Lifestyle Program

Employees who work at least 20 hours per week can choose whether to participate in THA's healthy lifestyle program. Participating employees must be enrolled by March 31 of each year. A health assessment is done yearly, and participating current employees receive a \$175 payroll deposit twice annually. (Amount is subject to change.)

Health Club Membership Reimbursement

Current employees who work at least 20 hours per week that are members of health clubs are eligible for up to \$35 per month reimbursement of their membership dues.

THA FACILITIES

PARKING

THA provides a free parking lot. THA assumes no responsibility for items lost or stolen when left in vehicles in the parking lot, and assumes no responsibility for vehicles damaged in or stolen from the parking lot.

BUILDING REGULATIONS

The front door of the building is open during normal business hours each business day. Any need to be in the building outside normal business hours should be discussed with the employee's supervisor.

Employees are requested to keep the building as neat and clean as possible at all times. The following are employees' responsibilities:

1. Be sure the work area is tidy before leaving each day.
2. Be sure lights, heaters, other appliances and office machines are turned off.
3. Immediately correct or report any hazardous condition or suspicious person in the building to a member of the management staff.
4. Employees are responsible for personal items that may be lost or stolen at their assigned work location or anywhere else in the building or parking lot.

MISCELLANEOUS

PROFESSIONAL MEMBERSHIPS

In order to facilitate employees' professional advancement, THA may reimburse employees for professional dues for membership in approved organizations that are a regular part of their job duties. The amount to be approved must be submitted each year in the budget for their departments and will be subject to both budgetary constraints and approval by the president, upon recommendation of the immediate supervisor and division executive.

TRAVEL EXPENSE REIMBURSEMENT

THA will reimburse employees traveling on official business for expenses incurred, provided such expenses are within the allowable amount as stated in the current travel expense policy, which is included in THA's *Policy and Procedure Manual*. THA has a travel expense reporting form that should be submitted within one month of the return date of travel to be reimbursable. Employees are encouraged to use direct deposit through the payroll system.

JURY DUTY

THA will pay the normal salary when an employee serves on jury duty. However, when dismissed by the court during usual work hours, employees are expected to return to their jobs.

When subpoenaed to appear for jury duty or a court proceeding, employees should notify their supervisors in order that plans may be made for their absence. Employees must provide a copy of their jury summons to their supervisor and the accounting department. In extreme cases, employees may find it necessary to ask to be excused from jury service. This problem should be discussed with their supervisors when it arises.

SEVERE WEATHER

The THA office will not automatically be closed during periods of severe weather. During periods of actual or predicted severe weather, the president or designee(s) will assess the situation, consider official U.S. Weather Bureau travel and severe weather alerts and decide whether the office will be closed. A notification procedure will be established as needed.

Whenever the office is not closed and the U. S. Weather Bureau has issued a travel advisory or severe weather alert for the Nashville area, employees who feel that commuting at the regular time is too dangerous may use flex time for hours missed from work without advance notice. Employees who know that they will arrive late or miss a day must notify their supervisors.

EMPLOYEE RESPONSIBILITIES

EMPLOYEE RECORDS

Employee information is kept in a permanent, confidential file. Keeping this record correct and up-to-date is important to employees, because it enables us to reach employees and others in an emergency, properly

maintain insurance and other benefits, and, of course, compute payroll deductions. Employees should notify the human resources personnel and the accounting offices if they have a change in the following:

1. Address and telephone number change
2. Marital status
3. Legal name
4. Beneficiary or dependents listed on their insurance policy
5. Number of dependents for withholding tax purposes
6. Person to notify in case of an emergency

In addition, employees should provide information on completion of training or educational courses so they may receive the proper consideration for other job opportunities as they become available.

CONFIDENTIAL INFORMATION

Employees may have access to confidential information regarding THA or its members. It is one of an employee's primary responsibilities to be sure that they do not divulge such information and use it only in the performance of their responsibilities. Employees should never access confidential information unless doing so is required by their job duties.

PERSONAL QUALITIES

THA expects professionalism from its employees, including:

Neatness and Care: The outward evidence of quality is seen in the neatness and care in which work is done. It should be an unfailing rule that no work should be sent by THA unless it is of high quality and excellent appearance.

Personal Appearance: Too much care cannot be given to personal cleanliness and appearance. While on the job, employees are THA to the members and visitors who come to the office. Therefore, moderation and good taste in dress is extremely important.

Dress Code: It is essential that all employees maintain a high standard of dress and personal appearance at all times while performing THA duties. Employees are expected to dress and appear in a manner that is consistent with their own daily activities or with scheduled activities within the THA building. Clothing should be coordinated, clean, pressed and well fitting.

While in direct contact with the membership or whenever representing THA in any setting, employees are expected to maintain the highest professional image through appropriate dress style and personal appearance.

"Business dress" (THA's traditional dress) is required when employees attend meetings outside the THA building. An exception may apply to this policy if the employee knows in advance that the expected dress is casual. When participating in meetings at the THA building, employees are expected to be in "business dress." Depending on activities in the THA building, all staff may be required to be in "business dress."

The THA president may designate a "business casual" or "casual" dress policy for specific time periods. During those times, it is acceptable to dress in a more business casual or casual style of attire when employees expect no direct membership or visitor contact or outside representation activities.

Only during periods of "casual dress" are jeans and athletic footwear permitted.

Fridays are designated as "casual dress" unless there is a board of directors or other high-level meeting, and then employees should dress either "business casual" or "business dress", as appropriate.

At no time will the following be acceptable: t-shirts; exposed midriiffs or backs; tank tops; shorts; sweat pants; jeans/pants with holes in them; visible undergarments; exercise wear; clothes made of see-through materials; or body/facial piercings, except for ears.

Employees who dress for work with extreme variations from the dress code will be asked to go home by the supervisor or the president, and the employee's pay will be withheld for the time he/she is absent from the office.

Cooperation: THA is in the business of human contact with fellow workers, members and the public. Success requires the ability to get along with people, work well with others, and show consideration for other individuals, regardless of position. No one should assume the attitude that a job is just one assigned task.

Courtesy: This business requires unfailing courtesy at all times. THA is a service organization and the manner in which the service is rendered is equally as important as the service itself. Courtesy is also important in employee relationships with each other.

PERSONAL CONDUCT

Personal conduct should be in keeping with THA's reputation of providing quality services to members and the public. THA has, therefore, purposely avoided establishing rigid rules and regulations to govern behavior. Employees should use their good judgment and sense of responsibility to conduct themselves with dignity and decorum befitting their position.

The following are examples of conduct or misconduct that are considered unacceptable and may lead to disciplinary action up to and including dismissal:

1. Drinking any alcoholic beverage or the use of any narcotics, except as prescribed by a physician, is prohibited on THA premises, unless it is a THA sponsored or authorized event. Working while under the influence of alcohol or narcotics, except as prescribed by a physician, also is prohibited.
2. Dishonesty, embezzlement or other illegal acts.
3. Possession of a lethal weapon on THA property.
4. Behavior that threatens, intimidates or harasses (including sexual harassment) another employee.
5. Use of abusive language.
6. Misuse of THA property and equipment, including computer time.
7. Refusal or failure to follow instructions from a member of management.
8. Falsifying THA records, reports or time sheets.
9. Removal of THA records or property without prior approval of a supervisor.
10. Breach of confidentiality by disclosing any information regarding any THA business or the affairs of its members, unless duly authorized.
11. Disloyalty or insubordination.
12. Poor performance.
13. Disregarding or violating established employee policies or procedures.
14. Conducting private business in the THA office.
15. Gossip or discussion of personal business or activities of others in a manner that could be harmful or disruptive, whether intentionally harmful or not.
16. Conduct that reflects unfavorably on THA.
18. Theft of THA property.
19. Unauthorized access to another employee's work-related information.
20. Excessive use of leave without pay.

The above list is illustrative only and is not an exhaustive list.

POLICY AGAINST SEXUAL AND OTHER FORMS OF HARASSMENT

Every person at THA should be treated with fairness, respect and dignity. Accordingly, any form of harassment related to an individual's race, color, religion, sex, age, national origin, citizenship status, ancestry, or physical or mental disability is a violation of this policy and will be treated as a disciplinary matter.

For these purposes, the term harassment includes slurs and any other offensive remarks, jokes, graphic material, gestures or other offensive verbal, written or physical conduct that is directed at an individual because of his or her protected classification.

Unwelcomed sexual advances, requests for sexual favors and any other unwelcomed, unbecoming verbal or physical conduct will not be tolerated. Employees who believe they have been subjected to unwelcome sexual advances from co-workers, management staff, vendors, members or any other visitors to our facility must inform their supervisor, the executive vice president or the president at the time of the unwelcomed advance.

THA is committed to maintaining a safe, healthy work environment and takes all appropriate health and safety precautions consistent with current medical knowledge. Accordingly, employees may not refuse to work with, cooperate with, withhold services from or otherwise harass, intimidate, demean or isolate a co-worker because of a known or suspected disability or disease.

THA will take all steps necessary to prevent any form of harassment from occurring. This policy will be strictly enforced.

Violation of this policy by any employee will subject that employee to disciplinary action, up to and including dismissal. If an employee feels he/she has been a victim of harassment by a co-worker, member of management, vendor, visitor or member of THA or other persons doing business with or for THA, or if he/she feels uncomfortable because of such behavior around him/her, the employee should contact his/her supervisor, the executive vice president or president.

THA will investigate all complaints and endeavor to handle these matters expeditiously, confidentially and in a professional manner to protect the offended individual and other individuals providing relevant information. When the situation is fully understood by management, prompt and appropriate action will be taken. Adverse actions against anyone stepping forward with a concern or complaint regarding any type of harassment are strictly prohibited.

VIOLENCE IN THE WORKPLACE PREVENTION POLICY

THA is committed to providing a safe environment for employees, tenants and visitors. THA has a policy of zero tolerance for actual or threatened violence. If employees engage in any violence in the workplace or threaten violence in the workplace, their employment will be terminated immediately for cause. No talk of violence or joking about violence will be tolerated.

"Violence" includes, but is not limited to, physically harming another, shoving, pushing, harassing, intimidating, coercing, brandishing weapons, and threatening or talking of engaging in those activities. It is the intent of this policy to ensure that everyone associated with THA, including employees and members, never feels threatened by any employee's actions or conduct.

THA specifically prohibits the possession of weapons by any employee while on THA property. This ban includes keeping or transporting a weapon in a vehicle in the THA parking lot. Employees are discouraged from carrying a weapon at any time while performing services for THA.

Weapons include guns, knives, explosives and other items with the potential to inflict harm. Appropriate disciplinary action, up to and including termination, will be taken against any employee who violates this policy.

Desks, telephones and computers provided by THA are the property of THA. We reserve the right to enter or inspect THA premises including, but not limited to, desks and computer storage disks, with or without notice.

Any conversations that constitute threats against other individuals can and will be used as the basis of an internal investigation.

It is everyone's business to prevent violence in the workplace. Employees can help by reporting what they see in the workplace that could indicate a coworker is in trouble. Employees are encouraged to report any incident that may involve a violation of any of THA's policies that are designed to provide a comfortable and safe workplace environment. Concerns may be presented to supervisors, the executive vice president or president.

All reports will be investigated and information will be kept confidential, except where there is a need to know in order to reach a solution to the problem or contact appropriate law enforcement authorities.

GARNISHMENT

THA encourages its employees to manage their personal affairs in a manner that avoids actions for collection or garnishment. If a creditor obtains a garnishment on an employee's earnings, THA is required by law to deduct the necessary amount.

TELEPHONES

Telephone conversations are important. The following rules should be followed in answering telephone calls:

Business Calls

1. Answer promptly.
2. Identify yourself by name.
3. Speak clearly and slowly.
4. Make accurate written notes and promptly deliver them to the appropriate person.
5. Transfer calls tactfully and promptly, being careful to avoid voice mail unless the caller requests it.
6. Always be polite and courteous.
7. Use the voice mail system, when indicated.

If an employee has difficulty transferring a call or reaching the called party, notify the caller and request a name and number for a return call as soon as possible.

Telephones are for THA business purposes.

Personal Calls

Due to the number of business calls received, THA must emphasize its policy concerning the use of telephones:

1. Employees should make personal phone calls only during their break and meal time and limit calls to three minutes.
2. Employees should advise family and friends not to regularly call them at work. When such calls are received, limit them to three minutes.

3. Employees who make a personal long distance call should charge this call to their personal phone or credit card. If the employee charges the toll to a THA phone, he/she must notify the accounting department and pay for these calls.

INFORMATION SYSTEMS POLICY

The purpose of this policy is to ensure the proper use of THA information systems, including personal computers, workstations (hereinafter referred to as "PCs"), voice mail and electronic mail (hereinafter referred to as "e-mail") and make users aware of what THA deems acceptable and unacceptable use of these systems. In case of amendments, users will be informed appropriately. Specific exceptions to this policy may be granted by the President to specific users where the nature of the work performed warrants such consideration.

General Use

THA employees shall have no expectation of privacy regarding information stored on or transmitted by THA information systems. All computer and information system data, including e-mail, are retrievable. Authorized THA personnel have the ability to access data and messages on THA information systems at any time, with or without an employee's consent. Although THA's information systems are provided for business use, personal usage that is reasonable, covers subject matters that are appropriate for the workplace and does not interfere with THA work is permitted.

Legal Risks

THA has provided appropriate information systems as tools of communication to its employees and users are obliged to use these tools in a responsible, professional and lawful manner. The same laws that apply to written communication apply equally to electronic communication and, as such, users should be aware of the following:

- Electronic transmissions are retrievable and are subject to discovery, to the same extent as other documents, for use in legal proceedings
- THA and/or the individual user may be held liable for the transmission (includes forwarding) of libelous, defamatory, offensive, racist or obscene remarks
- THA and/or the individual user may be held liable for the unlawful disclosure of confidential information
- THA and/or the individual user may be held liable for the copying or transmission of documents, software or other material in violation of copyright or other applicable laws
- THA and/or the individual user may be held liable for the transmission of an attachment containing a virus that results in significant loss to the recipient

Security

THA requires system users to utilize passwords in order to ensure the security of information. However, the use of passwords does not provide the user with any greater expectation of privacy to the respective system or document. Attempts to gain unauthorized access are against THA policy. System access must be password protected and thus passwords shall not be disclosed to anyone except other THA personnel on a strict need-to-know basis.

Employees shall ensure that THA PCs and access to THA networks and applications are secure and that confidential and/or member information is protected. Confidential information shall not be sent via e-mail.

Maintenance

In timely fashion, voice mails shall be regularly responded to and deleted. E-mails shall be responded to and/or deleted no later than 60 days after their receipt. If sufficient reason exists to maintain a copy of any e-mail (sent or received) on the users workstation, the message shall be moved to a folder for archiving or

printed and stored in a paper file. Back-up disks of THA computer systems shall be recycled on a routine basis.

Prohibitions

- Use of THA information systems to copy and/or transmit any document, software or other material in violation of copyright or other applicable laws is strictly prohibited.
- Use of THA information systems to forge or attempt to forge e-mail messages, or disguise or attempt to disguise a person's identity when sending e-mail is strictly prohibited.
- THA information systems, including PCs, e-mail and voice mail, shall not be used to transmit libelous, defamatory, offensive, racist or obscene remarks. If employees receive an e-mail of this nature, they must promptly notify their supervisor.
- THA information systems, including PCs, e-mail and voice mail, shall not be used to send unsolicited information, chain mail or send or receive instant messages.
- THA information systems, including PCs, e-mail and voice mail, shall not be used to create, store, send or otherwise process inappropriate material. Examples of such misuse include, but are not limited to, vulgarities or obscenities, sexual comments or images, pornography, racial slurs or any comments that may be considered offensive to someone on the basis of gender, age, race, sexual orientation, religious beliefs, national or ethnic origin or disability.

SOLICITATIONS

Solicitation in the entire building by outside persons is prohibited. Employees are asked to so advise any solicitor or promptly report their presence to a management staff member.

THA POLICY ON SMOKING

The board of directors has adopted a policy that the building be "smoke free" and no one is to smoke inside at any time. Accordingly, staff members are not to smoke in the building. Smoking by employees is permitted outside the building in the designated smoking area adjacent to the first floor only during lunch time and their 15-minute break period. Employees are not to smoke outside the second floor entrance/exit.

THA POLICY STATEMENTS

Employees should not make personal remarks that may be construed as official **THA policy**. The chair of the board of directors and THA's president are the only designated official THA spokespersons. The president will authorize division executives to speak for programs under their direction and represent THA on certain occasions. Employees who are asked to comment on or interpret THA views, policies or procedures should refer all such reports to the appropriate spokesperson or official.

Due to the nature of THA business, personal communication with or regarding elected officials should not be sent on THA letterhead or THA e-mail.

EMPLOYEE POLITICAL ACTIVITY

Employees of THA shall not utilize the building, resources, supplies or equipment of THA in the support of or performance of political activity on behalf of a particular candidate, party or measure, except to the extent that such activity is in furtherance of the mission and goals of THA or otherwise approved by the president of THA.

Employees may publicly campaign for candidates of their choosing in local, county, state and national offices to any extent that does not interfere with the exercise and performance of their employment with THA or conflict with other administrative or board policies.

GRIEVANCE PROCEDURE

For employees' benefit, THA has established a grievance procedure. It is THA's policy to let an employee tell his/her side of the story and give full consideration to the problem or grievance. There will be no discrimination against anyone for his/her part in presenting a complaint or in discussing a problem with a supervisor or anyone in management. The sole purpose of the grievance procedure is to help work out any problem or grievance to the satisfaction of both the employee and THA.

Any employee who has a question about interpretation or application of THA's policy or is in disagreement with a fellow worker or supervisor should take the following steps in order:

STEP ONE: If an employee has a complaint to make or feels any action by THA or supervisor is unjust, he/she should talk to their supervisor about it. The supervisor is in the best position to handle a grievance or problem properly and quickly. Be sure to talk with the supervisor within five working days.

STEP TWO: If an employee is not satisfied with the recommendation provided by the supervisor, he/she will have five working days to present the complaint in writing to the personnel executive who will discuss the problem with the employee and review all aspects of it thoroughly. There normally will be a response within five working days of the receipt of the report.

STEP THREE: If the above response does not reasonably resolve the problem or grievance, the employee will have five working days to submit a written appeal to the president. The president will discuss the problem with the employee and review the details of the situation. The president normally will provide the employee with a written response within five working days of the receipt of the report. Because the responsibility for management has been delegated to the president, any decision made by him must be regarded as final and will be binding upon THA.

In cases where the president serves as the supervisor, the employee can present an appeal in writing to the chairman of the board and a copy must be given to the president. The chairman normally will provide a written response within 10 working days, and the decision will be final and binding upon THA.

Please remember that the only purpose of the grievance procedure is to give THA an opportunity to clear up or respond to any problems or grievances of any kind. In order for this procedure to work, employees must use it if they have a problem.

**Tennessee Hospital Association
Tennessee Hospital Education and Research Foundation, Inc.
THA Solutions Group, Inc.
Tennessee Hospital Insurance Program, Inc.**

Grievance Procedure Form

Date: _____

Name: _____

Job Classification: _____

Immediate Supervisor: _____

Department Head: _____

Employee's Statement of Question, Problem or Complaint:

Employee's Signature

Immediate Supervisor's Answer (within five working days)

APPENDIX

BENEFIT SCHEDULE

This schedule is a summary and does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

Benefit	20 hours	30 hours	38.75 hours
Holidays	Receives holiday pay based on # hours employee regularly works/week.	Receives holiday pay based on # hours employee regularly works/week.	Nine paid holidays/year—New Year's Day; Martin Luther King, Jr. Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve & Christmas Day.
Flexible (Flex) Time	Accrues monthly upon employment. Based on the # hours regularly scheduled to work. Can be broken down into increments as small as one-quarter hour for non-exempt staff and one day increments for exempt staff. Should be requested a minimum of 24 hours in advance. Can take it after 90 days of continuous employment w/prior approval from supervisor unless it is being used for an unanticipated absence. Cannot be taken before it is earned. See page 11 for accrual schedule. Any flexible time off exceeding 44 days will be forfeited at the end of the calendar year.	Accrues monthly upon employment. Based on the # hours regularly scheduled to work. Can be broken down into increments as small as one-quarter hour for non-exempt staff and one day increments for exempt staff. Should be requested a minimum of 24 hours in advance. Can take it after 90 days of continuous employment w/prior approval from supervisor unless it is being used for an unanticipated absence. Cannot be taken before it is earned. See page 11 for accrual schedule. Any flexible time off exceeding 44 days will be forfeited at the end of the calendar year.	Accrues monthly upon employment. Can be broken down into increments as small as one-quarter hour for non-exempt staff and one day increments for exempt staff. Should be requested a minimum of 24 hours in advance. Can take it after 90 days of continuous employment w/prior approval from supervisor unless it is being used for an unanticipated absence. Cannot be taken before it is earned. See page 11 for accrual schedule. Any flexible time off exceeding 44 days will be forfeited at the end of the calendar year.

Benefit	20 hours	30 hours	38.75 hours
Short-term Disability		Eligible after completion of 120 days of employment. Must have six days of accrued flex time to be eligible. Employees on leave without pay are not eligible for short-term disability. Begins on the seventh consecutive work day of absence due to illness or injury through the two calendar month qualifying period for long-term disability benefits. Paid on pro rata amount of pay.	Eligible after completion of 120 days of employment. Must have six days of accrued flex time to be eligible. Employees on leave without pay are not eligible for short-term disability. Begins on the seventh consecutive work day of absence due to illness or injury through the two calendar month qualifying period for long-term disability benefits. Paid at 100% of pay.
Old Sick Leave	Old sick leave balances were accumulated before December 31, 1997. Allows employee to be paid at 100% of pay after the first two calendar months of consecutive days of illness or injury when illness/injury persists. Must be depleted before going on long-term disability. Will not be paid to terminating employees.	Old sick leave balances were accumulated before December 31, 1997. Allows employee to be paid at 100% of pay after the first two calendar months of consecutive days of illness or injury when illness/injury persists. Must be depleted before going on long-term disability. Will not be paid to terminating employees.	Old sick leave balances were accumulated before December 31, 1997. Allows employee to be paid at 100% of pay after the first two calendar months of consecutive days of illness or injury when illness/injury persists. Must be depleted before going on long-term disability. Will not be paid to terminating employees.

This schedule is a summary and is does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

Benefit	20 hours	30 hours	38.75 hours
Long-term Disability		Eligible after completion of 120 days of employment. If you have "old sick leave" account, it must be depleted before eligible for long-term disability. Begins two calendar months from the beginning of consecutive days off for illness or injury. Paid at 60% of salary, with maximum \$6,000/month benefit. Flexible time off may be used to supplement the 60% of salary, with a limit of 100% of salary paid. Employee must pay full insurance costs and other amounts normally deducted from their payroll deposit.	Eligible after completion of 120 days of employment. If you have "old sick leave" account, it must be depleted before eligible for long-term disability. Begins two calendar months from the beginning of consecutive days off for illness or injury. Paid at 60% of salary, with maximum \$6,000/month benefit. Flexible time off may be used to supplement the 60% of salary, with a limit of 100% of salary paid. Employee must pay full insurance costs and other amounts normally deducted from their payroll deposit.
Funeral Leave			See employee handbook (page 13) for # days given.
*Marriage Leave	Must have one year of continuous service, eligible to receive one day off with pay.	Must have one year of continuous service, eligible to receive one day off with pay.	Must have one year of continuous service, eligible to receive one day off with pay.
*Time Off to Vote	If an employee's normal work schedule prevents him/her from voting, he/she may take up to three hours time off with pay to vote. The employee must notify his/her supervisor at least two days in advance.	If an employee's normal work schedule prevents him/her from voting, he/she may take up to three hours time off with pay to vote. The employee must notify his/her supervisor at least two days in advance.	If an employee's normal work schedule prevents him/her from voting, he/she may take up to three hours time off with pay to vote. The employee must notify his/her supervisor at least two days in advance.

This schedule is a summary and is does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

*For all employees—no minimum on number of work hours.

Benefit	20 hours	30 hours	38.75 hours
Health & Vision Insurance		<p>Coverage begins the first day of the first full month following employment date. 100% of employee individual coverage premium paid by THA. THA pays 100% of premium for family coverage for senior management staff & a portion of the premium for family coverage for associate management & administrative staff. Employees can pay their portion of family coverage through payroll deduction. Employees on unpaid status for more than half the calendar month are responsible for paying their health and vision insurance premiums.</p>	<p>Coverage begins the first day of the first full month following employment date. 100% of employee individual coverage premium paid by THA. THA pays 100% of premium for family coverage for senior management staff & a portion of the premium for family coverage for associate management & administrative staff. Employees can pay their portion of family coverage through payroll deduction. Employees on unpaid status for more than half the calendar month are responsible for paying their health and vision insurance premiums.</p>
Dental Insurance		<p>Coverage begins the first day of the first full month following employment date. 100% of employee individual coverage premium paid by THA. Employees can pay for family coverage through payroll deduction. Employees on unpaid status for more than half the calendar month are responsible for paying their dental insurance premiums.</p>	<p>Coverage begins the first day of the first full month following employment date. 100% of employee individual coverage premium paid by THA. Employees can pay for family coverage through payroll deduction. Employees on unpaid status for more than half the calendar month are responsible for paying their dental insurance premiums.</p>

This schedule is a summary and is does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

*For all employees—no minimum on number of work hours.

Benefit	20 hours	30 hours	38.75 hours
Life Insurance		Coverage begins upon employment. THA pays the total cost of premiums. Supplemental policies also are available for employees and their family members at employee expense.	Coverage begins upon employment. THA pays the total cost of premiums. Supplemental policies also are available for employees and their family members at employee expense.
*Business Travel Insurance	When traveling on THA business, \$100,000 of accidental life insurance is provided.	When traveling on THA business, \$100,000 of accidental life insurance is provided.	When traveling on THA business, \$100,000 of accidental life insurance is provided.
*Unemployment Insurance	THA pays the entire cost of this insurance program. If an employee becomes unemployed through no fault of their own, he/she may be eligible for unemployment compensation for a limited period under the provisions and the Tennessee Employment Security Law administered by the Employment Security Division of the Tennessee Department of Labor and Workforce Development. Applications for benefits are made through the Tennessee Department of Labor and Workforce Development.	THA pays the entire cost of this insurance program. If an employee becomes unemployed through no fault of their own, he/she may be eligible for unemployment compensation for a limited period under the provisions and the Tennessee Employment Security Law administered by the Employment Security Division of the Tennessee Department of Labor and Workforce Development. Applications for benefits are made through the Tennessee Department of Labor and Workforce Development.	THA pays the entire cost of this insurance program. If an employee becomes unemployed through no fault of their own, he/she may be eligible for unemployment compensation for a limited period under the provisions and the Tennessee Employment Security Law administered by the Employment Security Division of the Tennessee Department of Labor and Workforce Development. Applications for benefits are made through the Tennessee Department of Labor and Workforce Development.

This schedule is a summary and does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

*For all employees—no minimum on number of work hours.

Benefit	20 hours	30 hours	38.75 hours
*Workers' Compensation Insurance	Provided to employees from the day they start work. THA pays the full cost. It covers injuries resulting from accidents while on the job. Benefits include reasonable medical expenses, weekly benefits, compensation for total or partial permanent disability, and death benefits. Tennessee's workers' compensation laws governs how claims are processed, the benefits and payments.	Provided to employees from the day they start work. THA pays the full cost. It covers injuries resulting from accidents while on the job. Benefits include reasonable medical expenses, weekly benefits, compensation for total or partial permanent disability, and death benefits. Tennessee's workers' compensation laws governs how claims are processed, the benefits and payments.	Provided to employees from the day they start work. THA pays the full cost. It covers injuries resulting from accidents while on the job. Benefits include reasonable medical expenses, weekly benefits, compensation for total or partial permanent disability, and death benefits. Tennessee's workers' compensation laws governs how claims are processed, the benefits and payments.

This schedule is a summary and is does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

*For all employees—no minimum on number of work hours.

Benefit	20 hours	30 hours	38.75 hours
THA Employees' Retirement Savings Plan—Salary Deferral Contributions, After-Tax Contributions and Employer Matching Contributions	<p>Employees become eligible to make salary deferral or pre-tax contributions and after-tax contributions on the first day of the month following their 21st birthday. Pre-tax contributions are limited to 75 percent of compensation, up to annual IRS limits. After-tax contributions are limited to 10 percent of compensation. THA will match 100% of each employee's salary deferral contributions up to 4% of compensation. In order to share in the matching contribution for a plan year, you must be employed on the last day of the year, or, if employment terminates during the year, you must have completed more than 500 hours of service. Salary deferrals and matching contribution are 100% vested at all times.</p>	<p>Employees become eligible to make salary deferral or pre-tax contributions and after-tax contributions on the first day of the month following their 21st birthday. Pre-tax contributions are limited to 75 percent of compensation, up to annual IRS limits. After-tax contributions are limited to 10 percent of compensation. THA will match 100% of each employee's salary deferral contributions up to 4% of compensation. In order to share in the matching contribution for a plan year, you must be employed on the last day of the year, or, if employment terminates during the year, you must have completed more than 500 hours of service. Salary deferrals and matching contribution are 100% vested at all times.</p>	<p>Employees become eligible to make salary deferral or pre-tax contributions and after-tax contributions on the first day of the month following their 21st birthday. Pre-tax contributions are limited to 75 percent of compensation, up to annual IRS limits. After-tax contributions are limited to 10 percent of compensation. THA will match 100% of each employee's salary deferral contributions up to 4% of compensation. In order to share in the matching contribution for a plan year, you must be employed on the last day of the year, or, if employment terminates during the year, you must have completed more than 500 hours of service. Salary deferrals and matching contribution are 100% vested at all times.</p>

This schedule is a summary and is does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

*For all employees—no minimum on number of work hours.

Benefit	20 hours	30 hours	38.75 hours
THA Employees' Retirement Plan—Profit Sharing Contributions	<p>Employees who have completed one year of service and reached the age of 21 become eligible for a discretionary profit sharing contribution after one year of service in which he/she has worked at least 1,000 hours. Eligibility begins on the January 1 or July 1 that next follows this year of service. THA intends to make a discretionary profit sharing contribution of 5.7% of total compensation and another 5.7% for eligible earnings above the Social Security ceiling up to the IRS limit for defined contribution plans. In order to share in the profit sharing contribution for a plan year, you must be employed on the last day of the year or, if employment terminated during the year, you must have completed more than 500 hours of service. Discretionary profit sharing contributions are subject to a vesting schedule identified in the current THA Employees' Retirement Plan.</p>	<p>Employees who have completed one year of service and reached the age of 21 become eligible for a discretionary profit sharing contribution after one year of service in which he/she has worked at least 1,000 hours. Eligibility begins on the January 1 or July 1 that next follows this year of service. THA intends to make a discretionary profit sharing contribution of 5.7% of total compensation and another 5.7% for eligible earnings above the Social Security ceiling up to the IRS limit for defined contribution plans. In order to share in the profit sharing contribution for a plan year, you must be employed on the last day of the year or, if employment terminated during the year, you must have completed more than 500 hours of service. Discretionary profit sharing contributions are subject to a vesting schedule identified in the current THA Employees' Retirement Plan.</p>	<p>Employees who have completed one year of service and reached the age of 21 become eligible for a discretionary profit sharing contribution after one year of service in which he/she has worked at least 1,000 hours. Eligibility begins on the January 1 or July 1 that next follows this year of service. THA intends to make a discretionary profit sharing contribution of 5.7% of total compensation and another 5.7% for eligible earnings above the Social Security ceiling up to the IRS limit for defined contribution plans. In order to share in the profit sharing contribution for a plan year, you must be employed on the last day of the year or, if employment terminated during the year, you must have completed more than 500 hours of service. Discretionary profit sharing contributions are subject to a vesting schedule identified in the current THA Employees' Retirement Plan.</p>

This schedule is a summary and is does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

*For all employees—no minimum on number of work hours.

Benefit	20 hours	30 hours	38.75 hours
Premium Conversion		Employees can pay for the family portion of their health and dental insurance premium or other eligible premiums withheld from salary with pre-tax dollars.	Employees can pay for the family portion of their health and dental insurance premium or other eligible premiums withheld from salary with pre-tax dollars.
Medical Care Flexible Benefits		Allows employees to pay for health expenses for themselves and their dependents that are not paid for by insurance with pre-tax dollars.	Allows employees to pay for health expenses for themselves and their dependents that are not paid for by insurance with pre-tax dollars.
Dependent Care Assistance Program		Allows employees to pay for dependent care of a child under age 13 or a qualified mentally or physically disabled dependent of any age with pre-tax dollars.	Allows employees to pay for dependent care of a child under age 13 or a qualified mentally or physically disabled dependent of any age with pre-tax dollars.
*Section 529 College Savings Plan	Available through payroll deduction for college savings.	Available through payroll deduction for college savings.	Available through payroll deduction for college savings.
Educational Assistance			Pays educational tuition costs up to \$500 per semester for a maximum of \$1,000 per calendar year for courses that enhance job performance. Approval will be contingent upon availability of funds. The student must maintain a "C" average in undergraduate school and a "B" average in graduate school. Copies of grades and/or certificates must be submitted for reimbursement.

This schedule is a summary and is does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

*For all employees—no minimum on number of work hours.

Benefit	20 hours	30 hours	38.75 hours
Incentive Plan			Senior management staff establishes individual work goals based on THA's goals. In March, eligible current employees receive bonuses based on percentage of achievement of the previous year's goals, as reviewed and approved by the Compensation Committee.
Longevity Bonus		Administrative staff and other staff not participating in incentive plans that are on active payroll receive \$50 for each completed full year of employment with no break in service on November 15 of each year. There is no pro-rata bonus for those who leave THA employment during the year.	Administrative staff and other staff not participating in incentive plans that are on active payroll receive \$50 for each completed full year of employment with no break in service on November 15 of each year. There is no pro-rata bonus for those who leave THA employment during the year.
Service Awards	Service awards are presented upon completion of five years of employment and each additional five years thereafter.	Service awards are presented upon completion of five years of employment and each additional five years thereafter.	Service awards are presented upon completion of five years of employment and each additional five years thereafter.
Healthy Lifestyle Program	Participating employees must enroll by March 31 of each year and have a health assessment yearly. Participating current employees receive a \$175 payroll deposit twice annually.	Participating employees must enroll by March 31 of each year and have a health assessment yearly. Participating current employees receive a \$175 payroll deposit twice annually.	Participating employees must enroll by March 31 of each year and have a health assessment yearly. Participating current employees receive a \$175 payroll deposit twice annually.

This schedule is a summary and is does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

*For all employees—no minimum on number of work hours.

Benefit	20 hours	30 hours	38.75 hours
Health Club Membership Reimbursement	Current employees are eligible for up to \$35/month reimbursement of their health club membership dues.	Current employees are eligible for up to \$35/month reimbursement of their health club membership dues.	Current employees are eligible for up to \$35/month reimbursement of their health club membership dues.
Termination Payment	Payment for accrued flex time provided proper termination notice given & all THA property returned. Final payroll deposit for flex time will be issued at the end of the pay period following the one that included the last day of work.	Payment for accrued flex time provided proper termination notice given & all THA property returned. Final payroll deposit for flex time will be issued at the end of the pay period following the one that included the last day of work.	Payment for accrued flex time provided proper termination notice given & all THA property returned. Final payroll deposit for flex time will be issued at the end of the pay period following the one that included the last day of work.

This schedule is a summary and is does not include all details. See appropriate pages of the Employee Handbook for details. THA is not responsible for errors or omissions in the summary chart. Should there be conflicts with this benefit schedule and the detailed description in the handbook, the detailed description for each benefit is the deciding factor.

*For all employees—no minimum on number of work hours.

SUMMARY

This handbook is a summary of THA principles, a guide to the personnel benefits to which employees are eligible for, and the obligations of employees. THA reserves the right to modify or change its personnel policies, as deemed appropriate, and notifications of changes will be made as indicated. *See the note on the inside front cover.*

Employees should read this handbook thoroughly and keep it for future reference. Questions concerning the policies and benefits outlined in this booklet should be directed to the employee's supervisor.

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TRAVEL AND EXPENSE REPORT

Name: [enter]	Dept. Name: [select]	Dept. No.
Street Address: [enter]	Purpose of trip: [enter]	Week Ending: [enter]
City, State, Zip [enter]		

A	DAY / DATE	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	TOTALS
Cities or Towns Visited	From								Include All Receipts*
	To								
	To								
	Miles Driven								
Transportation	Mileage @ \$0.550								
	Air								
	Car Rental								
	Gasoline								
	Tolls/Parking*								
	Cabs, Local Fares								
	Baggage / Tips*								
	Laundry, Valet, Etc.								
Meals	Breakfast*								
	Lunch*								
	Dinner*								
	Hotel (Room and Tax Only)								
	Entertainment/Meals (Detail Below)								
	Telephone								
	Cell Phone								
Misc.									
Sub-Total									

* Receipts are not required for : Toll/Parking, Baggage/Tips, Breakfast/Lunch if less than \$15, Dinner if less than \$25

<Less Advances>	
TOTAL	0.00

B	Date	Persons Entertained	Purpose
Entertainment			

THA Staff: All reimbursement checks will be direct deposit unless
 Please remit check to address above. (check box)

C	Remarks	Accounting Use Only		
		Sub Acct.	Account No.	Amount
Approval Signatures				
	Employee	Date	4/15/2009	
	Supervisor	Date		
		TOTAL		