

EMPLOYMENT BENEFIT POLICIES

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EMPLOYEE BENEFIT POLICY

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

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

The following benefit programs are available to eligible employees;

- 401 – Payroll Deductions
- 402 – Direct Deposit
- 403 – Vacation Policy
- 404 – Personal Days
- 405 – Holiday Policy
- 406 – Sick Leave Policy
- 407 – Bereavement Leave Policy
- 408 – Jury Duty Policy
- 409 – Family Medical Leave Act (FMLA)
- 410 – Workers' Compensation Insurance
- 411 – Flextime Scheduling
- 412 – Telecommuting
- 413 –* Health Insurance Policy
- 414 – Life Insurance Policy
- 415 –* Dental Insurance Policy
- 416 –* Vision Insurance Policy
- 417 –* 403(b) Thrift Plan
- 418 – Employee Assistance Program (EAP)

*Some benefits programs require contributions from employees, but most are fully paid by the Diocese of Gary. The benefits package for regular full-time employees represents a substantial benefit, effectively increasing your total compensation by thousands of dollars.

401 PAYROLL DEDUCTIONS

Such programs include:

- Dependent Health Coverage
- Voluntary Insurance Coverage
- Approved Pre-Tax Deductions such as 403(b)

402 DIRECT DEPOSIT

Employees of the Diocese of Gary are provided the optional benefit of having their earned wages deposited directly into their individual bank checking and/or savings account at no additional cost. We strongly suggest all employees take advantage of this benefit. As a convenience to staff, we also offer electronic pay stubs to Pastoral Center employees. If there are any changes to your bank information, please notify the Payroll Department immediately.

403 VACATION POLICY –this policy does not apply to teachers or principals

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

- Regular full-time employees
- Regular part-time employees (Pro-rated vacation)

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

Vacation time is accrued each month as 1/12 of the annual award. An employee's annual award is based on years of service. During the month of an employee's first, fifth and 15th anniversary date, the monthly accrual rate would increase to that annual vacation for the remainder of that calendar year.

The following schedule shows an employee's annual award and the monthly accrual rate:

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

Vacation accruals are available on employee's paycheck stubs. Vacation accrual and balance inquiries should be made to their Office Coordinator or Payroll Coordinator.

Annual earned vacation must be used before the end of each calendar year. During the fourth quarter of the current calendar year, employees will be notified of their vacation balances. Due to business necessity, employees may only use up to five days of paid time off during the month of December. In the event that available vacation is not used before the end of the calendar year, employees will forfeit any unused vacation time.

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

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

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

Staff wishing to draw upon unearned vacation time may not do so unless they are given prior consent in writing by their Office Coordinator, with the understanding that should they terminate their employment without accruing sufficient vacation time, they may be required to reimburse the Diocese.

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

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

404 PERSONAL DAYS

All employees are entitled to take two personal business days each year. Anyone who begins employment before July 1st will receive two days of personal business leave for that calendar year, and anyone who begins employment after July 1st will receive one day of personal business leave for that calendar year. Personal days are non-cumulative and will not be paid upon termination of employment.

405 HOLIDAY POLICY –This section does not apply to Principals or Teachers

Federal law does not require employers in the private sector such as the Diocese of Gary to have a holiday policy or to observe federally recognized holidays. Notwithstanding this fact, the Diocese of Gary gives its employees 12 paid days off for the following holidays.

- New Year's Day (*January 1st*)
- Martin Luther King, Jr. Day (*Third Monday in January*)
- Good Friday (*Friday before Easter*)
- Easter Monday
- Memorial Day (*Last Monday in May*)
- Independence Day (*July 4th*)
- Labor Day (*First Monday in September*)
- Thanksgiving Day (*Fourth Thursday in November*)
- Day After Thanksgiving
- Christmas Eve (*December 24th*)
- Christmas Day (*December 25th*)
- Day After Christmas (*December 26th*)

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

- Regular full-time employees
- Regular part-time employees

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

If eligible non-exempt employees work on a recognized holiday, flextime will be provided.

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

If a recognized holiday falls on a Sunday, eligible employees are scheduled for time off with pay on the Monday following the holiday if they are scheduled to work that day.

406 SICK LEAVE POLICY–This section does not apply to Principals or Teachers

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

- Regular full-time employees

Eligible employees accrue sick leave benefits at the rate of 10 days per year (.83 of a day for every full month of service). Sick leave benefits are calculated on the basis of a “benefit year,” the 12-month period that begins when the employee starts to earn sick leave benefits.

Employees become eligible to accrue sick leave benefits upon hire. Paid sick leave can be used in minimum increments of one-half day. Employees may use sick leave benefits for an absence due to their own illness or injury or that of a family member.

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

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

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

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

Sick leave benefits are intended solely to provide income protection in the event of illness or injury, and may not be used for any other absence. Unused sick

leave benefits will *not* be paid to employees at the time of their departure from their employment with the Diocese of Gary.

407 BEREAVEMENT LEAVE POLICY

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

All regularly scheduled employees receive up to three days time off with pay for the death of an immediate family member, including parent, brother, sister, spouse, child, grandparent, grandchild, mother/father-in-law, daughter/son-in-law, brother/sister-in-law, or step-relative. In the case of other relatives or close friends, employees are allowed one day off without pay at the supervisor's discretion. If additional time off is needed, employees should use vacation time or personal time (if available) or unpaid personal day. Unless the Bishop sends you to a funeral as a representative of the Diocese of Gary, employees will not be paid regular wages. In the case of attendance at funerals of colleagues, peers or professional acquaintances, obtain your supervisor's approval in advance.

408 JURY DUTY POLICY

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

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

- Regular full-time employees
- Regular part-time employees

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

Employees must show the jury duty summons to their supervisor as early as possible before beginning jury duty so that the supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits and provide proof of attendance afterwards.

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

The Diocese of Gary will continue to provide health insurance benefits for the full term of the jury duty absence.

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

A supervisor on an as needed basis will review circumstances outside the above parameters.

409 FAMILY MEDICAL LEAVE ACT (FMLA)

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

The leave period commences with the date the leave begins.

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

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

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

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

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

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

When possible, employees are restored to their original or an equivalent position upon their return from FMLA leave.

Request for leave must be in writing to your Office Coordinator and a copy forwarded to the Coordinator of Benefits and Manager of Human Resources. A 30-day advance written notice is required when the leave is foreseeable, and as soon as possible when the leave is unforeseeable. This notice should include the approximate ending date of the leave.

The Diocese of Gary requires medical certification to support a request for leave because of a serious health condition. The Diocese of Gary, at its own expense, may require an employee requesting a leave to obtain a second opinion from a physician designated or approved by the Diocese. If the second opinion differs from the original certification, the Diocese of Gary may require, at the expense of the Diocese, a third opinion to be obtained from a physician that is jointly approved by the employee seeking the leave and the Diocese of Gary. The opinion of the third physician is final and binding.

The Diocese of Gary may request periodic progress reports from the employee's physician, and a fitness to return to work release from the employee's physician upon their return to work.

In the event that an employee does not return to work after FMLA leave for at least 30 days, the Diocese of Gary may collect from the employee any health and life insurance premiums that were made on the employee's behalf during the leave.

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

Personal Leave of Absence

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

Military Leave of Absence

Employees who are inducted into the U.S. Armed Forces or who are reserve members of the U.S. Armed Forces or state militia groups will be granted leaves of absence for military service, training or other obligations in compliance with state and federal laws. These employees may use accrued vacation leave but are not required to do so. At the conclusion of the leave, employees generally have the right to return to the same position held prior to the leave if possible or to a position with equivalent seniority, pay and benefits. The Diocese of Gary will pay

the difference between military pay and regular wages/salary for up to one month. Employees must return to work no later than one week after an active duty.

Employees are requested to notify their supervisors as soon as they are aware of the military obligation.

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

410 WORKERS' COMPENSATION INSURANCE

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

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

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

411 FLEXTIME SCHEDULING

Flextime allows supervisors the opportunity to adjust the hours of their daily schedule and the schedule of their employees to accommodate their needs within a pay period. For example, a supervisor may authorize an employee to come in late or leave early one day, and work longer on another day, or days in the same pay period as long as the hours are within approved building operational hours of 7 a.m. and 5 p.m. The total number of hours worked in a given pay period should be as originally scheduled. The intent of flextime is to allow for appointments or unexpected delays on an occasional basis, not to allow tardiness, entire or half days off of work. Please utilize the Flex Time form when utilizing this option.

412 TELECOMMUTING

On a rare exception, the Bishop or Bishop's designee may authorize an employee to work from home during regular business hours. This can be done with prior written approval only and will only be granted for extenuating circumstances.

Telecommuting is neither available nor applicable to all jobs in the Pastoral Center.

413 HEALTH INSURANCE POLICY

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

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

Eligible employees may participate in the health insurance plan subject to all terms and conditions as contained in the summary plan description. The details of our plan are explained in the plan booklet which is available from the Benefits Office. It is every employee's responsibility to carefully read the plan information and direct any questions to the Benefits Office. It is important that eligible employees wishing to participate in the health insurance sign up within the first 30 days of employment without being subject to late enrollee penalties. If an eligible employee does not want to participate in the health insurance, they must complete a medical insurance waiver form.

414 LIFE INSURANCE POLICY

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

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

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

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

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

415 DENTAL INSURANCE POLICY

The Diocese of Gary's voluntary dental insurance plan -- Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) provides employees and their dependents access to dental insurance benefits. The

premium cost is 100% employee paid. Employees in the following employment classification(s) are eligible to participate in the dental insurance plan:

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

Eligible employees may participate in the dental insurance plan subject to all terms and conditions as contained in the plan booklet which is available from the Benefits Office. It is every employee's responsibility to carefully read the plan information and direct any questions to the Benefits Office. It is also important that eligible employees wishing to participate in the dental insurance sign up within the first 30 days of employment without being subject to late enrollee penalties.

416 VISION INSURANCE POLICY

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

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

Eligible employees may participate in the vision insurance plan subject to all terms and conditions as contained in the plan booklet which is available from the Benefits Office. It is every employee's responsibility to carefully read the plan information and direct any questions to the Benefits Office. It is important that eligible employees wishing to participate in the vision insurance sign up within the first 30 days of employment without being subject to late enrollee penalties.

417 403(b) THRIFT PLAN

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

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

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

418 EMPLOYEE ASSISTANCE PROGRAM (EAP)

The Employee Assistance Program provides support, counseling, and resources for a variety of life issues; such as, emotional well-being, family and care giving, health and wellness, financial and legal, and work related. Resources are provided to you and your dependents at no cost, and any services provided are strictly confidential between you and the EAP provider.

Convenient online assistance is available and is also confidential. Online resources include access to a vast number of articles, self-guided assessments, and informational links.