

EMPLOYEE BENEFITS

SECTION (4)

Disclosure of Benefits.....4.1
Group Insurance4.2
Other Benefits.....4.3
Accrued Leave.....4.4
Severance Pay.....4.5
COBRA Health Insurance Rights4.6
Employee Morale Benefits4.7

Purpose of this Section:

It is the policy of AACS to provide its eligible employees with certain employee benefits. Information on the various benefits shall be explained in detail during the new employee orientation. An *Employee Handbook* also summarizes the employee's benefit package offered by the agency.

Procedure:

- (1) All benefits provided by the AACS are described in official documents which are kept on file for examination by any participating employee.
- (2) Such documents relating to the respective benefit plans and contractual agreements are the only official and binding documents concerning AACS fringe benefits.
- (3) The AACS reserves the right to modify, amend, or terminate the fringe benefits it provides.
- (4) Employees qualify for the agency's optional benefits (as opposed to those legally required) based on their employee status as defined in Section 2.12, item (3)— subject to the availability of the requisite budget authority in their respective program account.
- (5) Current employees who are transferred or promoted retain their eligibility for paid optional benefits only so long as they remain in an employee classification and program account which provides for these benefits.

Purpose of this Section:

The AACS provides group wellness benefits for eligible employees including Health Insurance, Dental and Vision, Employee Assistance Program, and a Wellness Program. *All benefits require prior Board approval and available project funding. [Revised June 2000]*

(1) Health Insurance guidelines:

- Single rate premiums are offered to qualified employees at a minimal cost to the employee and two-person and family health insurance premiums are available, with employees bearing the additional cost *[Revised June 2000]*
- Coverage is effective ***the first of the month following thirty (30) days of full-time employment and subject to a*** completed application that has been processed by the insurance provider. *[Added June 2000]*
 - (a) Full-time employees working thirty (30) hours work per week are eligible for group single rate coverage, but this requires prior Board approval and available project funding. *[Revised June 2000]*
 - (b) Non-eligible employees may not purchase AACS health insurance. *[Added December, 1994]*
- Employees are issued health coverage identification cards and booklets explaining the coverage
- Health Insurance enrollment/participant changes require a thirty (30) day notice by the employee in writing
- The AACS pays the portion normally paid for health or other insurance premiums for employees only during *paid* "leave of absence" and "family leave." The employee must pay such premiums on any other *unpaid* "leave of absence" including such time as accrued leave may be exhausted (NOTE: Under the Family and Medical Leave Act (FMLA) of 1993, employees who receive FMLA leave but do not return to work will be charged for those premiums paid by the agency during their FMLA leave of absence.) *[Revised June 2000]*
- Employee termination requires the cancellation of group health insurance
- Employees may convert their group coverage, within the insurance company's guidelines and grace period, according to the Consolidated Omnibus Budget Reconciliation Act of 1985 provisions for continuation coverage (COBRA)
- Specific rules, requirements, provisions, and coverage concerning the group health insurance plan should be sought out by the employee in his/her group health insurance booklet.
- The agency's portion of the Health Insurance premium is decided annually and no employee can exceed the allotted benefit amount. *[Added December 2009]*

- (2) KRS Retirees Re-Employment Health Insurance Options:
[Added December 2009]

Employees that participate in the KRS retirement health insurance, and are eligible for our health insurance coverage, will have two options for health insurance coverage. Employee can elect the agency's health insurance benefit and end their KRS retirement insurance while employed by the agency or the employee can elect to stay with the KRS insurance but will be required to reimburse the agency for the contributions made to KRS for the retirees' health insurance premium. The employee will be responsible for the difference of the agency's allotted benefit amount and the KRS monthly premium.

- (3) **Dental and Vision Insurance.** Beginning October 2000, AACS will offer dental and vision insurance to full-time staff at a nominal cost to the employee. Additional coverage for family members is available with employee bearing the additional cost.
- Employees are issued dental and vision coverage identification cards and booklets explaining the coverage
 - Employees may not drop or add coverage during a contract year
 - Employees are responsible for their "paid" portion of dental/vision insurance cost during a Family Medical Leave or a "paid" leave of absence. If leave is unpaid, the employee is responsible for the complete cost of the premium.
 - Employee termination requires the cancellation of dental/vision insurance
 - Employees may convert their dental insurance, within the company's guidelines and grace period, according to the Consolidated Omnibus Budget Reconciliation Act of 1986 for continuation coverage. [Added June 2000]
- (4) **Life Insurance.** AACS will provide a set amount of group term life insurance for full-time employees. Effective date of coverage will follow the guidelines of both health and dental/vision insurance and an accurate completed application. (Added February 2001)
- (5) **Employee Assistance Program (EAP).** The EAP is a confidential counseling and support service provided to help employees and their household family members deal with difficult personal or job-related problems. Anthem EAP provides the services for the entire service area. The purpose of the EAP is: [Revised August 2008]
- To help employees and families cope mentally and emotionally to life's difficulties and function reasonably distress free
 - To serve as a resource for management if employees' personal/family problems are interfering with their work performance. The human resources director should be consulted before supervisors direct their staff to EAP for work-related matters. (Revised August 2008)

- (6) **Wellness Program.** The agency is interested in the health and wellness of its employees. All regular full-time employees can participate in this health and lifestyles analysis program through which the AACCS strives to help its employees stay healthy by: (revised August 2008)

Effective September 1st, 2008, AACCS will reimburse full-time employees up to \$33.00 a month, to assist the employee with their monthly membership to a health and/or fitness club of their choice. (Examples of such locations are the YMCA, Curves, Weight Watchers, wellness centers or local gyms.) To receive the reimbursement the full-time employee will need to attach proof of participation with their last time sheet of each month. Participation must be at least two (2) times a week per month. Any membership that requires a deviation from this policy must be pre-approved from Human Resources. This employee benefit is taxable and will be reported as taxable income. (Revised October 2008)

- Participating in health-risk assessments
- Educating employees on ways to lower their health risks through better nutrition, non-smoking, managing cholesterol, and other lifestyle changes.

Purpose of this Section:

The AACS provides to qualified staff a range of benefit programs designed to help provide for reasonable retirement and income security.

(1) Kentucky/County Employment Retirement Systems (CERS). As a condition of their employment with the AACS, eligible employees must enroll in the CERS retirement system after successful completion of their nine (9) month introductory period. Enrollment conditions in the retirement plan are as follows: *[Revised December 2003]*

- Employees must average at least 1,200 work hours per year (CERS requirement).
- CERS Form 2001 and Form 2035 must be completed and returned to the human resources department immediately upon the successful completion of the nine (9) month “introductory” period.
- The Vesting period with the CERS is sixty (60) months *[Revised December 2001]*
- Back service credit may be purchased for prior service with eligible employers
- 5% of the employees' gross salary is contributed toward the retirement plan and an additional 1% contribution to KRS’s health insurance fund. *[Revised December 2009]*
- The AACS contribution rate to the CERS is adjusted periodically by the Kentucky General Assembly; the agency adheres to the legislated contribution rate. *[Revised December 2001]*
- The CERS is a "defined benefit" retirement program.

Annual benefits may be estimated by an employee by multiplying 1) the employee's years of service times 2) the CERS “benefit factor” - 2.2% times for enrollees prior to July 1, 2004 and 2.0% for enrollees after July 1, 2004. 3) The employee's annual salary amount. The product of these three multiplicands/faciends is the approximate annual cash retirement benefit for which the employee would qualify. For the monthly amount, divide the product by 12 (months). *[Added August 2004]*

The following example assumes an employee enrolled in the County Retirement Systems prior to July 1, 2004 and has twenty (20) years service credit earned—and paid for to the CERS— and a salary of \$20,000 at the time of retirement. *[Added August 2004]*

Example:

$$20 \times 2.2 = 44\% \text{ (years x CERS benefit factor)}$$
$$44\% \times \$20,000 = \$8,800 \text{ (benefit ratio x salary)}$$

Thus, the 20-year employee with the \$20,000 salary might expect annual cash benefits around \$8,800. The monthly benefit— which is the way it's paid— would work out to approximately \$734 per month ($\$8,800 \div 12$).

The following example assumes an employee enrolled in the County Retirement Systems after July 1, 2004 and has twenty (20) years service credit earned—and paid for to the CERS— and a salary of \$20,000 at the time of retirement.

Example:

$$20 \times 2.0 = 40\% \text{ (years } \times \text{ CERS benefit factor)}$$
$$40\% \times \$20,000 = \$8,000 \text{ (benefit ratio } \times \text{ salary)}$$

Thus, the 20-year employee with the \$20,000 salary might expect annual cash benefits around \$8,000. The monthly benefit— which is the way it's paid— would work out to approximately \$667 per month ($\$8,000 \div 12$). [*Revised August 2004*]

NOTE: The above example is just that. Please do not rely on this for a precise determination of benefits; that must be calculated by the Kentucky Retirement Systems in Frankfort:

(2) **KRS Retirees Re-Employment:**
[*Added December 2009*]

- (a) Retirees considering re-employment must notify KRS and complete Form 6751, certification regarding re-employment.
- (b) Retirees with a new participation CERS date after September 1, 2008, will not be allowed to earn a second KRS pension benefit.
- (c) Retirees will have to make a decision as to which insurance plan to participate in, KRS or Audubon Area Community Services. (Refer to Section 4.2 for further information)

ADDRESS: Kentucky Retirement Systems
Perimeter Park West
1260 Louisville Road
Frankfort, Kentucky 40601-6124

TELEPHONE: (502) 564-4646
(800) 928-4646 (Toll Free)

- (3) **Kentucky Worker's Compensation Insurance.** AACS employees who are injured or disabled while performing AACS duties are covered under Worker's Compensation. Workplace accidents or injuries require immediate notification of the employee's supervisor and the Human Resources Department, either by the employee or a co-worker if the employee is unable to do so. [*Updated August 2004*]

The employee shall complete— or if unable to do so, have someone do it for him/her — a Form OSHA 101 within five (5) days of the accident or injury. The AACS will immediately notify the insurance company upon receipt of employee notification of any on-the-job accident or injury.

OTHER BENEFITS

SECTION: 4.3
Page: 3 of 3

*Deadline for notification of insurance company: The AACS **must** notify the insurance company within seven (7) days.*

- (a) Neither the AACS nor the insurance carrier is liable for worker's compensation benefit payments for injuries occurring during an employee's *voluntary* participation

in any *off-duty* employer-sponsored recreational, social, or athletic activity.

- (b) The agency has a Return to Work operational policy which, in consultation with a qualified physician's certification of what any employee out on Worker's Compensation *can* do and the agency's ability to provide appropriate alternative work according to those physical abilities, all employees are required to follow. (Added October 2007)
- (c) The AACS does not deduct any of the Worker's Compensation cost from an employee's wages for the Kentucky Worker's Compensation Insurance.

- (4) **Unemployment Insurance.** AACS employees may be eligible for Unemployment Insurance benefits. Head Start employees are *not* eligible— by prior determination of the Kentucky Department for Social Insurance— while they are covered under a contract agreement.

Purpose of this Section:

The AACS provides leave benefits to eligible employees— those specified as eligible in Section 2.12(4). The AACS does not "owe" employees time off. It owes them only for time worked. Leave is not an employee's right. It is a benefit granted by a caring employer.

Procedure:

- (1) **Vacation Leave.** Regular full-time employees (30+ hours per week) working full year full day schedules may accumulate Vacation Leave at the following rate:

The first five years	
30 – 34 hours per week.....	6 hours per month
35 - 37 hours per week.....	7 hours per month
37½ - 40 hours per week.....	7½ hours per month
Six through ten years.....	2 additional hours
Eleven years or more.....	2 additional hours

(Rewritten August 2001)

Vacation Leave definitions, procedures and conditions:

- Staff transferring to a full-year full-day will be credited with years of employment from the initial date of full-time hire when calculating leave time. Retroactive leave time will not be granted. [Added August 2001]
- Vacation Leave Requests should be submitted five (5) working days before the time requested
- Requests require the *prior approval* of the immediate supervisor and the concurrence of the Executive Director
- Requests may be approved upon the assurance that the employee's "vacation" does not hinder the agency's quality work performance or client service needs
- Employees must post Vacation Leave time taken on Time and Attendance Reports
- Holidays occurring during an employee's approved leave do not require Vacation Leave use
- Verification is required to confirm any illness which would result in converting Vacation Leave already approved and taken to Sick Leave
- Accrued Vacation Leave as of January 1, 2004 will be archived. Archived Vacation Leave may be used only when subsequently accrued Vacation Leave is unavailable. Remaining archived leave shall be payable upon separation from the agency. Archived leave is not subject to forfeiture. [Added August 2004]
- After January 1, 2004, employees cannot carry over more than one (1) year's Vacation Leave into the next calendar year. Hours in excess of one (1) year accrual will be forfeited after December 31st of each calendar year. [Revised August 2004]

- Employees may request their Vacation Leave accumulation status from their Cumulative Leave Record (Also, this information is regularly updated on employees' pay stubs.)
 - Vacation Leave time may not be paid (in effect purchased from the employee by the agency) unless an employee resigns with appropriate notice or is terminated under the terms agreeable to the agency. At this point, the purchase of Vacation Leave time may be deemed as a form of "severance pay"
 - Employees re-hired within the period covered by the "purchased" Vacation Leave must repay the agency for the remaining amount of time paid, but in effect, not used
 - Insufficient resignation notification may require the payment forfeiture of Vacation Leave time
 - Employees shall not receive Vacation Leave credits for time served in the employment of other agencies or organizations
 - The Executive Director may waive the standard resignation notice requirements for exempt and non-exempt employees.
- (3) **Personal Leave Time.** The AACS grants regular full-time employees three days (22½ hours) Personal Leave per calendar year. Personal Leave shall be converted from the employee's accrued Health Care Leave. Personal Leave days may not accumulate and are not carried forward to one calendar year to the next. The Personal Leave allowed in any calendar year but not used before December 31st is forfeited. The AACS does not define Personal Leave, but its suggested use is for personal business.

Employees not having the requisite Health Care Leave time do *not* qualify for Personal Leave.

- (2) **Health Care Leave.** Health Care Leave benefits compensate employees unable to work during a personal illness or one in his/her immediate family. An immediate family member means someone **residing** with or normally residing with the employee. Conditions and procedures are:
- Health Care Leave benefit accrual begins immediately upon employment for eligible staff. (Upon regular appointment, eligible employees shall receive a credit to their cumulative leave record for three (3) Health Care Leave days, commensurate with their hours, but not to exceed 22½ hours.)[Revised December 2009]
 - A maximum of 7½ hours may be credited per full-time employee for each full month of employment for eligible employees who work less than 37½ hours per week. This credit shall be reduced commensurate to the number of hours worked
 - An employee shall notify his/her supervisor immediately upon being unable to work by reason of illness
 - An illness exceeding five (5) consecutive days requires a doctor's certification.

- Holidays occurring during illness of an employee whose approved Health Care Leave is in effect are not charged against an employee while on Health Care Leave
 - Health Care Leave is posted on employee Time and Attendance Reports
 - Health Care Leave hours accrued, used, and retained are posted in the Cumulative Leave Record
 - Employees may accrue Health Care Leave hours exceeding 540 hours within a calendar year, but shall not carry more than 540 hours beyond any December 31st.
 - Unused Health Care Leave exceeding 540 hours, but not exceeding 975 hours, shall be archived and applied only toward the purchase of accrued medical (sick) leave credits *upon retirement* from AACS and the County Employee Retirement Systems. (See Section 3.3, page 3 of 3 (16). Archived medical accrued leave cannot be applied as paid medical leave. [Added August 2004][Revised February 2009]
 - Unused Health Care Leave hours shall not be paid (or "purchased" by the agency for employees who resign or are terminated.
 - Employees may request reports on their accrued Health Care Leave balance
 - Employees may accrue Health Care Leave hours exceeding 540 hours within a calendar year, but shall not carry more than 540 hours beyond any December 31st. Unused Health Care Leave exceeding 540 hours on any December 31st shall be forfeited
 - Unused Health Care Leave hours shall not be paid (or "purchased" by the agency) for employees who resign or are terminated.
- (5) **Health Care Leave Retention Incentive Program.** AACS employees are encouraged to use Health Care Leave in cases of true *medical need*. Staff may receive a year-end cash incentive of \$50 if they use no more than twenty-two and one-half (22½) hours of Health Care Leave within a calendar year— effective as of January 1, 1993. The incentive would be added to the employee's pay check and subject to required withholding (taxes). *The 22½ hour limit shall include any Health Care Leave time converted to Personal Leave.*
- (6) **Exempt Staff Administrative Leave.** [Revised April, 1994] This provision applies to designated "exempt" staff only. (See Section 3.8 for the listing of eligible staff by position.) Further, it applies only to those Exempt Staff who held accruals of "Administrative Leave" as of April 15, 1994 when the further accrual of this leave was abolished.

Exempt employees, by definition, may *not* qualify for overtime pay. Those executive, administrative and professional employees are paid "for the job," *for a function*, notwithstanding the certainty that time worked in excess of their standard hours *will* be required to complete their job responsibilities. These salaried staff and the agency must expect that they shall commit such time as is required to assure their faithful performance of their assigned executive, administrative and/or professional obligations to the agency

without the employees' expectation or the agency's obligation to provide supplemental compensation for added hours worked.

Exempt staff working additional time beyond the agency's prevailing standard workweek of thirty-seven and one-half (37½) hours is the norm rather than the exception. No consideration shall be provided to an "exempt" staff person for any agency workweek in which "exempt" employee works beyond the hours in their normal work week. Such work may include agency-related meeting beyond normal working hours, such as Board meetings, policy advisory meetings, community meetings, association meetings and so forth if employee attendance is explicitly required by his/her job description or supervisor, or such work is otherwise implicit in the performance of his/her duties. This work may also include time spent traveling to and from out-of-area meetings [See Section 2.10 (7) for travel-time limitations and requirements], attending agency-specific conferences, client home visits and services, and working in the "local" office/community performing work relevant to his/her duties.

Exempt Staff Administrative Leave Accumulations: Such "administrative leave" as may have been accumulated through April 15, 1994 may be retained and used by the "exempt" employee until all such leave is exhausted or the employee leaves the agency. Administrative leave is not compensable upon the employee's termination of employment with the agency. *[Added April 1994]*

Whole Day Leave Requirement: Exempt staff shall charge leave on their Time and Attendance Report only in whole day increments — according to the requirements/provisions of the federal wage-hour law. That is, exempt staff must be "off the entire day" [See Section 3.8 (2)] — before leave time is charged; thus, all forms of accumulated/acrued leave are utilized by exempt staff in full-day increments only. *[Revised August 2004]* This policy applies **only** to exempt staff — those specified by position in Section 3.8. *[Added April 1994]*

NOTE: The agency no longer recognizes, allows or awards exempt staff "administrative leave" time. This section only acknowledges that such time was at one time accrued under prior policies which did permit "administrative leave", and those exempt employees who had it on record were allowed to keep it for future use until the amount of "administrative leave" accumulated through April 15, 1994 is exhausted. [Added April, 1994]

- (7) Employees exhausting Health Care Leave hours shall use other accrued leave time as may be available to remain in a paid status. After all Health Care and Vacation Leave benefits are depleted and eligible unpaid Family Leave benefits are exhausted, the employee may be considered in an "employee of record" only for an additional three months. "Employee

of record” status requires the Executive Director's approval. Such approval shall reflect agency needs and is not guaranteed.

- (8) Paid leave is only applicable during an employee's paid working period. Employees in a non-pay status (for any reason) are not eligible for paid leave days.
- (8) Employees may apply for Leave of Absence without pay. Leave of Absence requests require the Executive Director's approval and are not guaranteed. *This agency complies with the provisions of the Family and Medical Leave Act.*
- (9) The AACS Board of Directors' leave of absence policy mandates the maximum leave allowable to include accrued Health Care and Vacation Leave hours, Family Leave Act allowed time off, and the three month "Employee of Record" consideration. *[Revised April, 1994]*
- (11) AACS employees who have resigned shall not be permitted to apply accrued Vacation Leave, Personal Leave, or exempt staff administrative leave during their final ten working days of employment.
- (12) AACS employees may accrue/accumulate Vacation or Health Care Leave while serving in a pay-status. No employee may earn credit for such leave while on a non-pay status for any reason. *[Revised April, 1994]*

SEVERANCE PAY

SECTION: 4.5

Page: 1 of 1

Purpose and Procedure:

AACS terminating or resigning employees are not offered or granted severance pay per se.

Terminating or resigning employees may be compensated only for time worked and any accrued Vacation Leave time, subject to the proper notification requirement.

Purpose of this Section:

Enacted by Congress, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) is an employee's legal protection against the individual's loss of employer sponsored group health insurance. Employers with twenty or more employees must allow departing employees to continue their *identical coverage*, i.e., single/two-person/or family, group coverage. These employees may continue to participate in the agency's health insurance plan for *at least* eighteen months (and under extenuating circumstances up to thirty-six months), *but* the former employees must pay the cost of the monthly premiums.

Procedure:

COBRA requires the plan's administrator to act within fourteen (14) days after termination— except those involving "gross or willful" misconduct, reduction in hours worked, or other qualifying events pertaining to other family members' discontinuance of coverage under the employee's policy. The latter "qualifying events" include an employee's spouse or other family member's losing coverage due to death, divorce, legal separation, dependent child(ren) ceasing coverage under plan provisions, or an employee's entitlement to Medicare. A notice of continuation of health benefits ("Election Notice") is sent to all beneficiaries upon termination of employment only. Any other "qualifying events" which would terminate the coverage of a person previously enrolled in the health insurance plan must be requested. Send such notification to the Personnel and Orientation Director.

- (1) The Election Notice will be sent by certified mail to all beneficiaries of the plan and contains information such as:
 - Clarification that each insured member of family has the right to elect COBRA
 - Date of "qualifying event" (termination, resignation, etc.— and the purpose of COBRA)
 - Length of Election Period: *Qualified beneficiaries have up to a 60-day period to elect whether to continue coverage. However, for continuing coverage, the three month or 60-day election period must be paid.*
 - Date existing coverage will end
 - Amount of employee's monthly premiums (plus an added 2% handling charge retained by the agency)
 - Date premiums are due
 - Type of coverage offered (e.g., hospitalization)
 - Maximum period coverage and ending date
 - Name, address, and phone number of plan administrator
 - Reasons that would terminate coverage prior to the expiration of the maximum time period
 - Request of signatures of all beneficiaries of the insurance plan

For employees carrying the two-person and family plan, it is the responsibility of the employee to notify the employer of the changes if COBRA needs to be elected.

Failure to pay the cost of insurance and handling cost in a timely manner [a thirty (30) day grace period] of due date results in cancellation of COBRA rights, and re-entry in the plan is canceled.

SEVERANCE PAY

SECTION: 4.5

Page: 1 of 1

Purpose and Procedure:

AACS terminating or resigning employees are not offered or granted severance pay per se.

Terminating or resigning employees may be compensated only for time worked and any accrued Vacation Leave time, subject to the proper notification requirement.

Purpose of this Section:

Enacted by Congress, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) is an employee's legal protection against the individual's loss of employer sponsored group health insurance. Employers with twenty or more employees must allow departing employees to continue their *identical coverage*, i.e., single/two-person/or family, group coverage. These employees may continue to participate in the agency's health insurance plan for *at least* eighteen months (and under extenuating circumstances up to thirty-six months), *but* the former employees must pay the cost of the monthly premiums.

Procedure:

COBRA requires the plan's administrator to act within fourteen (14) days after termination— except those involving "gross or willful" misconduct, reduction in hours worked, or other qualifying events pertaining to other family members' discontinuance of coverage under the employee's policy. The latter "qualifying events" include an employee's spouse or other family member's losing coverage due to death, divorce, legal separation, dependent child(ren) ceasing coverage under plan provisions, or an employee's entitlement to Medicare. A notice of continuation of health benefits ("Election Notice") is sent to all beneficiaries upon termination of employment only. Any other "qualifying events" which would terminate the coverage of a person previously enrolled in the health insurance plan must be requested. Send such notification to the Personnel and Orientation Director.

- (1) The Election Notice will be sent by certified mail to all beneficiaries of the plan and contains information such as:
 - Clarification that each insured member of family has the right to elect COBRA
 - Date of "qualifying event" (termination, resignation, etc.— and the purpose of COBRA)
 - Length of Election Period: *Qualified beneficiaries have up to a 60-day period to elect whether to continue coverage. However, for continuing coverage, the three month or 60-day election period must be paid.*
 - Date existing coverage will end
 - Amount of employee's monthly premiums (plus an added 2% handling charge retained by the agency)
 - Date premiums are due
 - Type of coverage offered (e.g., hospitalization)
 - Maximum period coverage and ending date
 - Name, address, and phone number of plan administrator
 - Reasons that would terminate coverage prior to the expiration of the maximum time period
 - Request of signatures of all beneficiaries of the insurance plan

For employees carrying the two-person and family plan, it is the responsibility of the employee to notify the employer of the changes if COBRA needs to be elected.

Failure to pay the cost of insurance and handling cost in a timely manner [a thirty (30) day grace period] of due date results in cancellation of COBRA rights, and re-entry in the plan is canceled.

Purpose of this Section:

The AACS is composed of many component parts, but it is the intent of the agency to be a "community of the whole" in which all employees, regardless of the funded program in which they work, may feel an integral part of one cohesive organization. The agency further intends to promote and provide an attractive workplace and a motivated group of dedicated, helpful, and service-oriented employees. To that end the agency has established this policy to enhance employee morale and the overall agency welfare to the greatest practical extent.

- (1) The costs of this program are specifically allowed for private non-profit corporations under OMB Circular A-122, Attachment B, Paragraph 11. (A-122 establishes the basic cost principles for non-profit agencies receiving *federal* funds.) The same federal provisions are made for public and non-profit organizations operating under a state or local government entity or contract. (The latter is provided under OMB Circular A-87). Associated direct costs will be equitably appropriated to all components/programs of the agency commensurate with their respective employee costs and usage.
- (2) Employee morale benefits may include production and activities [See Section 4.3 (3)], employee counseling services [See Section 4.3 (2)], employee suggestion program [See Section 11.3], employee-of-the-month or other "select employee" recognition tokens (plaques/pins/and meal functions), or other activities approved by the executive director for the improvement of general working conditions, employer — employee relations, employee performance, and general employee morale.

Example of such minimal/limited-cost benefits as the executive director may approve include:

- Organization-wide gathering/meal function (such as at Christmas)
 - Organization-wide or (limited) program-wide picnics
 - Agency sports teams
 - Fitness activities not requiring individual fees
 - Break areas
 - Coffee service
 - Flowers provided in the event of serious employee illness or a death in an employee's immediate family.
 - Small tokens of appreciation to the staff at Christmas
 - Employee achievement recognition and tokens
- (3) Employees may suggest — and the executive director may approve — other activities which might be organized to increase the effectiveness and morale of staff. Any such activity which may be projected to exceed a cost of \$5,000 per

annum agency-wide and which receive the endorsement of the executive director shall be presented to the Board for approval prior to implementation.

(4) Such income as may be generated from any of the activities related to this policy due to participant fees/partial employee payments (which may be allowed) will be used first to offset expenses associated with the activity. Any excess funds — if any — that may be generated through these employee morale-related activities and programs shall be set aside in an agency fund to help offset future employee morale-related expenses in other activities provided under this policy section.