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# **NORTHWEST PRIVATE INDUSTRY COUNCIL PERSONNEL POLICIES**

## **SECTION 1: INTRODUCTION - PERSONNEL**

### **1.1 PURPOSE AND INTENT:**

The purpose of these policies is to insure that each employee has a written guide concerning those rules and regulations governing his/her employment with the Northwest Private Industry Council. Also, to further the principle that qualified personnel, pursuing high standards of conduct under procedures insuring fairness and impartiality, constitute the best public service in the fulfillment of the provisions and intent of the Workforce Investment Act.

These policies shall be reviewed annually by the Board before June 30th of each year. These policies may be amended as deemed necessary by the Board.

### **1.2 RESPONSIBILITY AND AUTHORITY**

The Executive Director of the Northwest Private Industry Council has responsibility for administering written personnel policies which have been approved by the Board. To handle situations not covered by written policies, the Executive Director, in consultation with the Personnel Committee when necessary, may take problem solving action without Board of Directors approval. The Executive Director will keep the Chairperson and the Board informed of significant outcomes of such situations which may indicate need for future development of formal policies.

All employees will receive a copy of these policies and acknowledgment of receipt will be placed in each employee's personnel file. Receipt of the personnel policy does not constitute a contract of employment.

It is recognized that the Workforce Investment Board of the Northwest Private Industry Council is the ultimate authority in all activities of the Council. The Northwest Private Industry Council shall retain whatever rights and authority are necessary for it, and available to it, pursuant to law to operate and direct the affairs of the Council. The Executive Director has the right within established policy and procedures to plan, direct

and control all the operations and services of all employees, to determine the methods, means, organization and number of personnel, to assign overtime and transfer employees, to schedule working hours, to determine whether goods or services should be made or purchased, to hire, promote, demote, suspend, discipline, discharge or relieve employees due to lack of work or other legitimate rules and regulations, to change or eliminate methods, equipment or facilities.

### 1.3 RECEIPT OF PERSONNEL MANUAL AND CONFIDENTIALITY STATEMENT

#### Receipt and Acknowledgement of the Northwest Private Industry Council Personnel Manual

I have received and have been given an opportunity to read a copy of the Northwest Private Industry Council's Personnel Manual, and I understand that it is my responsibility to be aware of the policies contained in it. I understand that the policies and benefits are subject to change at any time at the discretion of the Workforce Investment Board.

I further understand that my employment is at will, and neither I nor the Northwest Private Industry Council has entered into a contract regarding the length of my employment. I am free to terminate my employment with the Northwest Private Industry Council at any time, with or without reason. Likewise, the Northwest Private Industry Council has the right to terminate my employment or take any other kind of employment action at any time.

#### Statement of Confidentiality

This is to certify that I, \_\_\_\_\_, an employee of the Northwest Private Industry Council, understand that any information (written, verbal, or other form) obtained during the performance of my job duties must remain confidential. This includes all information about members, clients, families, employees and other associate organizations, as well as any other information known to be confidential.

I understand that any unauthorized release or carelessness in the handling of this confidential information is considered a breach of my responsibility to maintain confidentiality.

I further understand that failure to maintain confidentiality is grounds for disciplinary action up to and including termination of employment.

Employee's Signature

Date

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NWPIC Representative

Date

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## **SECTION 2: EMPLOYMENT**

### **2.1 AFFIRMATIVE ACTION/EQUAL EMPLOYMENT OPPORTUNITY**

The Northwest Private Industry Council fully endorses the promotion of Equal Employment Opportunity and non-discrimination in all aspects of employment. The NWPIC fully supports the non-discriminatory provisions of all State and Federal laws, rules and regulations. **This includes, but is not limited to, the** Title VII Civil Rights Act of 1964 as amended by the Equal Employment Opportunity Act of 1972, the Minnesota Human Rights Act, The Governor's Code of Fair Practices, the Federal Age Discrimination Act of 1975 as amended, the Governor's Executive Order Number 76, the Rehabilitation Act of 1973, the Equal Pay Act of 1973, Veteran's Readjustment Act of 1974, the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, and the Workforce Investment Act of 1998.

The policy of this organization is to assure that applicants, participants, and employees are treated equally without discrimination in regard to race, religion, color, political party, national origin, sex, age, disability, marital status, sexual preference/orientation, veterans status, current or former public assistance recipient status, or as defined by law. The policy applies in recruitment, selection, appointment, upward mobility, transfer, layoffs, downgrading, compensation, selection for training, or any other activity or any other personnel or programmatic action for the Northwest Private Industry Council staff, participants and subcontractors. Failure of subcontractors to comply with this policy statement shall jeopardize initial, continued, or renewed funding under the Act.

It is the responsibility of an employee involved in personnel or enrollee transactions to cooperate in the implementation of this policy and in exercising such responsibility, to consider only the availability and qualifications of the individuals involved.

All employees shall conduct themselves in accordance with the policy in all day-to-day relationships with their fellow employees and shall not, by work or action, deprecate another or interfere with the performance of work assigned to another because of race, religion, color, political party, national origin, sex, age or disability. Failure of any employee to perform in a manner consistent with this policy will constitute grounds for reprimand, suspension, demotion or dismissal from the agency's employ, in accordance with personnel policies. Because achievement of active anti-discrimination involves

more than a policy statement, an integral part of this policy is a statement of goals and timetables.

The Executive Director is given full authority for the administration of this program, and is appointed EEO Officer. All policies and procedures of this facility will be analyzed on a continuing basis to insure that the full spirit and intent of this policy is adhered to in every respect.

## **2.2 STATEMENT OF NONDISCRIMINATION**

### **1. Hiring and Personnel Procedures**

The Northwest Private Industry Council shall not discriminate in its hiring and personnel procedures against any applicant for employment or any employee because of race, creed, color, national origin, sex, sexual preference/orientation, age, marital status, political or union affiliation, disability, veterans status, or current or former receipt of public assistance or as defined by law.

### **2. Human Rights Program**

The Human Rights Program details the policies of the Northwest Private Industry Council which ensures nondiscrimination and equal opportunity in employment and in participation and enjoyment of all benefits.

## **2.3 EMPLOYMENT OF PERSONS WITH CRIMINAL RECORDS**

The Council shall require that all employees and applicants for employment fully disclose any unpardoned criminal convictions. Applicants shall not be required to disclose records for any arrest which did not result in conviction unless charges are pending.

A review of fitness shall be based on the nature and seriousness of the offense, the circumstances of the offense, how long ago it occurred, whether the offense was an isolated or repeated violation, the age of the person when he/she committed the offense, social conditions which may have contributed to the offense, any evidence of

rehabilitation, and the nature of the position for which the applicant is applying.

## **2.4 RECRUITMENT**

Public notice of open positions shall be given at least 3 weeks in advance of the last date for filing of application by means of classified advertisements published in newspapers serving the seven county area. All public notices shall indicate the Northwest Private Industry Council as an Equal Opportunity Employer.

Regular and trial employees will be made aware of position openings and the requisites required for the open position. Every reasonable effort will be made of present qualified personnel to be considered for promotions. Screening and interviewing will determine the best candidate.

## **2.5 EMPLOYMENT-AT-WILL**

These policies and procedures are not an employment contract. As a Northwest Private Industry Council employee you are an employee-at-will. Employment-at-will means that either you or the Northwest Private Industry Council may terminate the employment relationship at any time without prior notice and for any reason. Any representations to the contrary are not binding upon the Northwest Private Industry Council unless signed in writing by the Northwest Private Industry Council. The Northwest Private Industry Council also reserves the right to change any or all of its policies and procedures at any time without prior notice.

At the time of hiring, employees shall be required to sign an Offer of Employment. The Offer of Employment constitutes the only legally valid job offer by this agency. The Offer shall not be modified by any oral statements or those that may be contained in any handbook, employment application, memorandum or other material provided to employees in connection with their employment. The Offer, statements or documents shall not create an express or implied contract of employment for a definite period of time.

The employee then has the right to employment, wages and fringe benefits provided by this agency. The agency then has the right to the services provided by the employee in a manner as is designated by the agency. The employee and agency can enjoy the

rights afforded by employment for as long as is mutually agreeable to both parties. The termination of employment by either party immediately voids all rights and obligations of both parties and without recourse except that the employee may be eligible for certain considerations for a designated period of time.

The employment-at-will policy stated above is intended to emphasize the right of either party to terminate the employment relationship without constituting an obligation to either party by doing so.

Nothing in this policy is intended to mean that the employer intends to abandon its application of good faith and fair dealings with employees.

An employee should submit a written notice to his/her immediate supervisor in no less than two weeks prior to resignation.

The Executive Director of the Northwest Private Industry Council is required to give a 30 day notice prior to resignation.

## **2.6 APPOINTMENTS**

Employee appointments are made subject to the Board of Directors approval.

The Executive Director will advertise and collect applications of all applicants for open positions. The Personnel Committee will interview and recommend a candidate to the Workforce Investment Board.

The Executive Director may hire temporary employees.

## 2.7 OFFER OF EMPLOYMENT LETTER

Date: \_\_\_\_\_

Applicant Name

Address

Address

Dear \_\_\_\_\_,

The Northwest Private Industry Council is pleased to offer you a position as a \_\_\_\_\_.

Should you accept this offer; per company policy you will be eligible to receive the following beginning on your hire date.

**Salary:** Annual gross starting salary of \_\_\_\_\_ paid in bi-weekly installments by direct deposit or check.

**Benefits:** Standard benefits for Northwest Private Industry Council employees include the following

- Reimbursement of actual cost up to \$800 cap for a single coverage medical insurance plan, or participation in spouse's healthcare plan.
- Flexible Benefit Plan for Dependant Care Expenses and Medical Expenses.

If you agree to accept the position as stated above, please sign and date this letter and return in the envelope provided.

Sincerely,

Signature

Acceptance of job offer:

Date

\_\_\_\_\_  
Signature

## **SECTION 3: SALARY CLASSIFICATION AND COMPENSATION**

### **3.1 DEFINITIONS**

Part-time Employee - An employee who is employed for not more than 30 hours per week, and whose position, although not limited to a specific time period, is not considered a regular position; does not receive benefits.

Regular Employee - An employee who is currently serving or is hired to serve on an ongoing basis in a continuing position with full benefits, and has successfully completed a six-month review period.

Temporary Employee - An employee who is hired for a period not to exceed 90 working days and does not receive benefits.

Trial Employee - An employee whose terms of employment are subject to the provisions of a review period with full benefits.

### **3.2 JOB DESCRIPTION**

The job description is a written representation of the duties assigned to a position. It is used to determine classification, compensation levels, and hiring criteria. Each employee of the Northwest Private Industry Council must have a written position description which accurately describes current responsibilities and functions of the job. Each job description should be reviewed by the Executive Director at least annually to insure that the position description accurately reflects the current responsibilities and functions of the job.

### **3.3 SALARY ADJUSTMENTS**

In March of each year, the Executive Director shall recommend salary adjustments for the Northwest Private Industry Council employees to the Personnel Committee or Workforce Investment Board. The recommendations of the Executive Director shall take into account the cost of living, the performance of each employee as determined by periodic performance evaluations, efforts toward self-improvement and salaries for comparable positions in the region, comparable positions at other service delivery

areas, and comparable positions at the State of Minnesota. Upon due consideration of these recommendations, the Personnel Committee or the Executive Committee shall recommend salary adjustments to the Workforce Investment Board for action. These adjustments shall be effective on July 1<sup>st</sup>, unless otherwise specified.

### **3.4 SALARY SCHEDULE**

The Executive Director shall review annually the salary schedule for each classified position in the agency. Employees shall be paid at a rate no lower than the federal minimum wage. Particular consideration will be given to cost-of-living adjustments to the salary schedule. The Executive Director may consider the Consumer Price Index, or other economic indicators in his/her review. Should the executive Director determine that a cost-of-living adjustment is warranted, he/she will recommend to the Personnel Committee adjustments in the salary schedule. Such adjustments will be the same for each class. Adjustments are not to be considered as a merit change. The Northwest Private Industry Council will abide by all provisions of the Wage and Hour Laws under the Fair Labor Standards Act (FLSA) with respect to exempt and non-exempt employees.

### **3.5 WORKING HOURS**

Eight hours of work shall constitute the normal work day while the normal work week shall consist of forty hours of work. For the purpose of administering the Fair Labor Standards Act, as amended, and for determining overtime, the official work week begins on Sunday and ends on the following Saturday. The official workday will begin at 8:00 a.m. and end at 5:00 p.m., with one hour for lunch.

### **3.6 PAYDAYS**

Salaries are paid every two weeks. Actual paydays occur according to a schedule distributed at the beginning of each calendar year, incorporating no more than a seven day delay between the end of a pay period and the payday for that period.

### **3.7 EXPENSES**

Employees will be reimbursed for expenses incurred while on Northwest Private

Industry Council business in accordance with policies established by the Northwest Private Industry Council. (See Travel Section)

### **3.8 OVERTIME**

Work performed in excess of a normal 40 hour week as spelled out in Section 3.5 above is considered overtime under the following conditions:

1. All regular employees determined as nonexempt by the Fair Labor Standards Act (FLSA) are eligible for and in compliance with the law must be compensated for overtime.
2. Overtime compensation may be in the form of cash payment or compensatory time off, as determined in advance by the Executive Director. All overtime hours shall be compensated at the rate of time and one half. Such overtime shall be liquidated in cash unless the employee and the Executive Director mutually agree to compensatory time off. All time sheets reflecting overtime will be certified by the Executive Director. Copies of the authorization for overtime shall accompany the time sheet.
3. All overtime, must be given prior approval in writing by the Executive Director. The approval must specify if the compensation will be in the form of cash payment or compensatory time off.

FLSA exempt employees are responsible for managing and accounting for their own hours of work and they may work hours in excess of the normal work day and/or payroll period. Exempt employees may balance hours of work in subsequent work days provided such time management system does not result in overtime payment or guarantee hour for hour time off for extra hours worked and provided the exempt employee has the approval of the NWPIC Executive Director or the NWPIC Chairperson.

## **SECTION 4: BENEFITS**

### **4.1 SUMMARY OF BENEFITS**

1. All eligible employees will have the opportunity to receive up to \$800 per month in reimbursement for an individual insurance plan (single coverage) or a cap of up to \$800 per month for participation in a spouse's plan. The reimbursement would only apply to the actual cost of the insurance under the \$800 cap.
2. All eligible employees have the opportunity to join the Flexible Benefits Plan (the "Plan"). The Plan is a "fringe benefit" that comes with the job. Inter-County Community Council will administer the Plan for the Northwest Private Industry Council. Participation in the Plan is voluntary. To participate, an Election Form needs to be completed before the start of each Plan Year. Additional information will be provided, as appropriate, by the Plan Administrator.

The Plan covers:

1. Dependent Care Expenses (See Section 9.3 for Maximums)
2. Accident and Health Expenses (See Section 9.2 for Maximums)
  - A. Disability Insurance
  - B. Medical Expenses
3. Group Term Life Insurance

## 4.2 VACATION

Vacation leave for employees who work 40 hours per week will accrue on the following basis:

1. Employees employed 0-3 years will receive 4.0 hours per two-week pay period (13 days annually).
2. Employees employed 3 years or longer will receive 6.0 hours per two-week pay period (19.5 days annually).

Vacation leave requests should be arranged in advance between the immediate

supervisor and employee so every effort can be made to grant the employee leave on the specific days requested. The Executive Director has the responsibility of maintaining an adequate work force at all times. Therefore, there may be times when an employee's leave request cannot be honored. When the employee is at 240 hours accumulated leave and if the employee's request is denied because of an administrative decision, the employee will be paid at his/her straight time rate for the denied leave time.

Employees eligible for vacation leave shall submit a request specifying the dates of vacation leave to the Executive Director for approval no later than one week before the leave is to begin. Vacation leave will be granted on a first come, first served basis. Any vacation leave day (s) indicated on the time card must be accompanied by a leave slip signed by the Executive Director and attached to the time sheet.

Vacation leave may be granted in emergency situations without the usual one week notice. In such situations, the employees must notify their supervisor as soon as possible, preferably within the first half hour of their normal reporting time, if not at work. The employees must give the Executive Director a reason for the request for emergency vacation leave. The Executive Director has the right to refuse emergency requests based on the circumstances involved.

Vacation leave which accumulated while on paid leave cannot be used until the employee has returned to work. Vacation leave will not be accumulated while the employee is on unpaid leave of more than five working days duration.

When employees terminate their employment, vacation leave will be accumulated through the last day worked. Accumulated vacation leave will be paid upon termination.

### **4.3 SICK LEAVE**

Sick leave may be granted to an employee by the Executive Director for the following reasons:

1. When the employee is ill, or is caring for an ill family member;
2. To attend a funeral of a family member;

For purposes of this section family member shall be defined as spouse, parents, grandparents, guardian, children, grandchildren, brothers, sisters, parents and grandparents of the spouse or wards of the employee.

Employees will earn paid sick leave by accrual of up to four (4) hours for every 2 week pay period, beginning with the first full month of employment. Sick Leave can be accumulated up to 240 hours. All sick leave must be approved by the Executive Director.

<b>SICK LEAVE ACCRUAL</b>	
<b>Number of Hours Worked In Pay Period</b>	<b>Sick Leave Earned</b>
Less than 10 hours	0.00
At least 10, but less than 20 hours	0.75
At least 20, but less than 30 hours	1.00
At least 30, but less than 40 hours	1.50
At least 40, but less than 50 hours	2.00
At least 50, but less than 60 hours	2.50
At least 60, but less than 70 hours	3.00
At least 70, but less than 80 hours	3.50
80 hours	4.00

Sick leave cannot be used unless an employee has accumulated sick leave. Sick leave may not be used during the first month of employment or the last two pay periods of employment without prior approval from the Executive Director. If sick leave was taken during the last two pay periods and was not approved, the vacation balance would be reduced accordingly. The Executive Director may request an employee to obtain a medical release from his/her doctor stating whether or not he/she is well enough to return to work.

Abuse of the sick leave policy may be grounds for dismissal.

Sick leave is reimbursable upon termination for up to 25% of the accumulated leave time.

#### **4.4 LEAVE OF ABSENCE**

If an employee desires a leave of absence, a written request must be submitted to the Executive Director.

A leave of absence of thirty (30) days or less, with or without pay, may be given to an employee at the discretion of the Executive Director. Any request for leave of absence in excess of thirty (30) days will require approval of the Northwest Private Industry Council Personnel Committee.

#### **4.5 HOLIDAYS**

The following are paid holidays and given each year to regular and trial employees:

- |                           |                           |
|---------------------------|---------------------------|
| 1. New Years Day          | 6. Labor Day              |
| 2. Martin Luther King Day | 7. Veterans Day           |
| 3. President's Day        | 8. Thanksgiving Day       |
| 4. Memorial Day           | 9. Day after Thanksgiving |
| 5. Independence Day       | 10. Christmas Day         |

When one of the above holidays falls on Saturday, the preceding Friday shall be a paid holiday. Any such holiday falling on a Sunday shall be observed on the following Monday.

Eligible employees who normally work less than full-time shall have their holiday pro-rated.

Holiday pay shall be computed at the employee's normal day's pay and shall be paid in cash. Employees must be on the payroll the day preceding and the day following the holiday in order to receive holiday pay.

#### **4.6 JURY DUTY**

Eligible employees will be compensated for absences resulting from jury duty. In the event that an employee's selection for jury duty poses a hardship for the employee or the normal operation of the office, the Executive Director should provide that information for the court's consideration when jurors are being selected.

When an employee receives a jury duty notice, they are expected to notify the Executive Director as soon as possible, so that arrangements may be made to carry on their job duties in their absence.

#### **4.7 MILITARY LEAVE**

Fifteen days leave with pay will be granted annually for military duty to members of the Armed Forces.

Any employee, who enters into full time active service in the Armed Forces of the United States while employed by the Northwest Private Industry Council, shall be granted a leave of absence for the period of military service in conformance with the law.

#### **4.8 SEVERANCE PAY**

In the event that termination is the result of the dissolution of the Northwest Private Industry Council, severance pay will be decided by the Northwest Private Industry Council.

The policy will only pertain to regular employees and will be contingent on the availability of funds. Severance pay, at a minimum, will consist of accumulated vacation leave as spelled out in Section 4.2 and sick leave as spelled out in Section 4.3 of the Northwest Private Industry Council Personnel Manual.

#### **4.9 WORKERS COMPENSATION/OSHA**

Employees of the Northwest Private Industry Council are covered by workers compensation which provides for benefits in case of on-the-job injury that requires medical treatment or lost work time.

#### Claims for Job Related Injuries:

When an injury has been sustained while on the job, the employee must contact the Executive Director immediately and complete a First Report of Injury. The Executive Director is responsible for submitting the completed First Report of Injury to the Workers Compensation Insurance carrier within twenty-four (24) hours of the incident or injury. The First Report of Injury must be submitted to the Workers Compensation Insurance carrier whether or not a doctor has been seen.

#### Occupational Health and Safety Rules:

It shall be the policy of the Northwest Private Industry Council to provide for the health and safety of its employees by providing safe working conditions, safe work areas, and safe work methods. This agency will abide by all state and federal health and safety rules.

#### **4.10 FAMILY MEDICAL LEAVE ACT**

The federal Family Medical Leave Act (FMLA) of 1993 provides job security and benefit protection to employees who must take time from work because of qualifiable family or medical conditions. FMLA requires employers to provide up to 12 weeks of unpaid, job protected leave per year to eligible employees. The collection, dissemination and retention of information regarding an employee's request and use of FMLA qualifying leave must safeguard the individual's privacy rights and be consistent with all data privacy laws.

The Northwest Private Industry Council will provide up to twelve (12) weeks of job protected leave per calendar year to eligible employees for certain family and medical reasons consistent with the FMLA. An employee to be eligible for an FMLA qualifying leave must have worked for the Northwest Private Industry Council for at least one year and for at least 1,250 hours during the twelve (12) months immediately preceding the leave request.

Employees may take FMLA qualifying leave:

1. For the birth of a child and to care for such child.

2. For the placement with an employee of a child for adoption or foster-care.
3. To care for employees seriously ill spouse, son, daughter, or parent.
4. Because of a serious health condition that makes the employee unable to perform one or more essential functions of his/her job.

## **SECTION 5: TRAINING/DEVELOPMENT/PERFORMANCE**

### **5.1 STAFF DEVELOPMENT AND TRAINING**

The Northwest Private Industry Council will provide training for its employees through a variety of ways: classes, workshops, conferences, or individual counseling as provided by the Council, Universities, Vocational-Technical schools and other sources. ~~Employees who are notified to attend such training sessions will make every effort to do so and consider it a part of their position.~~ *Trainings may be mandatory as part of the employee's regular job duties. If a training is mandatory, the employee will not be excused without prior approval from the Executive Director.*

Employees will contact the Executive Director for concurrence before arrangements are made by them to attend training sessions. The Council will not pay for, nor allow the use of Council time for, training not approved by the Executive Director.

The Northwest Private Industry Council shall make every effort to promote qualified personnel from within. In the case of job transfers, an employee may request and receive such a transfer, provided that he/she has the needed qualifications and the Executive Director feels that the action would be in the best interest of the employee and the Northwest Private Industry Council.

### **5.2 PERFORMANCE EVALUATION**

Performance evaluations of all employees **are** to be used as an essential element in the continuous improvement and development of individual employees to enable them to successfully meet the expectations established in the position description. This process is meant to be on-going and to involve continuous dialogue between the employee and

the Executive Director.

All original and promotional appointments of all employees shall be subject to a formal written review at six months of actual service. Thereafter, regular employees will have a formal written evaluation at a minimum of once a year. This annual performance evaluation should be completed prior to the employee's anniversary date.

During the six month probationary review period, the Executive Director will carefully monitor performance and will provide the employee with regular performance feedback verbally. If requirements are not met satisfactorily, the new employee will be forewarned in writing and given a reasonable time to correct explicitly defined deficiencies. If satisfactory improvement does not result, the employee may be terminated without further notice during or at the end of the six month probationary review period. Existing employees will be reassigned to their previous or a comparable position.

The performance evaluation will be based on the current responsibilities and functions of the job as described in the employee's current job description. Evaluation items will include such items as; job strengths, progress achieved in attaining previously set goals for improved work performance, work performance deficiencies requiring improvement or improvement programs to be undertaken during the next evaluation period. Only objective, factual assessments which have complete documentation will be included in employee performance evaluations. Subjective assessments such as personal opinions and personality analysis will not be included in employee situations.

Individual, personal conferences will be held with employees to discuss the formal written performance appraisal. The Executive Director and the employee must both sign and date the performance appraisal before incorporation into the personnel file. Employees will be given a copy of each performance evaluation.

An employee may appeal a written performance evaluation within fifteen (15) days of the completed performance evaluation. The following steps are to be used in the appeal process.

1. The employee submits a written appeal to the NWPIC Executive Director.
2. The Executive Director meets with the employee to discuss the appeal.
3. If the Executive Director agrees with the employee, the performance

evaluation is revised. If there is not an agreement, the Executive Director makes a report of findings, makes a recommendation, and sends these with a copy of the employee appeal to the NWPIC Personnel Committee for review.

4. The Personnel Committee reviews the findings and, if appropriate, meets with the employee.
5. The Personnel Committee sends a written decision to the employee and the Executive Director. This decision is final and is not grievable.

## **SECTION 6: EMPLOYEE RESPONSIBILITIES**

### **6.1 CODE OF ETHICS**

Northwest Private Industry Council employees and Workforce Investment Board members must maintain the highest standards of ethical and moral conduct in serving the public. Employees and Workforce Investment Board members are not to use their official positions to realize benefits, privileges, or exemptions that result in personal gain.

### **6.2 CONDUCT OF EMPLOYEES**

Employees are expected to be dependable and accountable. In the event employees are deemed to be undependable and disciplinary action is warranted, the Executive Director, after reviewing the case, will make a decision that will be binding and final, *subject to the rights and restrictions of the Northwest Private Industry Council Grievance Procedure.*

Conduct which will not be tolerated and may be considered grounds for disciplinary action or for dismissal include but will not be limited to the following:

1. Attempt to defraud the Council.
2. Refusal to follow instructions, procedures or established Council policy.

3. Manifesting an unwarranted offensive or uncivil attitude. toward.
4. Violation of Data Privacy laws.
5. Conviction of a misdemeanor or felony act which impairs the employee's ability to perform his/her job.
6. Acceptance of a gift, gratuity or bribe.
7. Use of the Council's position, authority or influence, for the purpose of interfering with or affecting the result of an election, nomination for a party or public office or partisan political office.
8. Circumvention of proper lines of authority.
9. The use of alcoholic beverages or illegal drugs during working hours is prohibited.
10. Discrimination in the provision of service or conduct based on age, sex, race, color, creed, religion, national origin, ancestry, disability, marital status, political affiliation, Vietnam Era veteran status, reliance on public assistance or involvement in any group or class against which discrimination is prohibited by State or Federal Law.
11. Failure to perform job duties as outlined in the job description or failure to meet those expectations.
12. Tardiness or absence without proper notice, absence without leave or proper excuses.
13. Misuse or abuse of Council property or equipment.
14. Public expression or disapproval of a decision made by the Council.
15. Abuse of Council Leave Policies.

Disciplinary action may be imposed on employees only for just cause and shall be

corrective and progressive where appropriate. Employees are entitled to due process in the disciplinary process and shall have the right to grieve any disciplinary action. The Executive Director will establish a reasonable time frame for the completion of corrective action in any disciplinary situation. The grievance procedure is spelled out in Section 7.1 of this document. Disciplinary actions may include any of the following, based on the severity of the cause, but not necessarily in this order:

1. Oral reprimand: When an oral reprimand has been given to an employee an account of the offense which prompted the reprimand shall be placed in the employee's personnel file and shall remain on file for a period of one year.
2. Written reprimand: When a written reprimand has been given to an employee, a copy of this reprimand will also be placed in the employee's personnel file, as well as an account of the offense which prompted the disciplinary action. The reprimand will remain on file for a period of one year. Any reprimands on file at the time of termination shall remain on file permanently. Any employee receiving a second reprimand within six (6) months, whether it is related to the first reprimand or not, shall be suspended for a period of three (3) days without pay. Any employee receiving a third reprimand within twelve (12) months will be discharged.
3. Suspension without pay: An employee may be placed on suspension while an investigation is being conducted with regard to behavior that would subject him/her to immediate termination. This type of suspension is without pay and results in either full reinstatement with back pay or termination. Suspensions are placed in writing with a copy sent by certified mail to the employee, a copy to the supervisor, and a copy placed in the personnel file. No employee is to return to work once suspended until he/she receives written notice to do so. If the investigation clears the employee, their notice of suspension is to be removed from the personnel files immediately.
4. Discharge: Dismissal may result when an employee commits an infraction of the standards of conduct. The employee will receive a notice of dismissal in writing which will be hand delivered or sent by certified mail and a copy to be filed in the personnel file. The notice will state the

circumstances for which the employee is being dismissed and will quote the authority for the dismissal.

## **SECTION 7: RIGHTS AND RESTRICTIONS**

### **7.1 GRIEVANCE PROCEDURE**

This grievance procedure is established to allow employees to appeal decisions in which they feel they have been treated unfairly or without due process with regard to application of the Personnel Policies and Procedures.

1. All employee grievances must be submitted in writing to the Executive Director within thirty (30) days calendar days of the incident of the complaint.
2. The employee and the Executive Director will meet and attempt to resolve the problem in a manner mutually acceptable within fifteen (15) calendar days of the filing of the grievance.
3. If Step 2 above is unsuccessful, a meeting will be arranged between the employee, the Executive Director and the Northwest Private Industry Council Personnel Committee. The Personnel Committee will take all the facts into consideration and will make a decision that will be binding and final. The only exception(s) to this rule are spelled out in, "4" and "5" below.
4. If a grievance pertains to affirmative action, then the grievance procedure of the Northwest Private Industry Council Affirmative Action Plan shall apply.
5. Any grievance action affecting the Executive Director shall be a Northwest Private Industry Council action. Should a Council action result in the release of duties of the Executive Director, notification of the action shall be made at least 30 days prior to the final day of employment unless the cause for this action involved a violation of Standards of Conduct in which case the termination shall be effective immediately.

Specifics relating to duties of the Executive Director are provided by the contract with the Northwest Private Industry Council.

## **7.2 EMPLOYEE ASSISTANCE**

When a personal problem has been identified, and is affecting the employee's job performance, the Northwest Private Industry Council will assist the employee in dealing with the problem; utilizing appropriate local resources.

After a solution has been identified, the employee will be expected to abide by the recommended course of action and comply with any follow-up. If the problem persists as a result of personal neglect or failure to follow the recommended course of action, it will be grounds for immediate discharge.

## **7.3 ILLEGAL DRUG ABUSE/POSSESSION DURING WORKING HOURS**

It shall be the policy of the Northwest Private Industry Council to maintain a drug and alcohol-free work environment. Violations of this policy may constitute just cause for discipline, including possible discharge. Each situation will be evaluated on a case-by-case basis depending on the severity and circumstances involved.

No employee shall unlawfully manufacture, distribute, dispense, possess, transfer, or use alcohol or a controlled substance in the workplace or wherever the work of the Northwest Private Industry is being performed.

Anyone found violating the drug abuse policy will be reported immediately to the Local Law Enforcement Officials for formal prosecution. Upon the conviction of any criminal drug statute for a violation occurring in the workplace, the employee must notify the Northwest Private Industry Council no later than five days after such conviction. The Northwest Private Industry Council will notify the Minnesota Department of Employment and Economic Development, Workforce Services Branch, which is the Federal Granting Agency within ten (10) days of such a conviction notification.

Within 30 days of such conviction, the NWPIC will require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement or other appropriate

agency. The NWPIC will guarantee that the employee may return to their position after successful completion of such treatment. Successful completion would be determined by the treatment facility or agency. Payment of such treatment programs would not be covered by the NWPIC and is the sole responsibility of the employee in the selection of their flexible benefits options. The second offense of the above policy would be grounds for discharge by the Northwest Private Industry Council.

The NWPIC will make available a brochure from a local drug rehabilitation agency regarding the dangers of drug abuse in the workplace. In addition, the NWPIC will insure that this information is updated annually and when possible, invite speakers to attend employee meetings to discuss the problems of drugs in the workplace.

#### **7.4 SEXUAL HARASSMENT**

The Minnesota Human Rights Act defines sexual harassment as: Behavior that includes unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact, or other verbal or physical conduct or communication of a sexual nature when:

1. Submission to that conduct or communication is made either explicitly or implicitly, a term or condition of obtaining employment, public accommodations, or public services; or
2. Submission to, or rejection of, that conduct or communication by an individual is used as a factor in decisions affecting that individual's employment, public accommodations, or public services; or
3. That conduct or communication has the purpose or effect of substantially interfering with an individual's employment, public accommodations, or public services; or creating an intimidating, hostile, or offensive employment, public accommodations or public services; and in the case of employment, the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

It is the policy of the Northwest Private Industry Council that sexual harassment in any form will not be tolerated. Employees believing they are being harassed in this manner

shall take the following steps:

1. Inform the harassing party that his/her actions are unwelcome and will be reported should they continue.
2. If harassment continues, it should be reported to the Executive Director and/or the Northwest Private Industry Council Chair as appropriate. Either the Executive Director or the Northwest Private Industry Council Chair will establish the procedures to be used in the investigation of the complaint.

A meeting will be held with the person accused of the harassment. The Northwest Private Industry Council Chair will review all the facts and will make a decision, based on disciplinary actions, that is binding and final. The only exception to this rule is when the discipline decided upon involves discharge. In this instance, the employee may appeal to the Personnel Committee per the Grievance Procedures as outlined in Section 7.1.

## **7.5 LAYOFF**

An employee may be laid off at the expiration of a period of limited term employment or due to expiration of funds, or due to a reduced workload. All layoffs must be approved by the Northwest Private Industry Council Personnel Committee.

Each employee laid off will receive notice at least two weeks in advance, stipulating the reason for layoff. A copy of this reason for layoff will be placed in the personnel file. An employee not called back within six months will be officially terminated as an employee of the Northwest Private Industry Council.

## **7.6 CONFLICT OF INTEREST AND NEPOTISM**

For purposes of this section, a member of immediate family shall include: husband, wife, father, **mother**, father-in-law, **mother-in-law**, **children**, step-children, step-parents, step-brother or sister, step-in-laws, grandparents, **brother**, **sister** and legal guardians.

If a person holds a job while a member of his/her immediate family serves on a committee of the Council and that committee has authority to order personnel actions affecting his/her job, the committee member shall disqualify himself/herself from the

participation in the action affecting the employee. No person shall hold a job over which a member of his /her immediate family exercises supervisory authority.

Any Board member must be off the Board for three months before this person can become an employee of the Northwest Private Industry Council.

No Person shall hold a job while either he/she or a member of their immediate family serves on a Board or Committee, which either by rule or practice, regularly nominates, recommends, or screens candidates for the Board.

When an appointed member of the Northwest Private Industry Council/Workforce Investment Board has a personal or private interest in a proposal or decision pending the Workforce Investment Board, the member must publicly disclose the fact to the Workforce Investment Board in an open meeting. A member should avoid even the appearance of a conflict of interest. Specifically, the member may not:

1. Vote or participate in discussion on a matter under consideration by the Workforce Investment Board.
  - A. Regarding the provision of services by said member or by an entity that such member represents; or
  - B. That would provide direct financial benefit to such member or the immediate family of such member; or
2. Engage in any other activity determined to constitute a conflict of interest as specified in the local plan.
3. Use or attempt to use the appointment to secure benefits, privileges, exemptions or advantages for the member, member's immediate family, or an organization with which the member is associated which are different from those available to a member of their business classification or organization.

If a member has publicly disclosed a potential conflict of interest and it is not possible to assign the matter to another member who does not have a similar conflict, interested parties shall be notified of the conflict, the matter shall be documented in the minutes,

and the member may continue with the assignment.

#### Resolution of Conflict of Interest:

If a member of the Workforce Investment Board reasonably suspects that another member or members of the Workforce Investment Board did not publicly disclose a potential conflict, the member shall take the following actions for the purpose of removing doubt concerning a potential conflict of interest:

1. Prepare a written statement describing the matter, action or decision on which a conflict is perceived to exist, outline the facts which give rise to the member's belief, and the reason or reasons thereof;
2. Submit the statement to the Workforce Investment Board Chairperson.

The Workforce Investment Board Chairperson will request staff assistance in determining if the issue can be reasonably resolved between parties or whether the conflict statement should be submitted to the Chief Local Elected Official of the Workforce Service Area for an opinion and resolution. If the Chief Local Elected Official determines that a conflict of interest exists, the matter shall be assigned to another member who does not have a conflict of interest. If it is not possible to assign the matter to another member who does not have a conflict of interest, interested parties shall be notified of the conflict, the conflict shall be documented in the minutes, and the member may proceed with the assigned.

## **7.7 OUTSIDE EMPLOYMENT**

Employees shall notify the Executive Director of their intent to secure outside employment before engaging in any other employment, activity or enterprise for private gain. It will be the duty of the Executive Director to determine if a conflict of interest exists.

In determining whether such outside employment or activities for private gain constitute a conflict of interest, or are inconsistent or incompatible with his/her present employment, the following shall be considered:

1. The use for private gain or advantage of Northwest Private Industry

Council time, facilities, equipment and supplies, or the prestige or influence of Northwest Private Industry Council employment.

2. Receipt or acceptance by the employee of any money or other consideration from anyone other than the Council for the performance of an act which the employee would be required or expected to perform in the regular course of his employment or as a part of his/her duties as an employee of the Council.
3. The performance of an act in other than his/her capacity as an employee, when such act may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement by such employee for the department by which she/he is employed.
4. Whether such employment will interfere with the efficient performance of the employee's duties for the Northwest Private Industry Council.

Employees will comply with applicable provisions of the Hatch Act in matters relating to participating in political activities.

## **7.8 LIABILITY INSURANCE**

In the absence of the Northwest Private Industry Council provided liability insurance, employees are expected to assume the responsibility for providing their own protection against possible suits or injury or damage they may cause in the performance of their duties to the persons or property of others. The Northwest Private Industry Council employees will provide their own liability coverage while driving their personal automobile on Northwest Private Industry Council business. ~~Employees shall demonstrate to the Executive Director that they have such insurance.~~

## **7.9 OTHER ACTIVITIES**

Employees of the Northwest Private Industry Council are required, from time-to-time, to represent the Northwest Private Industry Council at public meetings. During these meetings employees are expected to represent established Northwest Private Industry Council policies and procedures. However, no employee may represent himself or herself as an official spokesperson for the Northwest Private Industry Council without

prior approval of the Executive Director.

Given that activities of the Northwest Private Industry Council staff or information related to such activities may be of a sensitive or confidential nature, employees should use personal discretion when discussing Northwest Private Industry Council activities with individuals other than Workforce Investment Board members or staff. Breaking of this confidence by an employee may result in disciplinary action.

The Northwest Private Industry Council members or their employees must disclose any potential conflict of interest relative to agency activities.

## **7.10 POLICY AMENDMENTS**

The provisions of this Personnel Policy may be amended by a majority vote of the members of the Northwest Private Industry Council at any regular meeting of the Northwest Private Industry Council or at any special meeting thereof, provided that notice of such regular or special meeting shall state the proposed amendment and the fact that it is to be voted upon at the meeting.

## **SECTION 8: TRAVEL POLICIES**

### **8.1 WORKFORCE INVESTMENT BOARD MEMBERS, YOUTH COUNCIL MEMBERS AND STAFF**

#### **1. Travel Authority:**

For the purpose of implementing these policies, Workforce Investment Board members, Youth Council members, and Northwest Private Industry Council staff shall follow the same travel policies. This is not meant to imply that Workforce Investment Board members or Youth Council members are employees of the Northwest Private Industry Council. The intent is to include all parties with the same travel policies.

Travel must be authorized by the Executive Director or by the Workforce Investment Board as a necessary business related expense for the Northwest Private Industry Council.

2. Travel Out-of-State

Authorization for out-of-state travel must be granted by the Workforce Investment Board of the Northwest Private Industry Council (NWPIC) prior to the incurrence of the actual expense and be subject to the availability of funds.

Travel will be limited to one out-of-state conference (per year) for Workforce Investment Board members, or as the budget allows. Members appointed/elected to National Workforce Development Affiliated Board's will be exempt from the once a year travel policy. All conferences are to be approved for the betterment of programs delivered by the Northwest Private Industry Council.

Use of private automobile for out-of state travel, when commercial transportation is available, shall be reimbursed on the basis of single coach airfare or the most economical means of travel available. Lodging, meals and per diem will be based on the days in travel status, as if the airline had been taken.

3. Travel Arrangements:

All travel arrangements (conference fees, airline tickets, hotel reservations and etc.) are to be made by the staff at the Northwest Private Industry Council to insure that government rates will be used. Workforce Investment Board members and Youth Council members wishing to make their own travel arrangements may do so, but will only be allowed the lowest rates for reimbursement as if purchased by the Northwest Private Industry Council office.

4. Travel Time

Ordinary travel from home to work or work to home may not be counted as hours worked for the purpose of determining working hours. For those employees who are in travel status away from the office, any travel time may be considered as working hours, including hours on non-working days.

5. Expense Accounts:

Mileage: Use of private automobiles for official Northwest Private Industry Council business shall be compensated by the current rate established by the Workforce Investment Board. The rate will be the ~~maximum federal rate allowed~~ standard Internal Revenue Service (IRS) rate as defined by the IRS, based on the most direct route. All trips made from private business or in vehicles which the expenses are paid by other person (s) will not be reimbursed.

Employees on official business, leaving from or returning to their private residence, shall be reimbursed on the distance to/from such residence or the distance to/from their office, whichever is less. ~~Employees are required to provide proof of personal automobile liability insurance.~~

Meals: The actual cost of business associated meals, but not to exceed the daily limit established by the Northwest Private Industry Council. Receipts are not required; however, each meal cost must be itemized on the NWPIC Expense Sheet.

Authorized meal allowances are:

Meal	Rate
Breakfast	\$8.00
Lunch	\$11.00
Dinner	\$20.00

The breakfast and evening meals will be reimbursed only if the employee is:

- A. Required to stay at a location away from the office or;
- B. In the case of breakfast, the employee leaves before 6:30 am; and
- C. In the case of dinner, the employee returns after 7:00 pm.

The actual cost of a meal at the office location will be paid only when the meal is part of a Northwest Private Industry Council meeting or other meetings for which reimbursement is approved by the Executive Director or by the Workforce Investment Board.

\*No meal allowance is authorized if the meal is included in conference or seminar fees.

Phone: All Workforce Investment Board members, Youth Council members, and employees in overnight travel status for the Northwest Private Industry Council may be reimbursed for one personal phone call per day not to exceed five dollars (\$5.00). Actual phone billings are required receipts.

Lodging: All lodging arrangements will be made by the staff at the Northwest Private Industry Council, using government rates when possible, or see Section 8.C for option.

All lodging bills or receipts are required for direct payment or reimbursement. If another person accompanies the Board member on a business trip, the other person shall pay the difference between the single and double room rates.

Lodging expenses will be paid under the following conditions:

- A. The trip involves Council business for two or more consecutive days to a destination more than 45 miles from the Northwest Private Industry Council office or from the member's home.
- B. The trip involves business beginning or ending at such a time that it would be unreasonable to expect an employee to leave that morning or return that evening.

## 6. Payment

The claimant shall complete and sign the NWPIC Expense Sheet certifying the accuracy of all charges, monthly if possible. The Executive Director will verify that the statement is valid by signing the form. Reimbursements will be processed with the ~~weekly agency checks, or upon request~~ agency's bi-weekly payroll checks. The expense reimbursement will be paid by check or direct deposit into the employee's bank account along with their bi-weekly payroll check.

Actual expenses up to the maximum allowed will be paid for mileage, hotel, meals, taxi/bus charges, baggage handling, phone calls, and cost of parking. Receipts will be required for room and parking expenses. Any other additional expense must be approved by the Executive Director or by the NWPIC Executive Committee.

Advance payment for anticipated out-of-area expenditures while on Northwest Private Industry business will be granted only with the prior approval of the Workforce Investment Board. A NWPIC Expense Sheet must be submitted to the Executive Director no later than ten days in advance in order to insure that the advance payment can be met. **A NWPIC Travel Request and Authorization Form must be completed, and accompanied with appropriate support documentation, within 120 days of advance.**

Any adjustment made to the claimant's expense report due to misinterpretation of this policy will be agreed upon by the NWPIC Executive Committee. It will be the Executive Director's responsibility to notify the employee of any adjustments to the reimbursement requested.

Workforce Investment Board members and Youth Council members appointed to represent the Council shall certify that they are not being reimbursed through another agency for any expenses claimed.

Workforce Investment Board members and Youth Council members shall receive a per diem for time spent on Northwest Private Industry Council functions at a rate established by the Workforce Investment Board and recorded in the official minutes of the Workforce Investment Board, not to exceed \$50.00 per day.

## 8.2 APPLICATION FOR CONFERENCE ATTENDANCE

Name:

Name of Conference:

Location of Conference:

Conference Dates:

Travel Dates:

Estimate of Conference Expenses: \$

Conference Fees: \$

Transportation: \$

Lodging: \$

Meals \$

Per Diem: \$

Other (specify): \$

Purpose:

Applicant

Approved by: \_\_\_\_\_ Date:  
NWPIC Chair or Officer

### 8.3 TRAVEL REQUEST AND AUTHORIZATION

<b>Purpose of Travel:</b>	
<b>Itinerary:</b>	
<b>Begin on or about: (date/time)</b>	<b>End on or about: (date/time)</b>

<b>Mode of Transportation</b>	__ Air	__ Rail	__ Bus	__ Privately-Owned Vehicle
(Privately owned automobile rate per mile _____ cents)				

<b>Remarks:</b>	<b>Cost Estimate</b>	
	___ Expense	___ Estimated Cost
	Room.....	\$
	Per Diem.....	\$
	Transportation.....	\$
	Other.....	\$
	<b>Total.....</b>	<b>\$</b>

I understand that I am responsible to the agency for the above approved travel advance. I agree to allow this travel advance to be deducted from any funds owed me for travel or salary if travel is not completed or is not documented. Should travel documentation not be completed in 120 days of advance, issuance will be adjusted to individual's taxable income.

Traveler's Signature: _____	Date: _____
Authorized by: _____	Date: _____
Voucher #: _____	Check #: _____
Vendor#: _____	Date: _____

## SECTION 9: FLEX PLAN

As an eligible employee, you have the opportunity to join the Northwest Private Industry Council Flexible Benefit Plan. The Plan is a fringe benefit, available to all employees, that comes with employment by the Northwest Private Industry Council. This plan, adopted under the provisions of Section 125 of the Internal Revenue Service Code, allows employees to reduce their gross income by certain medical and other expenses, before computing Federal, State and FICA withholding taxes.

The Plan is voluntary. If you want to participate, you must fill out an Election Statement before the start of each Plan Year. The Initial Plan Year will be from 1 April to 31 December 2005 and from 1 January to 31 December for each year thereafter. The annual amount will be pro-rated for the Initial Plan Year.

You will declare the type and amount of benefits for which you want reimbursement during the Plan Year. New employees whose date of employment begins after the beginning of the Plan Year shall have thirty (30) days from their date of employment to submit the Election Statement for the remainder of the Plan Year in which they are employed. Failure to submit the Election Statement, within the appropriate time frame, shall be deemed an election by the employee not to participate in the Flex Plan.

Only expenses which may be deducted or credited on your federal tax return may be reimbursed under the Plan. The Plan consists of the following sections:

1. Insurance Premiums;
  - A. Accident and Health Insurance
  - ~~B. Group term Life Insurance Premiums~~
2. Medical Reimbursement; and
3. Dependent Care Section

Each section must be estimated separately. This means to exchange pay for benefits, you must also specify how much you are willing to exchange in each particular category.

To make the “best buy,” take care not to overestimate expenses. The IRS regulations require both employee and employer to abide by the amounts stated on the Election Statement. This means, for example, that once you have submitted a statement indicating you wish to reduce your gross income by \$2,000 before computing taxes, you must exchange \$2,000 of income for that benefit; even if your actual expenses for that benefit are less than \$2,000.

Once you submit your Election Statement, you cannot change or modify it during the course of the year, unless a change occurs in your family status, i.e., a change resulting from marriage, divorce, death of a spouse or child, birth or adoption of a child, or termination of employment of spouse.

The only exception to this rule would be if you ceased working for the NWPIC or if a change in family status occurred. In that event, the annual amount is pro-rated on a monthly basis and the amount will be adjusted on the date of termination or change in family status. Only full calendar months will be utilized in pro-rating benefit dollars.

As an individual employee, you have an allowable limit of income exchange of \$10,000 per year, including expenses for both you and your dependents. There are additional limitations within the Medical Reimbursement and the Dependent Care Sections. You also have the further limitation that your submitted expenses cannot exceed your total income in the given payroll period.

## **9.1 ACCIDENT AND HEALTH INSURANCE PREMIUMS**

To permit employees to pay for the employee's share of their health insurance premium.

To permit employees to purchase other health related insurance on a pre-tax basis, such as term life, disability, dental, vision, accidental death, and other qualifying types of insurance.

## **9.2 MEDICAL REIMBURSEMENT**

A participant can set up to \$5,000 to fund a Medical Expense Reimbursement account. Qualifying health, dental and vision care expenses not covered by any other insurance plan are eligible for reimbursement.

Commonly funded medical reimbursement items include, but are not limited to, the following:

1. Employee's payments toward deductible or co-payment.
2. Medical payments that are not reimbursed by group insurance, such as hospital service, ambulance service, treatment of alcoholism and/or chemical dependency, prescribed medical support equipment, doctor's charges, lab fees and prescription drugs.
3. Chiropractic and Osteopathic services not reimbursed by insurance.
4. Vision care, including the cost of eye glasses and contact lenses.

5. Hearing Aids.
6. Dental expenses, including orthodontia.
7. Travel/Meals/Lodging relating to eligible care costs.
8. Any other expense that is eligible for a tax deduction under Section 213 of the Internal Revenue Code.

### **9.3 DEPENDENT CARE EXPENSES:**

Within the following restrictions, dependent care payments can be designated, up to the amount indicated by the employee on the Election Statement.

1. They must be employment related. (The cost was incurred in order for you to work).
2. Dependent care assistance cannot exceed \$5,000 for married couples filing jointly or \$2,500 for other participants.
3. Dependent care expenses must be for children 15 years or younger who are claimed as dependents.
4. The provider of dependent care services cannot be the employee's child (under age 19) or any other person classified as the employee's dependent.

#### **EXAMPLE:**

On January 1st, an employee files an Election Statement indicating the desire to forego \$1,800 (\$150 per month) over the next year in exchange for day-care expenses. The employee resigns to accept other employment as of March 31st (three months later). The employee is required to exchange \$450 (three times \$150) for day-care expenses.

If the employee submits a summary sheet indicating only \$400 was spent for day-care expenses, their final paycheck must be reduced by the additional \$50, in order to comply with IRS regulations.

### **9.4 HOW DO YOU BENEFIT FROM THIS PLAN:**

By participating in this plan, you are allowed to receive tax savings, because you are purchasing benefits with pre-tax dollars. *As a result, you realize more take home pay.*

For purpose of illustration, consider this very simple example: An employee who is married and has two dependents receives wages of \$600.00 per two week pay period. This employee incurred \$160 in dependent care expenses during the past month, pays \$45 per month for group insurance, and his or her taxes (federal, state and social security) are at a marginal rate of 33%.

<u>Employee Participation in This Plan</u>		<u>Employee Not Participating In This Plan</u>	
Wages per pay period	\$600	Wages per pay period	\$600
Insurance	-45		
Dependent Care Expenses	<u>-160</u>		
Pay After Expenses	\$395		
Federal, State & FICA Taxes (approximately)	-130	Federal, State & FICA Taxes (approximately)	<u>-198</u>
		Pay After Taxes	\$402
		Insurance	-45
Pay After Taxes and Expenses	\$265	Pay After Taxes and Expenses	\$197
DIFFERENCE	\$68		

The effect of participation is more vivid in this next example based upon annual income. An employee is married and has one child. Wages are \$600 per two week pay period. Expenses under the Insurance Premium Section are \$600 (\$50 per month). Under the Medical Payments Section, expenses are \$230 (eye glasses for spouse are \$150; dental expenses are \$50, and an annual physical for the child is \$30). Expenses under the Dependent Care Expense Section are \$2,400 (\$200 per month). Taxes (federal, state, and social security) are at a marginal rate of 33%.

<u>Employee Participating In This Plan</u>		<u>Employee Not Participating In This Plan</u>	
Annual Wages	\$15,600	Annual Wages	\$15,600
Section 125 Expenses	<u>3,230</u>		
Pay After Expenses	\$12,370		
Federal, State & FICA Taxes (Approximately)	\$4,082	Federal, State & FICA Taxes (Approximately)	\$5,148

		Expenses	<u>-3,320</u>
Pay After Taxes & Expenses	\$8,288	Pay After Taxes & Expenses	\$7,222
DIFFERENCE	\$1,066		

## 9.5 HOW DO YOU PARTICIPATE:

Inter-County Community Council administers the Flexible Benefit Plan for the Northwest Private Industry Council. Expenses submitted for consideration under this plan are handled as follows:

Once a year, prior to the beginning date of the Plan Year, Inter-County Community Council provides qualifying employees a copy of the Election Statement which is the form required for participation in the Flexible Benefit Plan.

You should complete each section separately: The Insurance Premium, the Medical Payments Section and Dependent Care Expense Section. All employees must turn in the completed form to Inter-County Community Council, even if their participation in the Flexible Benefit Plan is zero.

You may submit expenses to be claimed to Inter-County Community Council with your payroll time records. The minimum amount allowed for consideration in any one pay period is \$25. Amounts less than \$25 should be held and submitted in a following pay period in which the \$25 minimum is exceeded. Regardless of any amount remaining, all expenses should be entered by the processing date of the year-end payday, in order to close out the Plan Year.

Any unused contributions are forfeited at the end of the Plan Year.

The year-end transaction is treated differently. In order to satisfy IRS requirements, the adjustment must be made on the payday that precedes the close of the Plan Year. Accordingly, your pay on this final pay check will be reduced by the balance remaining from the amount you originally indicated on the Election Statement. To receive the most value, you should pay expenses prior to the processing date for the last pay period.

### **NOTE AGAIN:**

Any unused contributions are forfeited at the end of the Plan Year.

## **9.6 EFFECT ON SOCIAL SECURITY BENEFITS:**

Because this plan reduces taxable income by the amounts submitted, the tax for social security benefits that you will receive upon retirement will be slightly reduced as well.

## **9.7 ADDITIONAL RESPONSIBILITY:**

Although some eligible expenses under this plan might also qualify as Federal Income tax deductions, in most cases, it will be more advantageous to claim them under this Flexible Benefit Plan. Consult your tax or financial advisor before you decide. You cannot claim these expenses in both places without subjecting yourself to assessment of penalties by the IRS.

As a participating employee, you also agree that the Northwest Private Industry Council and Inter-County Community Council will be held harmless for any retroactive changes or costs imposed by the IRS or Congress.

## **9.8 CHANGES TO THE PLAN:**

The Northwest Private Industry Council reserves the right to change, modify, amend or terminate this plan at any time upon written notification to all employees.

## **9.9 DEFINITIONS:**

- A. Benefits: “Benefits” shall include both covered expenses and taxable cash which a Participant may elect under the Plan, up to the amount of the benefits ceiling.
- B. Benefits Ceiling: The “Benefits Ceiling” shall be the maximum amount of benefits a Participant may elect to receive under the Plan in connection with any Plan Year. The amount of the Benefits Ceiling shall be determined by the Workforce Investment Board, subject to limitations contained elsewhere in this Plan.
- C. Change in Family Status: A “Change in Family Status” includes marriage, divorce, death of spouse or child, birth or adoption of child, termination of employment or spouse, and any other change in family status allowed by the Regulations, as modified or expanded by revenue rulings, court decisions, et., but in no event shall “Change in Family Status” changes NOT permitted by the Regulations.
- D. Board: The “Board” is made up of all members of the Workforce Investment Board who are considered to be the Board of Directors of the Northwest Private Industry Council.

- E. Employer: The term “Employer” shall mean the Northwest Private Industry Council.
- F. Covered Dependent: “Covered Dependent” shall mean the spouse of a Participant and his or her dependents as defined under Section 152 of the Code.
- G. Covered Expenses: “Covered Expenses” shall mean any of the expenses for Statutory Non-taxable Benefits incurred on or after the later of the effective date, or the date of employment for which a Participant may receive and has elected to receive, reimbursement under the terms of the Plan.
- H. Currently Available: A Benefit is “Currently Available” to a Participant if the Participant is free to receive the benefit currently if an election or notice of an intent to receive the benefit were given. However, a benefit is not “Currently Available” if the Participant under no circumstances will be able to receive the benefits before a particular time in the future and there is a substantial risk that if the Participant does not fulfill the specific conditions during the period preceding this point the Participant will not receive the Benefit. The definition of “Currently Available” shall be modified as may be prescribed by the Regulations.
- I. Date of Participation: The “Date of Participation” is the first date upon which an Employee elects to be a Participant under the Plan.
- J. Dependent Care Assistance: “Dependent Care Assistance” means amounts paid to enable the Employee to be gainfully employed for any period for which there are one or more Qualifying Individuals with respect to the Employee.
- K. Qualifying Individual: The term “Qualifying Individual” means:
  - A. A dependent of the Employee who is under the age of 15 and with respect to whom the Employee is entitled to a deduction under Section 151 (e) of the Code; or
  - B. A dependent of the Employee who is physically or mentally incapable of caring for himself/herself; or
  - C. The spouse of the Employee, if such spouse is physically or mentally incapable of caring for himself/herself. Dependent Care Assistance which is incurred for services provided outside the Employee’s household by a dependent care center (as defined in Section 21 (b) (2) (D) of the Code: shall; be taken into account and only if such center complies with all government regulations and the requirements of the preceding sentence are met.

- L. Effective Date: The “Effective Date” is the effective date of the Plan’s adoption as set forth in the Board Minutes adopting the Plan
- M. Employee Eligibility: All employees of the Northwest Private Industry Council are eligible to participate in the Plan.
- N. Highly Compensated Person: The term “Highly Compensated Person” means an individual who is among the highest paid 10% of all employees. In calculating the highest paid ten percent (10%) of all employees, the number of employees included will be rounded to the next highest number.
- O. Insurance Premium: “Insurance Premium “ is the cost of maintaining an insurance policy, and includes the employee share of the agency group health plan and other health related insurance plans.
- P. Key Employee: A “Key Employee” is any employee in the Plan who is in the top 10% in annual compensation from the Northwest Private Industry Council.
- Q. Medical Expenses: “Medical Expenses” shall mean all expenses for “Medical Care” as defined under Section 213 (d) (1) of the Code and the Regulations.
- R. Participant: A “Participant” is an Employee who becomes entitled to benefits under the Plan because such employee has met the eligibility requirements of the Plan.
- S. Plan Administrator: The “Plan Administrator” shall be such individual or individuals authorized and directed to administer the Plan and who shall be named by the Board of Directors of the Northwest Private Industry Council.
- T. Plan Year: The “Plan Year” shall be determined by the Board of Directors of the Northwest Private Industry Council.
- U. Statutory Non-taxable Benefits: “Statutory Non-taxable Benefits” means any benefit which, with the application of Subsection 125 of the Code, is not included in the gross income of the Employee by reason of an express provision of Chapter 1 of the Code (other than Section 1117, 124, 127, or 132 of the Code). “Statutory Non-taxable Benefits” include any group term life insurance which is includeable in gross income only because it exceeds the dollar limitation of Section 79 of the Code.
- V. Variable Expenses: “Variable Expenses” are covered expenses other than Fixed Expenses.

**9.10 Section 125 Plan – Election Statement**

EMPLOYEE'S NAME:

As an eligible employee, I elect to participate in the Northwest Private Industry Council 125 Plan. I hereby choose benefits to reduce my gross pay before computing taxes in the amount equal to that shown below. This amount will be claimed during the plan year, from \_\_\_\_\_ through \_\_\_\_\_.

I understand that this election is a firm commitment on my part to reduce my gross pay before computing taxes for payments related to insurance premiums, medical payments, and day care expenses. The amounts that I submit on this statement cannot be changed during the course of the Plan Year, except upon termination of employment or a change in family status. In the event of the termination of my employment, I understand that the figures shown will be prorated into twelve (12) equal amounts and that, if my expenses do not exceed the amount for the months worked, my final paycheck will be adjusted downward.

Insurance Premium Section	\$
Medical Payments Section	\$
Day Care Expense Section	\$
TOTAL	\$

I further understand that the Section 125 Plan may be amended, modified, or terminated at any time by the Northwest Private Industry Council or by changes to the IRS Code relating to the Plan. I further agree to all the terms and conditions in this document, the Section 125 Plan.

\_\_\_\_\_ I do not wish to participate this year.

Signature:

Date:

EMPLOYEE'S NAME:

As an eligible employee, I elect to participate in the Northwest Private Industry Council 125 Plan. I hereby choose benefits to reduce my gross pay before computing taxes in the amount equal to that shown below. This amount will be claimed during the plan year, from \_\_\_\_\_ through \_\_\_\_\_.

I understand that this election is a firm commitment on my part to reduce my gross pay before computing taxes for payments related to insurance premiums, medical payments, and day care expenses. The amounts that I submit on this statement cannot be changed during the course of the Plan Year, except upon termination of employment or a change in family status. In the event of the termination of my employment, I understand that the figures shown will be prorated into twelve (12) equal amounts and that, if my expenses do not exceed the amount for the months worked, my final paycheck will be adjusted downward.

Insurance Premium Section	\$ <u>10,000.00</u>
Medical Payments Section	\$
Day Care Expense Section	\$
TOTAL	\$

I further understand that the Section 125 Plan may be amended, modified, or terminated at any time by the Northwest Private Industry Council or by changes to the IRS Code relating to the Plan. I further agree to all the terms and conditions in this document, the Section 125 Plan.

\_\_\_\_\_ I do not wish to participate this year.

Signature:

Date: