

Employee Benefits Guide

OUR PHILOSOPHY AND MISSION STATEMENT

Reeves Regional Health's philosophy demands the highest regard for the human being as a total person. This involves the physical, emotional and the spiritual aspects of the patients entrusted to our care. The ultimate goal of Reeves Regional Health is to improve the quality of patient care and to make the experience of receiving hospital and related health care services humane and respectful to the patient.

Reeves Regional Health is dedicated to providing a broad range of health care services to the people and communities of Reeves County and adjacent West Texas communities.

The RRH believes that its most valuable asset is its people. Our goal to create and maintain a safe, caring, and rewarding work environment for hospital employees and physicians to contribute in a positive manner to the community's health.

Because of the physician's importance to the hospital, policy decisions affecting patient care will be made with the involvement of the medical staff. The very nature of medical care demands constant upgrading in facilities, services and expertise. In keeping pace with rapidly advancing medical technology, Reeves Regional Health will continually review, upon the advice of the medical community, the need for advancement in technology and services.

The only product a hospital has to sell is quality patient care and service. To deliver optimal patient care, the hospital will be responsive to our patients, our community, our physicians, our personnel and our volunteers. To facilitate this, Reeves Regional Health will provide sensitive nursing care, efficient and broad diagnostic services, a clean and friendly environment, technologically advanced equipment, reasonable charges and progressive management.

An ongoing evaluation of these statements of philosophy will be an integral part of assuring that the best interest of the patient will always be foremost in the minds of those responsible for the management of Reeves Regional Health.

This benefit handbook is not a contract of employment. Nothing contained in this benefit handbook or in any other statement of company policy should be taken as a constituting an express or implied promise of continuing employment, or a modification of one's employment-at-will status.

In order to retain necessary flexibility in the administration of policies and procedures, the Hospital reserves the right to change, revise or delete the plans, policies, and benefits described in this benefit handbook at any time the Hospital determines such a change is necessary. Changes are at the sole discretion of Administration.

| EMPLOYEE BENEFI | | | ITS SUMMARY |
|--|----------|------|---|
| BENEFIT | WHO PAYS | | WHAT YOU RECEIVE |
| | EMPLOYEE | RCHD | |
| Paid Time Off | | X | Continued compensation during vacation, holidays, brief person illness, etc. Accrual of available time begin upon employment. Eligible for use after 90 days of employment. |
| Extended Illness | | X | Continued compensation during extended personal illness. Accrual of available time begin upon employment. |
| Funeral Leave | | Х | Up to 3 days paid for time missed for death in immediate family. A list of family members considered is in the Personal Policies and Procedures |
| Holidays | | X | Employees accrue up to 9 holidays annually. |
| Jury Duty | | Х | Paid at base rate for time missed. According to policy, up to 7 days. |
| Medicare – Social Security | Х | | 1.45% contribution for eligibility in Medicare |
| Social Security | | | RRH does not participate in Social Security |
| Retirement | Х | X | RRH participates in the TCDRS Retirement Program. 7% is deducted from employees' gross wages. RRH matches 250%. 8 year vesting. |
| Tax Sheltered Retirement 457(b) Retirement | Х | | Employees are eligible to participate in Security Benefits 457 (b) program. This is a Tax Deferred Program. |
| Health Insurance | X | X | Blue Cross - Effective the 1st day of the month following date of hire. There are two options to choose from. Employee is responsible for premiums on dependent coverage. |
| Dental Insurance | Х | | Effective the 1st day of the month following date of hire. Employee is responsible for all of the premium for the Dental Insurance. This is optional for employees. |
| Vision Insurance | Х | | Effective the 1st day of the month following date of hire. Employee is responsible for all of the premium for the Vision Insurance. This is optional for employees. |
| Supplemental Benefit Options | Х | | These options are: Colonial/AFLAC, Life Insurance and Vision Insurance. Human Resources will provide further details. |
| Workers Compensation | | Х | Medical care and loss of income payments for on-the- job injuries. |
| Life Insurance | | Χ | Life Insurance provided on full-time employees. |
| Scholarship Program | Х | Х | 2 program options: 1 for individual classes and 1 for fulltime student. |

PAID PERSONAL LEAVE (PPL)

Personal Paid Leave is accrued each pay period the employee is actively working in a regular status. PPL may be taken in increments of sixty (60) minutes and is not authorized to extend the workweek beyond forty (40) hours.

Employee, regardless of being regular or part-time, cannot take any PPL during the 90-day probationary period (except for use of a Holiday) but can accrue PPL and take after passing the probationary period.

Personal Paid Leave is used for Vacation, Holidays, Personal Business and Personal or Family Illness. It can also reward long-term stable employee with additional Paid Time Off.

PRN Employees will not be eligible for PPL Time.

Personal Paid Leave is accrued according to the following schedule:

| YEARS OF SERVICE | HOURS ACCRUED PER PAY PERIOD |
|------------------|------------------------------|
| 0-4 | 4.00 = 13 Days = 104 Hours |
| 5-10 | 5.84 = 19 Days = 152 Hours |
| 11-15 | 7.38 = 24 Days = 192 Hours |
| 16-20 | 8.61 = 28 Days = 224 Hours |
| OVER 20 | 8.92 = 29 Days = 232 Hours |

Each December 31st employees may have up to the maximum number of 240 hours to carry over to the next calendar year.

Hours in excess of the maximum will be paid to the employee on the last paycheck of the year. Under extenuating circumstances, such as to meet the needs of the Hospital and quality Health Care to our patients the CEO may grant exceptions to this policy.

PPL is provided so that employees may have time away from work for rest, recreation and other personal business. It is also used to pay for illness up to 3 days duration. At that point Extended Illness Benefits goes into effect.

Part-time employees accrue PPL on a flat rate per year basis. A Part-time employee is considered part-time if they work less than 36 hours per week. The maximum accrual for a Part-time employee will not exceed one-half (1/2) the time accrued by a regular employee.

Personal Paid Leave time for Part-time employees accumulates at the following rate:

| YEARS OF SERVICE | HOURS ACCRUED PER PAY |
|------------------|----------------------------|
| | PERIOD |
| 0-1 | 1.54 = 5 Days = 40 Hours |
| 1-4 | 2.15 = 7 Days = 56 Hours |
| 5-10 | 4.00 = 13 Days = 104 Hours |
| 16-20 | 4.92 = 16 Days = 128 Hours |

Extended Illness Benefits (EIB)

This benefit is for the purpose of allowing the employee to have peace of mind in case of a long-term Illness or accident. EIB can be accumulated by accruing period up to 60 days. EIB will not be paid in lieu of not using and is not available to Part-time employees.

Accrual Rate for Extended Illness Bank (EIB)

| YEARS OF SERVICE | HOURS ACCRUED PER PAY |
|------------------|--------------------------|
| | PERIOD |
| 0-1 | 1.56 = 5 Days = 40 Hours |
| 1-4 | 1.85 = 6 Days = 48 Hours |
| 5-8 | 2.15 = 7 Days = 56 Hours |
| 9-12 | 2.46 = 8 Days = 64 Hours |
| 13+ | 2.77 = 9 Days = 72 Hours |

The Extended Illness Bank may be used after an employee misses more than 24 hours of work due to personal illness or injury. The employee must bring a release from the physician to return to work, if claiming sick leave more than 2 days.

All accruals will be based on the number of hours worked and/or benefits hours paid, up to a maximum of 80 hours perperiod. At no time will Personal Paid Leave accumulations be based on overtime or any other extra time worked.

The Plan will permit employees to cash in some of their PPL hours on quarterly bases. A minimum of 24 hours must be cashed in per request and employees must have at least 80 hours remaining in their accounts after cashing in. Hours are cashed in using employees' <u>Base Rates</u> of pay and taxes must be taken from these amounts. The approved form for cashing in PPL hours must be filled in and submitted to payroll before the start of the payroll.

EIB hours may not be cashed in.

Benefits at Termination

If an employee terminates at his or her own choice, with proper notice the employee will be paid for all PPL time that has been accumulated. If an employee terminates without proper notice, the employee will forfeit all PPL time. If RRH terminates an employee with or without cause, the employee will receive all PPL time accrued.

Reeves Regional Health will pay for accrued EIB (at base hourly rate) for employees who retire or resigns with proper notice based on their length of employment or if an employee dies as follows:

10-20 years of service: one-half of accrued sick leave

Over 20 years of service: all accrued sick leave

If an employee is discharged, terminated or fail to complete resignation notice, EIB will not be paid.

Please refer to RESIGNATION for giving proper notice.

HEALTH INSURANCE

RCHD health insurance program is a self-funded health insurance program. Blue Cross of Texas is the Third Party Administrator for our health benefits.

| Full Time | | |
|-------------------|--------------|----------------|
| Per Pay Period | Base Plan | Buy-Up Plan |
| Employee Only | \$.00 | \$ 30.00 |
| Employee/Children | \$ 64.50 | \$ 95.00 |
| Employee/Spouse | \$ 74.50 | \$105.50 |
| Employee/Family | \$137.00 | \$180.00 |

| Part Time | | | |
|-------------------|--------------|----------------|--|
| Per Pay Period | Base Plan | Buy-Up Plan | |
| Employee Only | \$136.25 | \$166.25 | |
| Employee/Children | \$200.75 | \$230.75 | |
| Employee/Spouse | \$210.75 | \$240.75 | |
| Employee/Family | \$273.25 | \$303.25 | |

DENTAL INSURANCE

Effective the 1st day of the month following date of hire. Employee is responsible for all of the premium for the Dental Insurance. This is optional for employees

| Full Time or Part Time Per Pay Period | | |
|---------------------------------------|---------|--|
| Employee Only | \$17.50 | |
| Employee/Child | \$29.50 | |
| Employee/Spouse | \$32.50 | |
| Employee/Family | \$39.00 | |

VISION COVERAGE

The Vision coverage is offered through Guardian Vision.

| Full Time Per Pay Period | | |
|-----------------------------|---------|--|
| Employee Only | \$6.52 | |
| Employee/1 dependent | \$9.89 | |
| Employee/Family | \$17.38 | |

COBRA

Employees and their spouses or dependent children covered by RRH Employee Group Insurance shall have the right to elect to continue coverage under the Plan should coverage cease for any of the following qualifying events.

- 1. Voluntary or involuntary separation of covered employee EXCEPT for gross misconduct or a reduction in the number of employees hours of employment
- 2. Death of employee
- 3. Covered Employee's divorce or legal separation
- 4. Entitlement to Medicare
- 5. Loss of dependent child status child no longer eligible dependent under the Plan
- 6. Covered employee becomes disabled

LIFE INSURANCE

RRH provides Life Insurance on full-time employees through Dearborn Insurance Co. The Life Insurance is equal to your annual base salary.

SUPPLEMENTAL INSURANCE

Optional insurance through AFLAC, Colonial or Washington Mutual is offered to full time employees after the 90-day probationary period. These companies provides Life, Dental, Cancer, Short Term & Long Term Disability, Accident, ICU and Hospitalization. The employee is responsible for full premiums on AFLAC.

TAX SHELTERED ANNUITY (457b)

Regular full-time employees are eligible to participate in Security Benefits 457 (b) program. This is a Tax Deferred Program.

SOCIAL SECURITY

Reeves Regional Health <u>does not</u> participate in traditional Social Security. RRH <u>does</u> participate in Social Security Medicare.

FUNERAL LEAVE

When a death occurs in the **immediate** family of a full-time and regular part-time employee (20 hours per week), the employee shall be granted time off with pay for a reasonable amount of time not to exceed three consecutive calendar days. An employee's "immediately family" is interpreted as spouse, parent, parent-in-law, son, daughter, sister, brother, grandparent or grandchild or in cases where the employee is the only living relative of the deceased. Pay for Funeral Leave of Absence will be calculated on the basis of eight hours pay at the straight-time rate, excluding shift differential pay. Part-time employees will be compensated only for those hours for which they were scheduled to work. You must attend the funeral or similar ceremony in order to eligible for benefits under this provision.

JURY DUTY

Leave is granted for this period and in order that an employee does not suffer a loss of wages, RRH pays you at straight-time, excluding shift differential pay, for those hours missed while you are serving on a jury. In addition, if you should be subpoenaed as a witness, but not as a plaintiff or defendant, in a court of law, you will be paid as on jury duty.

- 1. If working the day shift and you are called for jury duty and are released after I0:00 a.m., you will be excused from work that day. If actually chosen to serve on a jury, and if jury services last longer than the first day, you must keep your supervisor informed daily as to whether or not you will be returning to work on your next scheduled shift.
- 2. If scheduled to work on the evening shift on the first day of jury duty, and if you are released from jury duty (without serving on a jury), you are expected to report for work as scheduled. However, if you are released after 2:00 p.m., you should call in to so inform your supervisor, and you will be excused from reporting to work that evening shift. If you are actually chosen to serve on a jury, you are expected to call in to so inform your supervisor and you will be excused from reporting to work that first evening. If, after serving on a jury for two or more consecutive days, you are released in time to report for work by the scheduled time, you are expected to report for work as scheduled.
- 3. If scheduled to work the night shift on the morning of the first day of jury duty, you will be excused from that shift. If you are released from jury duty before 4:00 p.m. (without serving on a jury) you are expected to report for work that night, if scheduled. If you are actually chosen to serve on a jury, you are expected to call in to inform your supervisor, and will be excused from reporting to work that night.

Fees received from the Court for Jury Service are not deducted from your normal regular pay. RRH reserves the right to request proof of service from any employee. It is the responsibility of the employee to keep their Supervisor informed of their Jury Duty schedule and to keep their work as current as possible.

LEAVE OF ABSENCE

Leave of absence are available to full-time employees who must be absent from their jobs for the following reasons: disability, military service, educational pursuits at the graduate level and compelling personal needs.

The existing job position will be held open for a period of up to six weeks for an employee whose leave of absence is approved. In the event an employee is absent on approved leave more than once in a twelve (12) month period, the position may be filled at any time after the cumulative periods of absence exceed six (6) weeks. An employee whose leave exceeds six (6) weeks may be considered for return to an equivalent position if available. The exception to this guideline is leave for active military duty where re- employment rights are determined by statute.

Leaves for a period not to exceed ten (I0) working days must be approved by the Department Managers provided that they are in accordance with this policy. Leaves for a period exceeding eleven (11) to thirty (30) working days must be approved by the Department Manager with concurrence from the Human Resources Department. Any exception to this policy must be approved by the Administrator, Reeves Regional Health.

All accrued vacation time must be used before a Leave of Absence (or requests for days of leave without pay) shall be granted. Prior approval must be obtained.

Appropriate approval forms should be processed before the employee begins the leave except in the case of an employee whose disability cannot be anticipated.

SCHOLARSHIP PROGRAM

RRH has two (2) scholarships for employees to continue their education:

- 1) For individual classes these classes must be pre-approved. After class is taken and grades received, the hospital will reimburse based upon grade
- 2) For fulltime student This is to attend LVN, RN, and (etc.) school. You must present a letter of acceptance into the program before application for scholarship will be accepted.

POLICY: The Reeves Regional Health (the "Hospital") has instituted a Scholarship Program (the "Program") whereby certain qualifying employees may receive reimbursement for pre-approved academic classes.

PROCEDURE:

Program Requirements:

- As indicated all Participant courses must be preapproved by the Department in order to receive reimbursement.
- Course reimbursement is dictated by each Participant's final course grades. Participants will only be reimbursed after the courses have been completed.
- o If a Participant receives an "A" grade in a pre-approved course, the Hospital will reimburse the cost of such class at 100%. A final "B" grade will result in 75% reimbursement. If a Participant receives a final "C" grade or lower, the Participant will receive no reimbursement for that course.

Work Options:

- (a) the Nursing Program, (b) the X-Ray Program, (c) the Lab Program, (d) the Physical Therapy Program, (e) Administrative Mentoring Program and (f) the Medical Records Program.
- The Participants are only eligible for reimbursement if they are employed, and remain employed during the agreed upon forgiveness period, by RRH after the course work is completed.