

**CAPITAL AREA TRANSPORTATION
AUTHORITY**

**SUMMARY OF FRINGE BENEFITS
for
ADMINISTRATIVE EMPLOYEES**

FULL-TIME SALARIED

INTRODUCTION

This summary describes fringe benefits provided for active full-time salaried administrative employees. Except as otherwise noted, employees become eligible for benefits on satisfactory completion of the ninety (90) day probationary period for new hires and part-time employees transferring or being assigned to full-time positions ("full-time probation").

Insurance benefits are governed by the specific terms of each policy or plan and specific carrier requirements. Plan booklets with specific details are available in the Human Resources Department.

All fringe benefits and plans are subject to review, amendment, and termination by CATA.

HEALTH INSURANCE

The CATA Health Plan provides:

- Medical benefits
- Hospital benefits
- Prescription benefits
- Dental benefits
- Vision benefits

for employees, spouses, and eligible dependents. Coverage begins on the first of the month following the first full calendar month of full-time employment.

Employees must pay a weekly participation fee by payroll deduction to maintain eligibility for coverage. Eligible employees who opt-out of coverage will be paid five hundred dollars (\$500.00) annually.

During the annual open enrollment period in February each year, employees may make changes in coverage to add or remove a spouse or dependents. Changes cannot be made at other times, unless employees notify Human Resources in a timely manner within 30 days of a qualifying event (i.e., change in marital status, birth of child, loss of other coverage, etc.).

Please refer to the Plan Benefits Summary for specific information on deductibles, co-pays, and coverages.

Blue Cross Blue Shield of Michigan is the third party administrator of the Plan and may be contacted for benefit information and authorizations at 800-810-2583 (Group Number: 71468).

While the Blue Cross Blue Shield Network is used for administration and coverage, the CATA Health Plan is self-funded by CATA. Benefits are not paid or covered by insurance or insurance policies.

HOLIDAYS

After thirty (30) days of full-time employment, employees are eligible for time off with pay for the following designated holidays:

New Year's Day	Easter
Memorial Day	Independence Day
Labor Day	Thanksgiving Day
Christmas Day	

If a holiday falls on an employee's regularly scheduled day off, then the employee will be allowed a day off as a holiday at a later date before the end of the calendar year. This alternate day must be scheduled with the employee's supervisor and cannot be carried over from year-to-year. For the Christmas holiday only, the day off may be scheduled and taken no later than the end of the following year with supervisor approval.

FLOATING HOLIDAYS

Employees with six (6) months of full-time service on January 1 will be eligible for four (4) floating holidays to be scheduled during the calendar year with supervisor approval. Floating holidays must be used within the calendar year and cannot be carried over to the next year. Floating holidays may be taken in increments of half days.

Employees who do not have six (6) months of full-time service on January 1 will be eligible for two (2) floating holidays the first of the month following completion of six (6) full months of service and 2 (two) additional floating holidays the first of the month following nine (9) months of service.

New full-time employees (new hires and part-time employees who transfer to full-time) who successfully complete full-time probation prior to June 30 will be eligible for two (2) floating holidays in the calendar year after June 30 and four (4) floating holidays on January 1 the following year.

An employee who resigns will be paid for unused floating holidays if the employee has given two weeks prior written notice and worked through the notice period. The resignation must be acceptable to CATA and not in lieu of discipline.

VACATION

Vacations are awarded on January 1 each calendar year based on the employee's years of service from his or her last date of hire with CATA. New employees will be eligible for one week of vacation on their anniversary date. An employee whose years of service increase to the next vacation step during the calendar year will be granted an additional week of vacation time which may be taken after their anniversary date. Vacation time may be taken in half-day increments.

Part-time employees who transfer to full-time and complete full-time probation will be eligible for vacation on January 1 of the following year based on their service from their last part-time date of hire.

The vacation schedule is as follows:

At one year	One week (not prorated)
Two through four years	Two weeks
Five through nine years	Three weeks
Ten through fourteen years	Four weeks
Fifteen through nineteen years	Five weeks
Twenty or more years	Six weeks

Vacation time must be scheduled with supervisory approval, subject to review and change.

Employees will receive vacation pay when vacation is taken. Employees may request vacation pay the payday before the vacation, by submitting a timely written request to supervision, to be forwarded to Finance.

Unused vacation time may not be carried over from year-to-year. Up to two weeks pay for unused vacation will be paid after the calendar year to employees who have taken at least three (3) weeks of vacation and have some unused vacation time remaining. To be clear:

1. There will be no pay for unused vacation for the first three weeks of eligibility. Employees with three weeks or less vacation time must use or lose that time; and
2. The maximum pay for unused vacation is ten (10) days (*i.e.*, two weeks).

For example:

- (a) An employee with six (6) years of service who is eligible for three (3) weeks vacation must take or lose the three (3) weeks and will not be paid for unused vacation time.
- (b) An employee with eleven (11) years of service who is eligible for four (4) weeks and takes two (2) weeks vacation will not be paid for unused vacation time.
- (c) An employee with eleven (11) years of service who is eligible for four (4) weeks vacation and takes three (3) weeks will be paid for one (1) week of unused vacation time.
- (d) An employee with twenty-one (21) years of service who is eligible for six (6) weeks vacation and takes three (3) weeks vacation will be paid for two (2) weeks of unused vacation time, but will not be paid for the remaining unused week of vacation (*i.e.*, the sixth week).

Employees who resign with two (2) weeks prior written notice will be paid unused vacation time (*i.e.*, awarded vacation time as of January 1 that has not yet been taken in the current calendar year). The resignation must be accepted and not be in lieu of discipline. Vacation pay is not paid on termination of employment for service after January 1 in the current calendar year.

FUNERAL LEAVE

Employees will be allowed five (5) days off, with pay, following the death of their spouse, child, mother, father, or natural brother or sister. Employees will be allowed three (3) days off, with pay, following the death of other immediate family members. With the approval of the employee's Department Manager and the CEO/Executive Director, additional unpaid leave days may be allowed, if necessary.

Other immediate family members are defined as the employee's natural grandparents, natural grandchildren, spouse's natural parents, and employee's stepparents or stepchildren. Payment will be made only if the employee does not work on these days.

SICKNESS AND ACCIDENT INSURANCE

Sickness and Accident Insurance provides short term and long term disability benefits in weekly payments when an employee is incapacitated and cannot work, because of an illness or injury that is not work related and is documented by the employee's physician to the extent required by the insurance carrier and CATA. Employees become eligible for this coverage on the first of the month following thirty (30) days of full-time employment. Insurance benefits are administered and subject to insurance carrier policies and procedures.

1. Short Term Disability

Short term disability is paid at sixty percent (60%) of the employee's regular weekly pay, up to a maximum of fifty-two (52) weeks from the first date of absence. Insurance coverage pays benefits beginning on the first day of disability due to injury and on the eighth day for disability due to sickness. For full-time employees who have been in salary status for one (1) year, CATA will continue salary, less approved insurance benefits, during the first four (4) weeks of inability to work (not to exceed four (4) weeks of continued salary in any calendar year).

This benefit will be modified for employees who are able to work and are assigned to available work within their medical restrictions.

2. Long Term Disability

Long term disability insurance provides disability benefits to employees who remain unable to work after fifty-two (52) weeks of short term disability benefits for incapacitating injury or illness that is not work related. The benefit rate is sixty percent (60%) of the employee's base compensation, up to a stated maximum.

SERVICE INCENTIVE PAY

General

CATA is pleased to offer service incentive pay to emphasize the importance of excellent attendance. Service incentive pay accrues at the rate of one (1) day for each full calendar month worked with excellent attendance. The maximum service incentive will be twelve (12) days pay at the employee's current rate of pay.

Service incentive will be paid the payday following the first full week in December for the previous twelve months attendance (December 1 through November 30). If an

employee is absent more than five (5) days in the service year, service incentive pay will be reduced by one (1) day for each day of absence beginning with the sixth day.

The following absences will not reduce service incentive pay:

- (a) Up to five (5) days absence per incentive year;
- (b) Paid time off under CATA policies for holidays, vacation, jury duty, or funeral leave;
- (c) Short-term or temporary military leave; and
- (d) Other exceptions authorized by the CEO/Executive Director based on extraordinary service and/or approved documented service making up for lost time.

Consecutive Day Medical Absences

Six or more consecutive days of absence due to an employee's own hospitalization or resulting from an employee's own out-patient procedure or surgery will result in loss of one incentive day for each month in which such consecutive days of absence occur. Such consecutive day occurrence will also be counted as one absence.

For example, an employee who undergoes out-patient surgery which requires ten consecutive days off work in January will lose one incentive day and be considered as having one day of absence for the occurrence. If the ten consecutive days span January and February, the employee will lose two incentive days and be considered as having one day of absence for the occurrence.

Limitations

As a condition to receipt of service incentive pay, employees must regularly and consistently submit complete and accurate work and benefit time records.

Service incentive pay will not accrue while an employee is on leave of absence, layoff, or absent for disciplinary reasons. New employees will accumulate service incentive pay beginning on the first of the month following the probationary period. Part-time employees who transfer to full-time will accrue service incentive pay from the first of the month following transfer to full-time, regardless of probationary status.

Employees who retire under the CATA Retirement Plan with satisfactory notice will be paid service incentive pay, prorated according to the number of full calendar months completed in the service year. Employees whose employment ends for other reasons are not eligible for service incentive pay.

LIFE INSURANCE (EFFECTIVE JANUARY 1, 2013)

CATA provides life insurance coverage of two (2) times an employee's annual salary to a maximum of \$150,000 for employees, \$15,000 for an employee's spouse, and \$7,500 for dependent children.

In addition to basic life insurance, CATA also provides coverage for accidental death of two times annual salary, up to a maximum of \$150,000. All insurance coverage is subject to carrier policies and procedures.

PENSION

The CATA Retirement Plan for Administrative Employees is a defined benefit pension plan. Participation is voluntary. Participating employees contribute 7% of compensation by payroll deduction and CATA contributes additional substantial amounts to fund the pension plan. The pension benefit upon retirement is based upon various factors (i.e., vested years of service, hire date, age at retirement, earnings history, and years of participation in the plan).

Rights of participants in the pension plan are governed by specific plan documents, which are available from the Human Resources Department.

EMPLOYEE ASSISTANCE PROGRAM

CATA provides an Employee Assistance Program which offers short-term counseling and referral services on a variety of personal issues for employees, spouses, and dependents. A third-party licensed facility provides this professional assistance at no cost to employees. See the Human Resources Department for further information.

DEFERRED COMPENSATION

CATA sponsors a Section 457(b) Deferred Compensation Plan for employees to save and invest for their retirement years. Employees who participate make contributions to individual Plan accounts by payroll deduction on a pretax basis. The contributions are invested in mutual funds or other investments selected by the employee. The Plan is intended to be a long-term savings and investment program and is subject to tax rules which limit the ability of employees to withdraw funds from the Plan prior to retirement or leaving CATA employment. Taxes and tax penalties may be due if there is a distribution or withdrawal of funds from the Plan prior to retirement or upon termination of CATA employment.

The Human Resources Department has information available regarding enrollment.

PAYROLL DIRECT DEPOSIT

As an alternative to a paper paycheck, arrangements may be made with the Finance Department for direct deposit of pay to a bank or credit union which accepts electronic transfers. There is a maximum of two (2) direct deposit accounts. Pay will not be split between paper paychecks and direct deposit.

EDUCATION REIMBURSEMENT

CATA will reimburse tuition expenses and one-half (1/2) of expenses for required books for business related education that are approved in advance for employees with one (1) year of full-time service who have made satisfactory progress in courses approved previously and have a good work, attendance, and discipline record. Courses must be with an approved institution and clearly enhance job-related skills and be relevant to the employee's present position or another position at CATA that the employee will be seeking. To be eligible for reimbursement, an employee must make satisfactory progress in the approved classes and course of study, with a grade point of at least 2.5. Maximum reimbursement amounts may be established.

The courses and requests for tuition reimbursement are to be approved by the Department Manager, forwarded to the Human Resources Manager, and then submitted to the CEO/Executive Director for approval.

EDUCATION, CONFERENCES AND SEMINARS

Department Directors and Managers are encouraged to work with employees to identify employee development, such as training needs, and to locate and provide employee development as needs indicate.

All requests for employee development sessions (*i.e.*, conferences, education, training seminars, special schooling and classes) are to be made in writing, approved by the Department Director or Manager and presented to the CEO/Executive Director for final approval. Once approved, the Department Director/Manager will inform the Executive Assistant who will make the arrangements for the employee development session.

Employees who attend development sessions must submit a written report to their Department Director/Manager, with a copy to the CEO/Executive Director, indicating topics covered and positive or negative aspects of the session. This is to be done within ten (10) days after attending a session.

FREE TRANSPORTATION

CATA provides a bus pass to employees, their spouse, and dependent children up to the age of 19 and up to age 25 if the dependent child is a full-time student.

RETIREE BENEFITS

1. Retiree Health Insurance Benefits (Medical and Prescription Coverage)

CATA provides eligible retirees who retire at the normal retirement age (and spouse at time of retirement who is not eligible for other employer coverage) with medical and prescription coverage under the CATA Health Plan until age 65. Retirees and/or eligible spouses age 65 and over are eligible for a Medicare Supplement Plan. Retirees or spouses must pay participation fees to maintain coverage.

To be eligible, an employee must retire from full-time employment at normal retirement age under the CATA Retirement Plan with at least five (5) years of continuous full-time service if last hired after November 30, 2004, and ten (10) years of continuous full-time service if last hired after November 30, 2009. There is no service requirement for retirees last hired prior to December 1, 2004.

Employees choosing early retirement with less than ten (10) years of full-time service will not be eligible to continue health care coverage.

Employees choosing early retirement with ten (10) or more years of full-time service will be eligible to receive CATA retiree health care coverage at the Normal Retirement Age under the CATA Retirement Plan.

2. Retiree Life Insurance

Administrative employees with a minimum of ten (10) full-time years of service, who retire at age 55 or later, will be eligible for retiree life insurance in the amount of \$15,000.

3. Free Transportation - CATA provides a bus pass to retirees and their spouses.