

Rural Transit Enterprises Coordinated, Inc. (RTEC)



EMPLOYEE HANDBOOK

Approved during a Board Meeting
October 2011

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EMPLOYEE HANDBOOK

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Introduction

This manual is provided to you as an employee of RTEC to acquaint you with the Company, your employee benefits and your work rules.

This manual is not a contract of employment. RTEC will end employment because of an employee's resignation, discharge, retirement, or reduction in the work force. Employees of RTEC serve at the discretion of the Executive Director who will have the authority to suspend or end the employment of any employee. The employment relationship with this organization is of an at will nature, which means that the employee may resign without cause and the Executive Director may discharge an employee anytime with or without cause. Any written document or conduct, or any employee of this organization cannot change the at will employment relationship.

Any questions about this handbook should be directed to the Executive Director. At the end of employment, this manual, along with any property issued by RTEC must be returned to the Personnel Manager or the Executive Director.

RTEC reserves the right to amend its policies and procedures at its discretion. The amended policy becomes effective immediately.

This policy is written solely for the internal use of RTEC and must not be reproduced and distributed in any other manner without the prior written consent of the Executive Director of RTEC.

Shirley L. Cummins, Executive Director
Chief Executive Officer of the Rural Transit
Enterprises Coordinated, Inc. d/b/a RTEC

RTEC'S COMPANY POLICY

It is the policy of RTEC to recruit and promote persons on the basis of individual merit. The continued success of RTEC is contingent upon effective utilization of qualified employees regardless of race, color, religion, sex, or national origin. To this end, we affirm our policy:

1. RTEC will recruit, employ, train and promote persons in all job categories without regard to race, color, religion, sex, or national origin. Further, no employee or applicant for employment that has the job-related qualifications required to perform a job will be discriminated against by reason of physical or mental disability or because of being a disabled veteran or veteran of the Vietnam Era. Additionally, it is the policy of RTEC to comply with the provisions of the Age Discrimination in Employment Act of 1967, as amended and applicable regulations.
2. RTEC strongly disapproves of and will not permit sex discrimination in any form, including sexual harassment, which may be defined as any employment-related decision based upon an employee's submission or non-submission to sexual advances, or as deliberate or repeated unsolicited comments, gestures or physical conduct of a sexual nature that is unwelcome.
3. If required, according to applicable laws and executive orders, RTEC will administer its affirmative action plans to achieve the employment of qualified minorities, females, disabled veterans, veterans of the Vietnam Era and disabled persons and to base all employment decisions to further the companion principles of merit selection and equal employment opportunity. All personnel actions affecting compensation, benefits, transfers, layoffs, recalls from layoffs, company-sponsored training, education, tuition assistance, and social recreational programs will be administered without regard to race, color, religion, sex, national origin, or disabled or veteran status, except where a bona fide occupational qualification or a safety hazard would limit such personnel action.
4. The performance standards of RTEC employees will continue to be maintained at a high level, consistent with job requirements.
5. The Executive Director has been assigned the responsibility of monitoring this policy.
6. Any employee or applicant for employment who believes that they have been discriminated against because of their race, color, religion, sex, national origin, or disabled or veteran status should report their complaint to the immediate supervisor or the Executive Director.
7. Management does not and will not discriminate against any employee.

YOUR WORK, YOUR HOURS AND YOUR PAY

1. Work Week

The workweek begins Sunday and goes through the following Saturday. We would like to give you a normal 40-hour workweek, but because our business is based on customer demand for our services, you may have to work more or less than 40 hours per week. A full-time employee regularly works 37 ½ hours or more per week. A part-time employee works less than 37 ½ hours per week.

2. Starting Time

The determination of starting times for work will be made by the Company and will be subject to change due to business and seasonal fluctuations. Your supervisor will keep you informed of the starting times. An employee is paid for the actual time worked.

3. Overtime Pay

Overtime is paid for any work in excess of 40 hours per week. Your overtime rate is 1 ½ times your regular straight time hourly rate of pay for the overtime hours worked.

4. Payday

You will receive payment on every other Friday for the prior two-weeks worked. Payment is made in the form of direct deposit to the financial institution of your choice as you submit to the payroll department. A copy of the payment and deductions will be mailed to the address you provide RTEC's payroll department

5. Payroll Deductions

When you get your pay statemnet, you will notice several deductions that are required by law. There may be other deductions that you requested. If you have any questions about these deductions or anything else regarding your pay, please let your supervisor know.

6. Direct Deposit

To assure the safe and efficient delivery of wages to its employees, RTEC requires that all staff establish direct deposit (s) within the first 2 weeks of employment.

COMPLAINT PROCEDURE

At RTEC, we think you have the right and responsibility to express your requests, suggestions or complaints. We cannot promise that the solution is going to be exactly what you want, however, we will make our decisions based on all the facts and ordinary business practices. No employee will be discriminated against for making a complaint. Employees should have an opportunity to present their work-related complaints and to appeal a management decision through a dispute resolution or grievance procedure.

The grievance procedure is for employees with appropriate grievances. As used in this policy, the terms "reasonable time" generally will mean five working days.

You should always follow the procedures outlined below if you feel that you have been discriminated against because of race, color, religion, age, sex, national origin, or being disabled, a disabled veteran or Vietnam Era.

1. If and when you feel that you have been misunderstood or mistreated in any job action or if you have a question or a suggestion that might improve your job or operation, you should immediately talk with your supervisor.
2. If you are not satisfied with the answer from your supervisor, you should talk to or write to the Executive Director. The facts will be reviewed regarding the situation and you will be advised of the decision within ten workdays after you bring the matter to the attention of the Executive Director.
3. The Company may, at its discretion, refuse to proceed with any complaint it determines is improper under this policy. Further, this policy does not alter the employment-at-will relationship in any way.
4. The Executive Director will attempt to resolve promptly all grievances that are appropriate for handling under this policy and may be contacted toll-free at 800-321-7832, or by writing to:

Shirley L. Cummins, Executive Director
Rural Transit Enterprises Coordinated, Inc. (RTEC)
100 Main Street
Mt. Vernon, KY 40456

WAGE AND BENEFIT REVIEW

Wages and benefits are reviewed and adjusted on a periodic basis.

EMPLOYEE BENEFITS

For your protection now and even for your leisure time, RTEC provides a benefit program. These benefits are explained briefly over the next few pages. Please read them carefully. If you have any questions about the benefits, refer to the appropriate Benefit Manual or ask your supervisor. These benefits include:

Annual Leave/Vacation	Life insurance
Holidays	Social Security
Sick/Personal Leave	Funeral Pay
Medical Insurance	Jury Duty
Workers Compensation	Military Leave
Family Medical Leave (FMLA)	Unemployment Insurance
401-K Savings/Retirement Plan	

MEDICAL INSURANCE

RTEC will pay a budgeted amount toward its eligible employees' single-plan premium for health insurance for its active full-time workers in the event of a non-job-related accident or illness. The employee is responsible for paying the balance of the premium and any premiums for additional family members. This is subject to change at any time.

1. In order for an eligible spouse or dependent to be covered, the employee must authorize payroll deductions in the amount of the premium from their paycheck.
2. An employee is usually eligible to be covered on the first day of the following month after 90 days of employment, provided the employee is active, full-time, has paid the employee contribution, and if the employee has completed and returned the enrollment forms by the due date. If an employee declines coverage because they are covered under a spousal plan, they will become eligible to enroll immediately in circumstances of a qualifying event such as divorce, birth of a child or loss of coverage due to another qualifying event. The employee must notify the Human Resources

Department immediately if they have a qualifying event to complete an application within 30 days of the qualifying event. If the application is not submitted to the insurance carrier within 30 days of the qualifying event, the employee will not be eligible for enrollment until open enrollment period.

3. The Company will not continue medical coverage for you or your dependents during a lay off. If recalled within six months, your insurance will be reinstated; if more than six months, there will be a 90-day waiting period.
4. If you terminate your employment or work reduced work hours with RTEC you may be eligible to convert your group medical insurance policy to an individual policy through **COBRA**. You will be notified by the COBRA Administrative Systems. COBRA is briefly described below:

Declining Continuation of Coverage

The Continuation of Coverage Election Form should be completed even if the employee is declining continued coverage. In the event that an employee elects not to continue coverage, remaining eligible dependents may elect to continue coverage independent of the employee. These eligible dependants must complete the Continuation of Coverage Election Form within the 60-day election period.

Termination of Coverage (COBRA)

- a. The date the Medical Plan ends;
- b. The date the Medical Plan is changed to end the coverage for the class of Employees to which the Employee belongs;
- c. The date ending the period, for which you made any required contribution to the cost of the coverage and your contributions, has ended;
- d. The date an Employee ceases to be a member of the class for which the coverage is provided.

Continuation of Coverage (COBRA)

When an employee's coverage is terminated, that employee has the right to continue coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

- a. Eligibility - Persons eligible to apply for coverage through COBRA is called qualified beneficiaries.” To be a qualified beneficiary an individual must have been covered on the day prior to a qualifying event. Qualifying Events include the following:
 - b. Employee's termination, except for gross misconduct,
 - c. Employee's reduced work hours,
 - d. Employee's death,
 - e. Employee's divorce or legal separation,
 - f. Employee's entitlement to Medicare,
 - g. Loss of dependant status,
 - h. Commencement of Corporate Chapter 11 Bankruptcy proceedings but only for retirees and their dependents.

You or your dependents may be eligible to continue health coverage following termination of employment. If elected, the continued coverage will begin the day after your regular coverage ceased and will end 18 months following termination of employment. The monthly premium will not be more than 102% of the total premium. A participant will have 60 days from the date of notice or from loss of coverage (whichever is later) to return it the COBRA election form. A participant may elect to waive this coverage and will be asked to sign a waiver. If the forms are not returned within 60 days, we will assume you have decided not to continue your coverage.

By definition, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) applies only to employers who are engaged in commerce and who normally employ 20 or more employees on a typical business day during the preceding calendar year. RTEC is subject to COBRA.

Disabled COBRA Participants

For qualified beneficiaries that experienced either a Termination of Employment or Reduction in Work hours and who have been determined to be “Disabled” by Social Security Administration in the first eighteen (18) months of COBRA Continuation, will be offered an eleven (11) month extension. Both the “Disabled” COBRA Participant and all other individuals on the plan will be eligible for the eleven- (11) month extension.

WORKER'S COMPENSATION

RTEC provides workers' compensation insurance to help ease the financial burden that may be encountered should you, during your employment at RTEC, suffer a job-related injury.

1. You are eligible for workers' compensation insurance benefits your first day on the job.
2. In the event you incur a job-related injury, workers' compensation insurance will pay all reasonable medical and hospital expenses resulting from such an accident. In addition, if you are unable to perform work, you will be entitled to weekly benefits. State Law determines benefits.
3. The cost of the workers' compensation insurance premium is Company paid.
4. You are required to report any accident or injury *immediately* to your supervisor, or in the supervisor's absence, to the person in charge or the Human Resource Manager. The claim will be filed for you, but only if you report the accident *immediately*. You may be denied benefits if you fail to report an accident immediately. Paid leave will not be substituted for worker's compensation.
5. A physician's statement is required by RTEC and must not exceed 30-days.
6. An employee who is absent due to an accident or injury and is receiving worker's compensation benefits, where there is no paycheck through RTEC's Payroll Department for these deductions, they must pay their portion of the health, vision, or dental insurance. The employee is responsible for submitting payment to the Human Resources Department Manager if they are interested in continuing these benefits. FMLA and Worker's Compensation run concurrent; therefore, at the end of 12-weeks, the employee will be notified of their right to continue benefits under COBRA. (See FMLA and COBRA.)

TERM LIFE INSURANCE

RTEC provides a term-life insurance policy for active full-time employees to help ease the financial burden that may be encountered in the event of your death. An employee is responsible for reading the insurance booklet and understanding the terms.

1. You are eligible for life insurance benefits on the 1st of the month after completion of 90 days² employment if you have returned the completed application to the Human Resource Department and are an active full-time employee.
2. The cost of the premium for the life insurance policy is paid by RTEC.

3. In the event of your death, the insurance company will pay the full value of the life insurance policy to your beneficiary. You are responsible for having on record with the company the correct beneficiary.
4. The value of the life insurance policy and details are provided in your insurance booklet.

DENTAL AND VISION INSURANCE

RTEC currently pays a budgeted amount of the single-plan premium for dental and vision insurance for its active full-time workers. The employee is responsible for paying the balance of the premium and any premiums for additional family members. Continued coverage and the amount RTEC pays toward its employee's dental insurance premiums are subject to change and effective upon notice.

SOCIAL SECURITY

Social Security benefits are provided in order that you may have a source of income and medical insurance during your retirement years.

Your eligibility for Social Security benefits is determined at the time of need and is governed by Federal Law.

Social Security is a federally sponsored program that pays several kinds of benefits that are available to you during retirement, if you have contributed to the program during your working years. You may receive disability benefits should you become disabled prior to your retirement, and in case of your death, your family may be eligible for benefits.

The cost of Social Security benefits (FICA) is shared between RTEC and you. For every dollar you pay, RTEC matches it.

Claims for Social Security benefits should be filed at your local Social Security office.

RETIREMENT

RTEC provides a 401-K Employee Savings Plan through pretax payroll deduction with Employer match for full-time active employees for the purpose of supplementing your Social Security

benefits with additional retirement income. You must complete additional service requirements as described in the Plan to be eligible to participate. Other eligibility and requirements are explained in the retirement plan booklet.

PERSONAL LEAVE (Sick Leave)

Personal/Sick Leave provides an opportunity for full-time active employees to keep medical, dental, and optical appointments; funeral not covered under this policy; or to take care of urgent personal business that cannot be conducted after normal business hours. When absence exceeds two (2) consecutive workdays, we require a physician's statement indicating the nature of the sickness. Personal/Sick Leave is accrued at the rate of 2 hours per pay period worked, not to exceed 6 days per year. You are eligible for personal/sick leave after 90 days of employment if you regularly work full-time. Maximum accrual limits is sixty (60) days that may be used during the temporary disability of the employee.

All absences from work must be covered by available leave in order to be excused. An employee must have available leave to cover the absence. Under this policy, personal/sick leave hours will be reduced. To receive payment for the hours absent, adequate notice or approved documentation for the emergency must be provided and attached to the time sheet.

Personal/Sick leave cannot be transferred to other employees.

Personal/Sick leave is not used in computing overtime wages.

Absence on Personal/Sick leave does not constitute being present on the day before or after a holiday.

Accrued leave is not paid upon termination, during notice of resignation, or resignation.

ANNUAL LEAVE (Vacation)

RTEC provides vacation with pay for its full-time active employees in recognition of continuous service and for assuring periodic intervals of recreation, rest and diversion.

Following the first year of employment, full-time active employees will receive one-week vacation with pay. After two years or more of employment, full-time active employees you will receive two weeks vacation with pay. After 10 years or more employment, full-time active

employees will receive 3 weeks vacation with pay. After 15 years or more employment, full-time active employees will receive 4 weeks vacation with pay.

To keep all departments adequately staffed, vacation leave will be scheduled to have no more than two (2) employees in the same department on leave at the same time. Employees are required to work with the supervisor in scheduling vacation time as follows:

1. Use annual leave/vacation prior to the anniversary date,
2. Submit requests for annual leave/vacation a minimum of 2 weeks prior to the first date employee expects to take annual leave, and
3. Receive approval from your Manager before leave is taken.

Should you end your employment with the Company following one year of service, you will be paid all vacation due at the time of your termination, provided you return all property of the Company in acceptable condition.

If a holiday falls within your vacation period, you will be granted an additional day off.

Absence because of sickness, injury or disability in excess of that authorized for such purposes may be charged against annual leave.

The maximum leave limits for paid vacation or annual leave for qualifying employees is as follows:

Full Years of Service	Days of Paid Leave	Leave Limits
1 year	5 days	5 days
2 - 10 years	10 days	10 days
10 years or longer	15 days	15 days
15 years or longer	20 days	20 days

On the employee's employment anniversary date, all annual leave in excess of allowable leave days is lost.

HOLIDAYS

RTEC provides pay for certain holidays.

You are eligible for holiday pay after 90 days of employment if you regularly work full-time and if you have:

1. Worked your scheduled workday immediately preceding the holiday and following the holiday.
2. Performed work on a holiday if requested by your supervisor.

There are six (6) paid holidays yearly, as follows:

- (a) The first day in January - for New Year
- (b) The last Monday in May - Memorial Day,
- (c) The fourth day of July - Independence Day,
- (d) The first Monday in September - Labor Day,
- (e) The fourth Thursday in November - Thanksgiving,
- (f) The twenty-fifth day of December (or day designated for Christmas)

You will receive eight hours holiday pay at your regular straight-time hourly rate. If we require that you work on a holiday, you will receive in addition to 8-hours holiday pay, your applicable hourly rate for the hours worked. Holiday pay is not used in computing overtime wages.

UNEMPLOYMENT COMPENSATION

Unemployment compensation insurance is provided to help ease the unexpected financial burden if your employment is terminated through no fault of your own.

Your eligibility for unemployment compensation insurance benefits is determined at the time of need and is governed by State Law.

Benefits are provided in the form of weekly payments. The amount of the weekly benefit and the period coverage is determined at the time you file your claim with the State Unemployment Office and is governed by State Law.

The cost of the unemployment compensation insurance is Company paid.

After one-year on lay-off, the employee is not subject to recall.

You should file claims for unemployment compensation insurance at your Local State Unemployment Office.

JURY DUTY

When a full-time employee is summoned for jury duty, said employee will be placed in jury leave status. The Executive Director must receive a copy of the jury summons before the jury duty begins.

1. While serving in this capacity, an employee will receive regular wages during the time spent in Jury Duty. The Diem or compensation received by the employee for such performance will be reimbursed to RTEC.
2. Jury leave will not be counted against regular vacation or sick leave.
3. Employees are required to report to work when they are excused from appearing at jury duty.
4. The employee must work closely with the immediate supervisor in scheduling the absence while in jury status.

FUNERAL PAY

Only full-time employees are eligible for funeral pay. Leave with pay will be granted for a maximum of three (3) days during the death of an employee's Spouse, Father, Mother or Child. The employee may be absent from work with regular wages paid from the date of death up to and including the day of the funeral, providing the absence falls on the day the employee is regularly scheduled to work.

1. The employee will notify the supervisor as soon as possible, but no later than on the first day of absence regarding the leave to be taken.

MILITARY LEAVE

If you are a member of the Reserve Training Unit or the National Guard and must serve a tour of duty annually, you will be granted a leave of absence for two-weeks. Once you are made aware of the dates of your active duty, you must notify your supervisor immediately.

1. Except under special circumstances, a military leave will not be granted for a period in excess of ten (10) working days during any calendar year.

2. An employee desiring military leave will submit a written request to the Executive Director at least thirty (30) days prior to the proposed commencement date of said leave detailing the date of leaving and expected return.
3. An employee in military leave status will be compensated with wages that in addition to their military pay will equal to the regular pay, excluding any overtime wages.
4. An employee in military leave status will not be eligible for sick/personal leave.

FAMILY MEDICAL LEAVE ACT (FMLA)

The Family Medical Leave Act of 1993 requires employers with 50 or more employees within a 75-mile radius to offer workers up to 12 weeks of unpaid leave within a 12-month period for adoption or childbirth, or to care for a seriously ill child, parent, spouse, or the employee's own illness.

Military Family Leave: New Leave Entitlement. An eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered service member who is recovering from a serious illness or injury sustained in the line of duty on active duty is entitled to up to 26 weeks of leave in a single 12-month period to care for the service member. This military caregiver leave is available during "a single 12-month period" during which an eligible employee is entitled to a combined total of 26 weeks of all types of FMLA leave.

The 12-month period would be counted from the date of occurrence or the first day of the leave.

In the event an employee used less than a 12 weeks leave and returned to work after 6 weeks, the employee would be entitled to use the balance of the 12 week period at a later date during the same year, should the need arise.

RTEC will require that employees apply any accrued paid leave time to the FMLA leave period. An FMLA leave will also run concurrent with workers compensation leave.

RTEC will require a physician's statement to support an FMLA leave.

While in FMLA status, the employee must pay their portion of the premium for health, vision, or dental insurance.

An employee who does not return to work at the end of 12 weeks will have the opportunity to convert their health insurance to COBRA. (See COBRA.)

RTEC EMPLOYEE POLICY:

1. RTEC will continue to provide health care coverage for the employee during an FMLA leave. The employee will pay their share and any additional for family members.
2. RTEC may require the employee to pay back health care benefits provided the employee while on leave if the employee does not return from leave.
3. Job Protection: Except for "key employees" (highest paid 10%) RTEC will return an employee to either the same or comparable position when leave is ended, with equivalent pay, benefits, and working conditions. However, this requirement does not apply if the employee is no longer capable of performing the essential functions of their former job.
4. If the employee is no longer capable of performing their former job, they may be offered another position within the company at a different rate of pay, provided another position is available.
5. Employees will be required to provide 30 days notice to RTEC for foreseeable leaves, such as childbirth, adoption, or planned medical treatment.
6. RTEC may exempt (exclude/deny) key employees (highest paid 10%) whose leave would cause the employer to suffer economic hardship.
7. RTEC will exempt (exclude/deny) employees with less than one year of service or less than 1,250 hours or 25 hours per week during the previous 12 months.
8. In the event a couple is employed at the same location FMLA is restricted to 12 weeks total.
9. In order to return to work, an employee is required to provide a statement of fitness to return to duty.
10. If after 12 weeks of FMLA leave and the employee is unable to return to their former position, the employment is terminated.

NO SOLICITATION POLICY

Solicitation by an employee of another employee or customers is prohibited on Company time.

Distribution of advertising materials, handbills, printed or written literature of any kind in working areas of the Company is prohibited at any time. Distribution is also prohibited in non-working areas on working time.

Solicitation and distribution of printed or written literature of any kind by non-employees on Company premises are prohibited at all times.

ATTENDANCE POLICY

RTEC has a no-fault attendance policy. Attendance covers not only being at work. It also refers to being on time and being at your workstation, ready to work at the beginning of your shift and staying to the end of your shift. Attendance is required of all employees.

An excused absence is any absence that:

1. Is provided for by RTEC policy: Holidays (if not scheduled to work); Sick/Personal Leave and vacation (approved in advance by the Employee's Supervisor); Jury Duty; Funeral Leave (for the immediate family), or an accident.
2. Results from illness. Your supervisor has a right to request a doctor's excuse for any absence when they feel it is appropriate. Following two- (2) day's consecutive absence, a physician's statement is required.
3. Has the prior approval of the supervisor.
4. Your supervisor considers an emergency for which you could not have given advance notice.

Any absence that is not excused is considered an unexcused absence. Three- (3) day's absence without notice or failure to report to work will be grounds for termination of employment

Any employee who is scheduled to work during a shift and is not at their workstation during their shift is considered an absent employee.

Any day when an employee is not at their workstation during the scheduled shift is considered an absence.

Any occasion when an employee arrives at the workstation after starting time of their shift or during the scheduled shift is considered an absent employee. Personal time will be reduced and to receive pay for the absence requires approved documentation.

An employee will receive 1 point for each day of absence unless otherwise excused for absence under the terms of this policy. Employees are permitted as many as up to 10 points per year, which may be recorded as absences and not result in termination. Upon accumulating 10 attendance points the result is termination of employment. If an employee works 90 consecutive days without accumulation of a point, a point will be removed from the employee's attendance record. Accumulation of "negative" points will not be permitted. Each point expires and is removed from each employee's record at the end of 365 days.

If an employee is going to be absent they must call a minimum of 2 hours prior to the department start time. If prior to normal operating hours call dispatch. All employees must call your supervisor at 800-321-7832 or 606-256-9835.

Not calling in will result in disciplinary action. All employees must call in each day that they are going to be absent.

The following outline illustrates notification and disciplinary action/procedure for accumulation of points:

- 7 points - verbal warning with a written notice
- 8 points - written warning
- 9 points - 3 day suspension without pay
- 10 points - termination of employment

If the employee misses work due to a serious health condition, the employee may be entitled to leave under the Family Medical Leave Act. A copy of the FMLA policy is in this manual or you may request a copy of the policy from the Human Resources Department. Any continuous absence, which does not warrant a leave of absence under the FMLA, and is due to the same cause throughout period of (5) days, will be charged as only one point. Also, please note that in any absence, call-in procedures still apply.

A point will not be charged if the absence is for funeral under this policy, jury duty, FMLA leave of absence as long as the employee provides proper documentation of the event, or a worker's compensation incident.

RTEC POLICY PROHIBITING SEXUAL HARASSMENT

It is our policy, in accordance with providing a positive, discrimination-free work environment, that sexual harassment in the workplace is unacceptable conduct that will not be condoned.

Sexual harassment is unsolicited, nonreciprocal behavior by an employee who is in a position to control or affect another person's job status and who uses the power or authority of that position to cause that employee to submit to sexual activity, or to fear that they would be punished for refusal to submit.

Sexual harassment also includes any employee conduct unreasonably interfering with another's work performance by creating an intimidating, hostile, or offensive working environment. Sexual harassment consists of a variety of behaviors by employees directed to other employees

including, but not limited to, subtle pressure for sexual activity, inappropriate touching, inappropriate language, demands for sexual favors, and physical assault.

RTEC will treat sexual harassment as any other form of misconduct. Employees who engage in harassing behavior will be disciplined appropriately.

Employees who are sexually harassed are encouraged to discuss the situation with their supervisor, human resource manager or with the executive director of the firm.

DRESS CODE – Personal Appearance

It is the policy of the company that each employee's dress and grooming be appropriate to the work situation and governed by the requirements of safety and comfort. We want all employees to dress comfortably while maintaining an appropriate dress/appearance. Favorable personal appearance is an ongoing requirement of employment with the company. Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image that the company presents to customers, visitors and other employees.

Employees working in the central business office should dress in appropriate business attire. Anytime a meeting is scheduled appropriate professional dress is required.

All members of the staff are prohibited to wear provocative clothing; pins, caps, slogans, badges or other items with advertisement other than RTEC. Other apparel prohibited includes: (examples) cut-offs, shorts, gym wear, tank tops, frayed jeans, mini skirts, clothes with holes or stains, ripped clothing, loose clothing, and facial jewelry. Drivers are not allowed to wear loop earrings because of safety reasons. Please do not wear anything that could cause a safety hazard. Use common sense in selecting clothing for work. Remember safety and professionalism.

Any employee who wears a moustache or beard must keep both or either in neat appearance, trimmed and moustache cannot exceed the lip line.

Any employee who does not meet the standards of this policy will be required to take corrective action, which may include leaving the premises. Employees will not be compensated for any work time missed because of failure to comply with this policy. Violations of the personal appearance dress code will result in disciplinary action.

WORK RULES

All RTEC employees share responsibility for keeping their equipment and departments operating safely and efficiently. In order to accomplish this, certain rules and regulations are necessary. This section of your Handbook outlines the work rules which experience has shown to be most effective in maintaining good working relationship. Be sure you know the rules and what is expected of you. Violation of any rule may subject you to discipline.

THE FOLLOWING ARE WORK RULES WHICH ALL EMPLOYEES ARE EXPECTED TO FOLLOW:

1. **BE REGULAR IN ATTENDANCE.** There is a real need for your services. Absenteeism creates problems for you, your supervisor and other employees. Any time you are absent, your supervisor may require you to furnish evidence that your absence was necessary.
2. **KEEP YOUR SUPERVISOR INFORMED WHEN YOU ARE ABSENT.** Give advance notice. Contact your supervisor daily unless told otherwise. Fully explain your reasons for not coming to work.
3. **BE ON TIME.** Your supervisor depends on you to do your work on schedule. Be on the job ready to work at the beginning of your shift. You should not be on the Company's premises outside your working hours unless your supervisor has approved.
4. **OBSERVE SAFETY RULES.** Know and follow the safety rules in order to prevent injury to yourself and others and to prevent damage to equipment and property. Report all injuries immediately to your supervisor.
5. **PERFORM YOUR JOB PROPERLY.** Take pride in your work. Be sure to follow orders; you are a member of a team. Your supervisor is responsible for directing your work and will be glad to answer questions or listen to suggestions.
6. **REPORT incidents and/or accidents immediately when they occur.** Make sure records or reports that you keep are accurate, complete and turned in on time.
7. **STAY AT YOUR JOB STATION.** The work you are doing is important. Be sure you do not leave your work area unless authorized by your supervisor. Avoid gathering in groups or interrupting the work of others, or doing anything to slow down production. Avoid reading newspapers, magazines or any other distraction on the job.

8. KEEP ACCURATE TIME RECORDS. Your time sheet is the record of the hours you have worked and the pay you have earned. You may check in 5 minutes before the beginning of your shift or check out 5 minutes after the end of your shift. Do not record the time of other employees. Your time record must agree with the time record maintained by the supervisor and you must not perform work when unauthorized to do so. If a time card is provided, you are required to use it as instructed.
9. AVOID HORSEPLAY. There is no place at work for horseplay. A practical joke or an unsafe act interrupts work and could cause a serious injury.
10. KEEP PERSONNEL RECORDS CURRENT. It is important that you promptly report changes in home address, telephone number, marital status, and number of dependents so that payroll, insurance and other records may be kept up to date.
11. USE BULLETIN BOARDS PROPERLY. Bulletin boards are used for announcements, work schedules and other notices to all employees. The Executive Director must approve all notices.
12. AVOID UNAUTHORIZED ACTIVITIES. Any form of unauthorized activity, including disorderly conduct, anywhere in or around the Company premises during working hours is not allowed. Solicitations are strictly prohibited except when approved by your supervisor. Avoid wearing items that may be upsetting to others. Wear Company uniforms as provided, proper identification, sturdy footwear and safety equipment.
13. KEEP YOUR WORK AREA AND EQUIPMENT IN GOOD ORDER. Be sure to keep your equipment in good order and practice good housekeeping. Operate only assigned vehicles and equipment during the time of assignment. Safety and good workmanship must follow.
14. DO NOT USE TELEPHONES, COMMUNICATIONS, OR EQUIPMENT FOR PERSONAL USE. Ask your supervisor before making personal telephone calls during working hours. Personal calls should only be made or received in cases of emergency through company phones. Personal cell phones are limited to use during the employee's assigned break.
15. FOLLOW WORK AREA RULES. Different departments have different rules of operation, safety and conduct. Be familiar with the rules and follow them.

SERIOUS VIOLATIONS

People know that there are certain types of misconduct, which are very serious and could cause them to lose their jobs the first time they occur. For most, it is a matter of common sense. But, to avoid and possible misunderstanding, these include the following:

1. Violations of a safety rule that endangers life or property.
2. Insubordination-Failure to follow an order, disobedience; failure to submit to authority as shown by demeanor or words, except not following an order which is unsafe then reported.
3. Theft or unauthorized possession of company property.
4. Political activity other than voting or private expression of opinion.
5. Use of abusive or threatening language; Fighting.
6. Falsification of work/records, application, time record, medical record, doctor excuse, etc.
7. Possession, use, being under the influence or sale of illegal drugs or alcohol.
8. Possession or use of dangerous weapons.
9. Sleeping on the job without authorization.
10. Engaging in any form of sexual or other harassment.
11. Leaving before end of the shift or walking off the job.
12. Serious violation of any other Company rule, violation of Federal, State, or Local Law.
13. More than one garnishment of wages.
14. Incurring expenses in the name of RTEC without prior written approval of the Executive Director of RTEC.
15. Violation of confidentiality.

16. Removing or distributing any work that is conducted for RTEC without prior consent of the Executive Director.
17. Unsatisfactory attendance including absence for more days than allowed by the policy.
18. Poor or unsatisfactory job performance.
19. Outside employment without the prior written approval of the Executive Director.
20. Failure to report an accident or damages to property at the time of occurrence.
21. Failure to complete transportation request,
22. Transportation of an individual without authorization to do so,
23. Knowingly violation of a reasonable and uniformly enforced rule of the Company.
24. Conduct endangering safety of self, co-workers, customers or the public.
25. Reporting to work under the influence of alcohol or drugs or consuming alcohol or drugs on Employer's premises during working hours, or drug/alcohol conviction at any time.
26. Incarceration in jail following conviction of a misdemeanor or felony by a court of competent jurisdiction, which results in missing at least three (3) days work.
27. Failure to keep staff and client relationship in a professional business manner only.
28. Having in possession or on RTEC premises any pornographic material or other materials that are offensive to the public, passengers and co-workers.
29. Operating a Company motor vehicle while talking or texting on cell phone.

SAFETY RULES

For the protection and conservation of employees well being, "Safety must be the first thought in everything we do". Think of your life, your family and your future. Know and follow these rules:

For All Employees

1. Wear the safety equipment provided and promptly request safety equipment when it is not available.
2. Lift with your legs, not with your back--set your feet firmly--bend your knees--keep your back straight--do not twist your body. If too heavy, get help.
3. Report any personal injury, however minor, IMMEDIATELY to your supervisor. Delayed reporting of an injury is inexcusable.
4. Do not run; do not jump; watch your step; keep firm footing and balance at all times. Do not enter unauthorized areas.
5. Wear no loose clothing, torn sleeves, key chains, rings, keep long hair tied back, etc. when operating machinery or certain equipment.
6. Never operate faulty or unsafe equipment.
7. Keep your work area clean and free of loose objects, stumbling and tripping hazards.
8. Regularly inspect the fire extinguishers and first aid kit. Report to your supervisor any charged or damaged extinguisher and missing items from the first aid kit.
9. No alcoholic drinks, drugs, or people under the influence are allowed on the premises or in the Company's vehicles. Violator will be discharged; barred from services.
10. No employees will pick-up a hitchhiker or allow anyone to ride in the company-owned vehicles unless they are an authorized company employee or authorized company personnel have granted permission.
11. All private and visitors vehicles will be parked in designated areas.
12. Never use flammable liquid for cleaning purposes. Keep flammables in a safety-type container. Clean up any spills of flammable liquid immediately.
13. Use caution with machines for cutting and punching paper. Never allow student workers to operate paper-cutting machines.
14. Inspect each ladder before using. Use caution.
15. Never leave unsafe conditions unguarded or unmarked, even temporarily. Properly store tools.

Vehicle Operators

1. Wear safety belts and back supports.
2. Use parking brakes appropriately, lock the doors & take the keys.
3. Drive safely and observe speed limits.
4. Properly position flares during vehicle breakdowns.
5. Attend training sessions and observe safety rules.
6. Shut gasoline motors down before refueling. Do not allow the tank to be over-filled.
7. Never leave a vehicle unattended while idling.
8. Wear non-skid sole shoes completely enclosing the foot
9. *NO SMOKING* on RTEC vehicles at any time. Smoking is limited to break-time.
10. Do not deviate from the schedule unless authorized to do so.
11. Refer to the *Vehicle Operators Manual and Drivers Handbook* for rules and safety precautions.

Garage and Maintenance Team

1. Report any unsafe condition, mechanical defect or electrical immediately to your supervisor.
2. Never operate equipment unless all guards are in place.
3. Never chip, grind, burn, use compressed air, steam or acids without use of safety goggles.
4. Never look at electrical weld arc without welding goggles, or welding hood. Use a curtain or shield when welding in a shop area to protect others from flash burns.
5. Never stand under suspended loads or in danger zone of falling objects or moving equipment.
6. Always keep your hands and feet clear of pinch points.
7. Use the right tool and use it properly. Do not use defective tools.
8. Be sure all electrical devices, power tools, etc. are properly grounded.
9. Never grease machinery or equipment while in operation. Never repair a vehicle while motor is running.
10. Tag all unsafe equipment and machinery. Sign your tag.
11. Never allow unauthorized persons to enter the garage service bay or work area.
12. When operating electrical switches, stand on insulated mat. Keep switch panel fronts closed while equipment is in operation.
13. Use rubber gloves and insulated stick on transformer switches.
14. Mobile equipment including vehicles parked on inclines should be properly scotched.
15. Never crawl under vehicles without having a responsible person in the area to stand by. When working under equipment, a block must be used to prevent pinning or crushing a worker.

16. Properly label all equipment and tools.
17. Use fire extinguishers properly and replace charged or faulty extinguishers. Properly maintain first aid and eye wash kits. Replace contents as needed.
18. Always use equipment in a careful manner. Negligent operation of equipment cannot be tolerated.
19. Make sure everyone is in the clear before starting machinery or equipment.
20. Each operator is responsible for the safety of their respective machine and safety equipment.
21. *NO SMOKING* in garage service area.
22. Open flame heating units are strictly prohibited.
23. Shut gasoline motors down before refueling. Do not allow the tank to be over-filled.
24. Never leave a vehicle unattended while idling.
25. Wear non-skid sole shoes completely enclosing the foot.
26. Use caution in your work area and demand caution by others to prevent accidents.

CONFIDENTIALITY

A Confidentiality Agreement exists with employees and prospective employee's confidentiality in connection with work that is performed for RTEC during the course of employment, and thereafter.

All information received as an employee of RTEC regarding clients, cases or business practices will be maintained confidentially.

As an employee of RTEC, you may have access to certain privileged information that must be maintained confidentially. In this connection, as a condition to furnishing you with this information you agree that this information and any other information, which RTEC furnishes to you or you obtain through the course of employment, will be kept confidential. This includes but is not limited to the business, operations, finances, clients, employee information, properties and affairs of RTEC.

All materials and records will be treated as belonging to RTEC, and will not, without the prior written consent of the Executive Director of RTEC, be disclosed in any manner, in whole or in part, to anyone who is not one of RTEC's affiliates or representatives.

If your employment is terminated for any reason, you agree to return to RTEC all materials and all copies, summaries and notes of the contents or parts of this material (regardless of who made them), without retaining any copies of any of this material.

No failure or delay by us in exercising any right, in whole or in part will operate as a waiver of

any other right. The internal laws of the State of Kentucky will govern this Agreement.

It is further understood and agreed that money damages may not be a sufficient remedy for any breach of this Agreement by you and that RTEC will also be entitled to specific performance as a remedy for any such breach. These remedies will not be deemed to be the exclusive remedies for your breach of this Agreement, but will be in addition to all other remedies available at law or equity to RTEC.

This document will remain in the personnel file.

Progressive Discipline and Counseling

RTEC has adopted rules and standards to ensure productive, harmonious operations. Although you are employed at-will, the best interest of RTEC Transportation lies in ensuring fair treatment and in making certain that discipline is prompt, fair, and uniform.

RTEC endorses a philosophy of progressive discipline in which it attempts to provide counseling and an opportunity to improve whenever reasonable. Your performance and conduct is evaluated on an ongoing basis, with feedback provided when necessary. Informal discussions may be used to ensure that you know and follow rules and standards. These discussions should focus on clarifying expectations, providing appropriate training and development and coaching.

In some cases, corrective action is necessary. Progressive steps may include, but are not limited to, verbal warnings, written warnings, unpaid administrative leave and termination of employment. RTEC Transportation retains the right to administer corrective action in any manner or at any level it deems suitable and any of the steps listed above may be skipped. Termination of employment may also occur at any time without any progressive disciplinary steps having been taken, as the Progressive Discipline policy does not alter your at-will employment status.

Disciplinary Guidelines

This list does not include all infractions subject to disciplinary action. The Groups are suggested guidelines only. The supervisor will make the final determination of any action to be taken for any infraction of policy and procedures.

Group A Infractions (1st Verbal Counseling, 2nd Written, 3rd Suspension, 4th Discharge)

- | | |
|---|---|
| 1. Abuse of lunch and break policy | 2. Excessive excused absences (6/year) |
| 3. Frequent absences before/after a holiday | 4. Frequent absences before/after weekend |
| 5. Carelessness / minor inefficiency | 6. Horseplay that interferes with work |
| 7. Failure to take care of RTEC property | 8. Altering the Bulletin Board |

- | | |
|---|---|
| 9. Interfering with an employee's work | 10. Attending to personal affairs on duty |
| 11. Refusal to work reasonable overtime | 12. Creating unsanitary/unsafe conditions |
| 13. Minor violation of policy/procedure | 14. Failure to observe parking policy |
| 15. Smoking in prohibited areas | 16. Failure to comply with dress code |

Group B Infractions (1st Written Counseling, 2nd Suspension, 3rd Discharge)

- | | |
|--|--|
| 1. Customer complaint minor in nature | 2. Work performance not up to standards |
| 3. Inappropriate conduct on the premises | 4. Breach of confidence / ethics |
| 5. Using RTEC supplies for personal use | 6. Taking RTEC property off the premises |
| 7. Failure to comply with safety policies | 8. Failure to follow supervisor's instructions |
| 9. Failure to report on the job injury | 10. Inability to get along with other staff |
| 11. Absence without prompt notification | 12. Three Group A infractions in 3 months |
| 13. Violation of policy that could result in harm to clients/employees; major property damage; or damage to RTEC image. This includes vehicle/non-vehicle accidents. | |

Group C Infractions (1st Suspension, 2nd Discharge)

- | | |
|--|--------------------------------------|
| 1. Leaving work without supervisor's approval | 2. Sleeping on the job |
| 3. Unauthorized use of IT machines | 4. Tampering with IT machines |
| 5. Customer complaint, serious in nature | 6. Absence without report for 1 day |
| 7. Arrest-felony/serious misdemeanor | 8. Three "C" infractions in 6 months |
| 9. Violation of policy that results in harm to clients/employees, major property damage, or damage to RTEC's image. This includes vehicle/non-vehicle accidents. | |

Group D Infractions (1st Discharge)

- | | |
|--|--|
| 1. Falsification of records & applications | 2. Falsification of Time Sheet |
| 3. Refusal to carry out orders | 4. Willful damage of RTEC property |
| 5. Solicitation of gifts for service | 6. Theft (regardless of amount) |
| 7. Weapons/explosives on premises | 8. Violation of the FTA drug & alch. policy |
| 9. Conviction-felony/serious misdemeanor | 10. Absence for 3 days without report |
| 11. Tampering with computer files | 12. Insubordinate acts or statements |
| 13. Failure to provide a medical release | 14. Failure to report an accident |
| 15. Breach of confidentiality | 16. Inability to produce at a satisfactory level |
| 17. Any act or conduct that is seriously detrimental to the well-being of a client, co-workers, visitor, or RTEC Transportation or defaming to RTEC. | |

RTEC Transportation Communication Systems

All communications systems are property of RTEC Transportation and are to be used for business purposes. Because these communication systems are provided for business purposes, you should have no expectation of privacy regarding the personal use of any RTEC

Transportation communication systems. Communications and systems use may be audited by authorized management at any time without notice. RTEC Transportation communication systems include, but are not limited to, e-mail, telephone, Internet, fax, voicemail, bulletin boards, and interoffice mail. You are to use proper discretion in the amount and length of non-business use of RTEC Transportation communication systems.

You must be mindful that your association with RTEC Transportation will be visible to any recipient of an electronic communication. You must assure that your communications are consistent with the RTEC Transportation mission and accepted community standards.

Prohibited uses of RTEC's communication systems include, but are not limited to:

1. Developing, accessing or distributing material which:
 - harasses or disparages others, or contains ethnic or racial stereotypes, epithets or slurs;
 - contains pornography, profanity, violent or sexually explicit images, messages, or cartoons;
 - solicits for commercial ventures or outside organizations;
 - advocates positions not officially endorsed by RTEC Transportation;
 - violates any applicable law
2. Personal mass e-mail distribution ("spamming"), unauthorized computer access ("hacking"), obtaining pirated software, or violating copyright protections.
3. Distributing sensitive, proprietary, confidential, or private information of RTEC Transportation without appropriate authorization.
4. Obtaining unauthorized access to another employee's or volunteer's communication systems, or sending unauthorized communications under another employee's or volunteer's name.

RTEC Transportation communication systems may not be used in situations that violate federal, state or local law. In appropriate use of any RTEC Transportation communication systems may result in disciplinary action, up to and including termination of employment.

EQUAL OPPORTUNITY/AFFIRMATIVE ACTION POLICY STATEMENT

Rural Transit Enterprises Coordinated (RTEC) is an Equal Employment Opportunity/Affirmative Action (EEO/AA) employer. As such, it is the policy and practice of RTEC that:

- A. No person shall be discriminated against in recruitment, selection, transfers, layoffs, promotions, compensation, terminations, training, benefits, and/or terms and conditions of employment because of their race, color, religion, creed, gender, national origin, age, disability, or veteran status, genetic information or any other legally protected status.
- B. RTEC is committed to an Affirmative Action Program, including the establishment of goals and timetables, that continues RTEC's previously-developed policies and practices regarding RTEC's Affirmative Action position and that reflects additional actions and employment practices, which ensure that discrimination of any kind, real or perceived, is eliminated from the RTEC culture.
- C. The responsibility for the implementation of RTEC's EEO Program is assigned to Sheila Stallworth, EEO Manager.
- D. All management/supervisory personnel share in this responsibility and will be assigned specific tasks to assure compliance is achieved.
- E. All applicants and employees have the right to file complaints alleging discrimination with the appropriate official(s).
- F. Performance specifically related to contributions to the success of RTEC's EEO Program by managers, supervisors, etc. will be evaluated the same way as their performance on other authority goals is evaluated.
- G. Successful achievement of EEO goals will provide benefits to RTEC through fuller utilization and development of previously underutilized human resources: and
- H. Goals and objectives have been established to continue efforts of correcting any residual underutilization of persons in RTEC's workforce that may still exist and to further advance RTEC's ongoing commitment and practice to ensuring that all barriers to Equal Employment Opportunity, real or perceived, are removed.

RTEC will effectively comply with Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Executive Orders Nos. 11246, 11375 and 11625, and all other applicable laws, codes and regulations.

Furthermore, RTEC desires not merely to refrain from employment discrimination practices of any kind or type as required by Federal and State laws, but proactively to take positive and aggressive actions to realize full Equal Employment Opportunity. To accomplish this, I reaffirm my commitment to these goals.

Shirley L. Cummins, CCTM
Executive Director

Date

A complete copy of the EEO/Affirmative Action Plan is available in the Human Resource Department.

EMPLOYEE NOTES:

CERTIFICATE OF RECEIPT

I, _____ (employee), acknowledge receipt of the Personnel Policies and Procedures Manual and that I am responsible for knowing its contents and keeping it updated. I also understand that this Manual is Company property that must be returned to the Executive Director when I leave this organization.

I further understand that this Manual does not create a contract with the Company for any purpose and that the provisions of this Manual may be modified or eliminated at any time.

Issued To: _____

Signed: _____

Date Received: _____

Note: RTEC reserves the right to amend or terminate this policy at its discretion.

This receipt will remain on file at the office of the Rural Transit Enterprises Coordinated, Inc. (RTEC).