EMPLOYEE HANDBOOK



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To: All Employees

The following pages contain policies and procedures established for individuals employed by **Messiah Lutheran Church of Bullock Creek** located in Midland Michigan.

Please read this handbook carefully. Although this does not constitute a contractual agreement, we hope it will provide guidance and answer your questions. Any further questions may be directed to the Senior Pastor or his delegate.

May God bless you in all you do!

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SECTION 1 - INTRODUCTION

1.1 Welcome

Welcome to Messiah Lutheran Church!

We consider you to be a gift from God and look forward to working with you as a member of our ministry team. The gifts and talents you bring to your position are most appreciated. We are committed to working together with you in service to our Lord through this ministry.

As an employee of the church, you represent this ministry in both your work life and private life. Our hope is that you would always be sensitive to how others may see you as you live out your daily life. We encourage you to strive toward living a life that is an example to others of your relationship with God and your belief in the Church's Mission Statement.

We pray that you will look to your Lord daily as you go about your work in a way that is suggested in this portion of a prayer from "The Lutheran Book of Prayer."

"Grant that I may day by day put forth efforts which are pleasing to Thee, helpful to my fellow men, and sufficient to provide for my daily needs. Keep me mindful that my service must be done not merely to men but to Thee. Help me to remember that in all things, my sufficiency is of Thee and that whatever I do is to be done to Thy

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glory. Give me joy in my labor; sincerity in my service, and unselfishness in all my striving. Help me to be faithful in all things, for the sake of Him who died for me." Amen

1.2 Introductory Statement

The following pages contain a general overview of procedures and policies established by our congregation for its employees, as well as an explanation of certain benefits provided with this employment. We want you to feel that, although there are rules to follow, you also sense participation in the servant role to the members of Messiah Lutheran Church. We hope you will find joy in your work and friendship among your co-workers.

It is important for you to read, understand, and become familiar with the handbook and comply with the standards which have been established. Please talk with your supervisor or the Senior Pastor or his delegate if you have any questions or need additional information.

Obviously it is not possible to anticipate every situation that may arise in the workplace or to provide information that answers every possible question. As a result, the church reserves the right to modify, supplement, rescind, or revise any policy, benefit, or provision from time to time, with or without notice, as it deems necessary or appropriate.

If there is a conflict between the provisions, benefits, and policies in this employee handbook and those set forth in the terms of a staff member's call or contract, the terms of the call or contract shall prevail.

1.3 Mission Statement

Reaching one more life with Jesus by creating environments for life transformation.

1.4 Statement of Faith

Confession

This congregation accepts all the Canonical books of the Old and New Testaments as the inspired and revealed Work of God, and all the Symbolical Books of the Evangelical Lutheran Church, contained in the Book of Concord of the year 1580, as the correct presentation and true exposition of Christian Doctrine drawn from the Holy Scriptures, namely:

The Three Ecumenical Creeds: the Apostolic, the Nicene, and the Athanasian

- The Unaltered Augsburg Confession
- The Apology of the Augsburg Confession
- The Smalcald Articles
- Luther's Large Catechism
- Luther's Small Catechism
- · The Formula of Concord

No doctrine or practice in conflict or inconsistent with the above norms of our faith and life shall be taught or tolerated in this congregation.

SECTION 2 - EMPLOYMENT

2.1 Your Employment

2.1.1 Employment at Will

As a non-rostered or non-contracted employee of Messiah Lutheran Church, the employment relationship is one of mutual consent. The employment relationship is terminable at the will of the employee or Messiah Lutheran Church; that is, either you or Messiah Lutheran Church may end this relationship at any time for any reason.

2.2 Equal Employment Opportunity

Messiah Lutheran Church is in full agreement with the intent of the Civil Rights Laws. It is our firm belief that the basis of employee selection for hiring, promotion, transfer, training, job assignment, hours of work, rate of pay, and working conditions should be according to ability, not age, race, color, national origin, ancestry, sex, handicap, or any other factors not considered pertinent to performance.

Because we are a church body, certain positions demand extensive understanding of, and commitment to, the doctrinal view of The Lutheran Church-Missouri Synod. For such situations it is necessary for us to seek out individuals with specific religious training and synodical recognition. To the extent allowed by State Law, the congregation may give preference in hiring of persons who are members in good standing of a Lutheran Church-Missouri Synod congregation.

The position of pastor and associate pastor at Messiah Lutheran Church are required to be held by ordained ministers of The Lutheran Church-Missouri

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Synod. Based on religious belief, only males are ordained ministers in The Lutheran Church-Missouri Synod. Therefore, for those positions, females will not be considered for employment.

2.3 Immigration Reform and Control Act of 1986

The church is committed to full compliance with the federal immigration laws and will not knowingly hire or continue to employ anyone who does not have the legal right to work in the United States.

As a condition of employment, you will be required to provide documentation verifying your identity and legal authority to work in the United States which includes the completion of Form 1-9, Employment Eligibility Verification.

2.4 Employment of Minors

The hours of employment and working conditions strictly follow the regulations set forth by federal and state laws.

2.5 Employment of Relatives

The employment of relatives at Messiah Lutheran Church is permitted. Employees will not have direct supervision of relatives, nor should family be placed on the same leadership team. BOD must approve the hiring of any full time family members. BOD must also approve the transition of family members from a part-time position into a full time position.

2.6 Employee Classifications

There are four classifications of employees as follows:

Full-Time, Class one

Any employee who works more than 30 hours a week and more than 5 months per year.

Full-Time, Class two

Any employee who works 21 - 30 hours a week and more than 5 months per year.

Part-Time

Any employee who works 20 hours or less per week and more than 5 months per year.

Temporary

Any employee who works less than five months per year or is hired and paid for specific ministry activities.

You will be asked to sign a statement recognizing your part-time or temporary status and therefore ineligibility for benefits.

2.6.1 Overtime

The overtime compensation requirements (Section JV-C) of the Fair Labor Standards Act (FLSA) classify all employees as exempt or non-exempt according to the following definitions:

Salaried Exempt

Positions of managerial, administrative, or professional nature are exempt from mandatory overtime payments. Such positions will perform office work related to management operations, exercise discretion, latitude in judgment, assist managers, or perform specialized or technical work; less than 20% routine work.

Hourly Non-Exempt

Positions of clerical, technical or service nature, as defined by statute, are covered by provisions for overtime payments.

2.7 Job Descriptions

In order to mutually understand what is expected of a new employee and what the employee will be held accountable for, a job description is utilized.

Employees will be given a job description before they start work. A job description summarizes your duties and responsibilities and gives you important information about your new job. Please read and study your job description carefully and discuss it with your supervisor if you have any questions.

The church reserves the right to revise and update your job description from time to time, as it deems necessary and appropriate.

2.8 Performance Evaluations

Based on actual work performance, a review will be conducted with you by your supervisor annually. This is a formal and documented review. Casual and undocumented discussions with your supervisor will also be a part of your performance evaluation.

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PURPOSE: The purpose of the performance evaluation is to let you know how well you are doing. Written performance evaluations may include commendation for good work, as well as specific recommendations for improvement. This review is intended to provide support for the individual; to improve the performance of the individual by providing meaningful, constructive feedback on the adequacy of performance; and to assist in the development and fulfillment of professional and personal growth goals. Your signature on the review form will serve as notice that the review has taken place and not whether you agree or disagree with the contents. You may include comments regarding the review and these comments will be included with the performance review document.

2.8.1 Performance Review

In order for you to become acquainted with your new position and for your supervisor to be assured you are suited to your new position, all new employees will have an initial performance review during the first three months after commencing work. Additional reviews may be conducted if performance warrants. Annual reviews for all employees will be conducted during October and November.

You will have the opportunity to discuss your performance evaluation with your supervisor. Although it is not necessary for you to wait for formal reviews to ask questions, this is a good time to ask questions and clarify important points. Performance evaluations help the church make important decisions about job placement, training and development, and pay increases. A satisfactory performance evaluation does not guarantee a salary increase nor does it alter, modify, or amend the employment-atwill relationship between you and the church.

SECTION 3 - BENEFITS

3.1 Introduction

The congregation maintains a benefit program, which is designed to help meet the needs of its employees. The following information in this section outlines your benefits as an employee of the church.

Exemption of Preschool Staff

Preschool staff is paid for continuous service throughout the preschool calendar year including the two (2) weeks before and after class sessions. Based on a preschool session schedule, vacation and holiday days are built into the schedule. Therefore, preschool staff does not receive vacation or holiday hours which accrue on a calendar basis. Preschool staff does receive five (5) days of PTO time allowing them to have paid days off while a substitute teacher fills in for them in their class.

3.2 Vacation

Full-time Class 1 and 2 employees will be given vacation at the beginning of each calendar year based on their length of continuous service with the congregation, as follows:

Length of Continuous Service	Vacation	
	FT-1	FT-2
First calendar year of employment (prorated - months worked)	80 hours	60 hours
After 2* through 5 years	120 hours	90 hours
After 5 through 10 years	160 hours	120 hours
After 10 years	200 hours	175 hours

*At the beginning of the year following the year of employment, the employee will be considered to have begun their second year of service.

New or current employees with previous experience as an employee of another church or related organization may receive credit for years of service as it relates to vacation.

Requests for vacation time should be submitted to the appropriate supervisor for approval at least one (1) month in advance for vacations of at least five (5) consecutive days. Shorter notice is allowed for vacations of four (4) days or less provided it does not interfere with scheduled work. Vacation time must not cause a significant interruption in the day-to-day operations of the church. Noting that days off and extended vacations may be denied by your supervisor during key times of church ministry. This would include 2 weeks prior to Holy Week, fall ministry kick-off (Labor Day), and Christmas.

Vacation is a reward for faithful service, and employees are encouraged to use all their vacation time as a means of rest and recuperation. Pay will not be granted in lieu of vacation.

Holidays that fall during a scheduled vacation will be paid as holidays and will not be charged against the employee's vacation.

Full-time class 1 and 2 employees will receive pay for unused vacation time for the current year, upon termination of employment. The number of full months worked prior to termination determines the prorated 'earned' vacation for that year.

3.3 Personal Time Off (PTO)

Full-time and part-time employees will be given personal time off to be allocated at the beginning of each calendar year as follows:

- Full-time class one and class two employees will receive 40 hours.
- Part-time employees are not eligible for PTO benefits.
- Temporary employees are not eligible for PTO benefits.

PTO can be used for sickness, snow days, doctor or other appointments, vacation, etc. Unused PTO may not be carried-over into the following year nor may pay be granted in lieu of PTO. Upon termination of employment, employees will not receive pay for unused PTO.

3.4 Holidays

The congregation observes the following holidays for which all full-time employees will receive regular pay. Due to the nature of church business some employee are required to work on Holidays. They will be compensated at regular pay.

- New Years Day
- Good Friday (beginning at Noon)
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Friday after Thanksgiving
- Christmas Eve (beginning at Noon)
- Christmas Day
- Employee's Birthday/Floating Holiday

The following general provisions apply to holiday pay:

- Holidays will be observed on the calendar day designated by the church for observance.
- Holidays falling on Saturday will be observed on Friday, and holidays falling on Sunday will be observed on the following Monday.
- A holiday that falls on a scheduled vacation day or on an employee's time off for sickness will be recorded as holiday time.

3.5 Attendance

It is important for employees to be present at the start of their work day to promptly begin work. Other staff and the congregation rely on workers being at their assigned tasks at scheduled times so the work of the ministry can be carried out smoothly.

Employees should notify their supervisor in advance of an absence to assure that assigned tasks can be completed as scheduled.

A consistent pattern of absence, whether excused or unexcused, may lead to disciplinary action, up to and including termination.

3.6 Bereavement

Time off with pay for full-time and part-time employees is available in the event of a death in your family.

If death should occur in your immediate family (spouse, child, parent, parent-in-law, son-in-law, daughter-in-law) up to five days may be approved to attend the funeral. Additional leave may be granted for extenuating circumstances upon approval from your supervisor.

If there is a death of a close relative (grandparent, brother, brother-in-law, sister, sister-in-law), up to three days will be approved.

An additional leave of up to two days may be granted for extenuating circumstances (such as extensive travel requirements, defined as 300 miles one way) upon approval from your supervisor.

3.7 Other Leaves

3.7.1 Introduction

The church makes leave of absence without pay available to employees who have completed at least one year of continuous service, for any length of time up to a maximum number of days recommended and approved by Senior Pastor or his delegate. Written requests must state the reason for the leave as well as the beginning and ending dates. Requests for leaves will be granted at the sole discretion of the church based on the facts and circumstances surrounding each individual request. Employees who return to work at the end of a leave of absence will normally be returned to their former job position if an opening exists. If there is no such opening, they will be considered for a comparable position if one is available. Leaves of absence are also granted where state and/or federal law mandates. In any situation regarding leave of absence, the employee should notify the appropriate supervisor at the earliest possible date to discuss the leave.

3.7.2 Personal Leave

Personal Leave is a leave of absence for a compelling personal reason that is not medically related. Generally, personal leaves are without pay. The request for a personal leave should be directed in writing to the supervisor and Senior Pastor or his delegate.

3.7.3 Jury Duty

Jury Duty is a leave of absence to serve on jury duty.

Employees will be granted a leave of absence, with pay, to serve on jury duty.

Upon completion of jury duty, a Verification of Attendance Form must be presented to the church. Employees who are excused from jury duty for the day, or are excused early, should report to work when it is practical to do so. Employee does not have to forfeit court stipend.

If an employee is called to serve on jury duty at a time that would unreasonably interfere with normal business operations, the church may request the required service be rescheduled for a later date that would be more convenient for the church.

3.7.4 Military Leave

Military Leave is a leave of absence for required active or reserve military service.

The church complies with applicable state and federal law concerning leaves for military service.

3.7.5 Workers Compensation Leave

Workers Compensation Leave is a leave of absence because of workrelated illness or injury.

The church complies with applicable state and federal law concerning leaves for work-related illness or injury. It is important that you report any work-related injury to your supervisor as soon as it happens. Employees on leave because of work-related illness or injury will have their leave reviewed on an individual basis by the supervisor, Senior Pastor or his delegate.

3.7.6 Medical Leave

For employees covered under the church's disability plan, the church's employee is eligible for pay beginning on the 15th day of disability at 70% of their monthly compensation for as long as they are unable to work.

 For non-elective or emergent leave, the employee is not required to deplete accumulated Vacation or PTO time.

- For elective or non-emergent leave, the employee will be required to deplete PTO time.
- The worker should call Concordia Plan Services to speak with a
 Disability Benefit Specialist to report a disability resulting in missing
 14 or more days of work. The worker should contact CPS as soon as
 reasonability possible and no later than 90 days after the disability
 begins.

3.7.7 General Provisions

The following general provisions apply to all leaves of absence:

- A request for an extension of a leave of absence, where possible, must be made in writing prior to the expiration date of the original leave, and when appropriate (medical leave), must be accompanied by a physician's written statement that certifies the need for the extension.
- Failure to return to work on the first workday following the expiration of an approved leave of absence may be considered a voluntary termination.
- Coverage under the church's group employee benefit plans will be continued on the following basis:
- The church will continue to pay the premiums for the employee for the duration of the approved leave period.
- The employee will be responsible for premiums if he/she remains on leave beyond the approved leave period.
- Employees will not accrue length of continuous service for the portion of a leave of absence in excess of thirty (30) days, unless otherwise provided by law.
- Employees on leave of absence will be subject to lay off on the same basis as employees who are actively at work.
- Employees on leave of absence must communicate with the church on a regular basis, at least once each month, regarding their status and anticipated return to work date.
- Employees on leave of absence who seek or accept other employment without the church's prior written approval may be subject to disciplinary action, up to and including termination.

- Employees who falsify the reason for their leave of absence may be subject to disciplinary action, up to and including termination.
- All leaves of absence must be approved in advance, in writing, by the Senior Pastor or his delegate.

3.8 Group Employee Benefit Plans

Because of its Christian concern for its employees, Messiah Lutheran Church provides benefit programs in order to help its employees with expenses related to illness, injury, or death, as well as to provide retirement income.

3.8.1 Eligibility

Salaried Employees

Salaried employees are eligible for enrollment in Corncoria Plan Services, which
Includes the Retirement Plan and Disability and Survivor Plan.
 Salaried employees are eligible for health coverage through Blue Cross and Blue
Shield of Michigan for themselves and their dependent family members unless a
spouse has coverage available. Then the spouse is required to use those benefits.
The employee could otherwise choose to pay the monthly premium for that
spouses benefits.

Hourly Employees

• Employees classified as hourly are not eligible for any benefits.

3.8.2 Benefits Provided

- The Concordia Retirement Plan provides retirement benefits.
- The Concordia Disability and Survivor Plan provides disability income and death benefits.
- Blue Cross, Blue Shield of Michigan provides medical benefits.
- The provisions of the Worker Benefit Plans and CPS supersedes any information provided below. For further details about the benefits of these plans, booklets are available either in the church office or can be requested by calling the Concordia Plan Services office at I-888-WBP-PLAN (927-7526).

3.8.3 Enrollment

You will be asked to fill out an Enrollment Form and Beneficiary Form, and these forms will be forwarded to the Concordia Plans for processing. The Plans office will then mail you a letter confirming enrollment as well as your own booklets and other informational materials.

3.8.4 Cost

As this is part of your total compensation package, the percent of cost covered by the congregation will be reviewed annually and is subject to change.

Full-Time, Class One

For full-time, class one employees, the congregation pays 100 percent of the Concordia Retirement Plan and Concordia Disability and Survivor Plan for the employee and the BCBS health plan for the employee and their dependants.

Full-Time, Class Two

 For full-time, class two employees, the congregation pays 100 percent of the Concordia Retirement Plan and Concordia Disability and Survivor Plan for the employee only.

3.8.5 Termination of Benefits

Coverage for you and your dependents through the Concordia Plans and BCBS will discontinue effective at the end of the calendar month in which termination of employment occurs.

3.9 Workers Compensation Insurance

The Messiah Lutheran Church maintains Worker's Compensation coverage in compliance with applicable law.

3.10 Unemployment Compensation

Should you decide to leave the employment of the church or you are involuntarily terminated for misconduct, you are not eligible for either state or federal unemployment claims. This is due to the church being exempt from federal unemployment tax and being either exempt or opting not to participate in the state unemployment tax program.

3.11 Continuing Education Assistance and Professional Memberships

Where it can be demonstrated the congregation will benefit from an employee's participation in a job-related program or professional organization, the related expenses may, at the congregation's sole discretion, be reimbursed. Requests for reimbursement of authorized expenses related to the educational program or professional organization must be approved in advance by your supervisor and Senior Pastor or his delegate.

Tuition paid for course work that is pre-approved will be reimbursed after completion of the course. A copy of a grade report or transcript and a copy of the receipt of payment for tuition (including amount paid) must be submitted to the Senior Pastor or his delegate. In order to obtain reimbursement, a grade of B or better must be earned in the course.

SECTION 4 - PERSONNEL STATUS

4.1 Tardiness and Absence

4.1.1 Introduction

It is important for employees to be present at the start of their work day to promptly begin work. Other staff and the congregation rely on workers being at their assigned tasks at scheduled times so the work of the ministry can be carried out smoothly.

4.1.2 Absences

Employees should contact their supervisor as soon as it's determined they will be unable to report to work as scheduled. In the case of an absence due to illness, calling the supervisor at home the night before or prior to the scheduled start of the workday allows adequate time to arrange a replacement, if needed.

4.1.3 Tardiness

A tardy or absence is considered "excused' only when the employee calls ahead of time, and the tardy or absence is for a compelling reason. If contact or a call cannot be made ahead of time due to physical limitations, earliest contact is required. The Senior Pastor or his delegate and your supervisor shall determine what constitutes a compelling reason for an absence or tardiness. A tardy or absence for a non-compelling reason, and failing to call the supervisor according to church policy, will be considered "unexcused".

A consistent pattern of absence or tardiness, whether excused or unexcused, may lead to disciplinary action, up to and including termination.

An employee who fails to call in or report to work for 3 consecutive days may be considered to have abandoned their job and may be terminated.

4.2 Termination

The employment relationship between the congregation and its employees C:\Users\jemie\Dropbox\Messiah Lutheran\Website Re-Design\Forms\2018 EH copy.doc

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(excluding rostered and contracted workers) is of an at-will nature. This means that the employee is hired for an indefinite period of time. Thus, the employee is free to leave at any time he or she believes it is in his/her best interest. Similarly, the church may terminate the employment relationship whenever it deems appropriate.

4.2.1 Resignation

When an employee voluntarily resigns, a two-week notice of an employee's intent to leave employment is generally desired, but not required. Written notice should include the reason for leaving, the last day of work, address where the employee can be reached in the future, and be signed and dated by the employee.

4.2.2 Involuntary Termination

An employee may be involuntarily terminated when the church determines that continued employment will not be to the benefit of the employee or church. Since the employment relationship of employees (excluding rostered and contracted workers) and the congregation is of an at-will nature, an employee can be dismissed without notice. (See Discharge below.)

4.2.3 Layoff

When conditions dictate that the church must reduce staff through a layoff, the church at its sole discretion will determine which employees shall be laid off. Layoffs will be communicated to affected employee(s) at the earliest reasonable time to allow for productive transition.

4.2.4 Discharge

Discharge is an immediate termination from employment. Normally it is for a serious or flagrant offense involving misconduct that violates standards outlined in the congregation's policy manual, constitution and bylaws, bylaws of LCMS, and/or laws of the state or federal government.

The Employment-At-Will Doctrine, defined in Section 2.1.1 in this manual, establishes the right of the employer or employee to terminate the relationship at any time and for any reason subject to any pertinent state laws and for other than an unlawful discriminatory reason.

4.2.5 Exit Interview

An exit interview with the employee conducted by a member of the appropriate church board or committee may be held shortly after resignation or termination. This opportunity will be used to clarify, as necessary, the circumstances for leaving, to review any accrued benefits to be paid and to discuss final pay details.

4.3 Time Records: Signing In and Out

A sign-in board is located in the reception office, which assists the receptionist in responding to guests in providing information about who is in the office. Employees should make the effort to update the sign-in board when coming into and leaving the office.

Exempt employees are required to track vacation and other time out of the office. Non-exempt employees are required to complete a time card. (See section Payday section.)

4.4 Breaks and Meal Periods

Employees will receive one paid 15 minute break for every 4 hours worked. Lunch will be unpaid.

4.5 Personnel Records

4.5.1 Introduction

The congregation needs to have complete and accurate information on each of its workers. This includes all non-exempt, exempt, rostered, contracted, full and part-time employees. Personnel may review their records upon request. The contents of personnel records are confidential and access to them is limited to those directly involved in the supervision and/or retention of the individual employee.

It is important that the church always have current information about its employees. Employees should immediately notify the congregation of changes in name, address, phone number, or marital status, etc. If for some reason there is a need to change a name and/or Social Security number, original documentation authorizing the change should be reviewed.

- Employee's full name, as used for social security purposes, and on the same record, the employee's identifying symbol or number if such is used in place of name on any time, work, or payroll records
- · Address, including zip code
- Birth date, if younger than 19
- Sex and occupation
- Time and day of week when employee's workweek begins. Hours worked each day and total hours worked each work week
- Basis on which employee's wages are paid
- Regular hourly pay rate
- Total daily or weekly straight-time earnings
- Total overtime earnings for the workweek
- All additions to or deductions from the employee's wages
- · Total wages paid each pay period
- Date of payment and the pay period covered by the payment

4.6 Promotion and Transfer

The church's intent is to give qualified employees preference over outside applicants when filling job openings within the church. Openings should be announced to existing staff and sufficient time allowed for existing staff to respond prior to advertising the opening to the church-at-large or the general public. Because of the experience, skills, and educational requirements of many jobs, promotions from within the church are not always possible.

An employee's past performance, experience, qualifications, and potential are all-important factors which will be considered in making promotion and transfer decisions. The individual's personnel records shall be the official source of information.

SECTION 5 - COMPENSATION

5.1 Payday

Messiah Lutheran Church has adopted the following pay schedule:

Checks are issued biweekly, on Friday. Your paycheck is issued one week in arrears.

Hourly, non-exempt employees are responsible for completing a time card with hours worked, as well as vacation or PTO time. Salary, exempt

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employees are responsible for completing a time card reporting vacation and PTO time taken. Supervisors must sign time cards and forward the time card to the finance office to be included in the payroll. Over-time must be approved by your supervisor.

Checks may be distributed during the workday or mailed to the employee's home.

5.2 Advances

Salary advances are permitted with approval from the Senior Pastor.

5.3 Termination Checks

Termination checks shall be released upon return of all building keys and other congregational property which may have been entrusted to the care of the employee.

5.4 Wage and Salary Reviews

The wage and salary structure for employees, established by the Senior Pastor or his delegate.

Individual wage and salary reviews occur at least once each year for every employee. The purpose of this review process is to determine the employee's pay position relative to the market and their peers.

Salary adjustments are based on individual performance evaluations, cost of living estimates, the labor market and the established merit increase guidelines. The ability to deliver salary increases is also dependent on the payroll budget approved by the congregation.

5.5 Payroll Deductions

For tax purposes, employees who are not Ministers of the Gospel must have various deductions taken from their pay. These deductions include federal and state income taxes and Social Security and Medicare taxes. The Internal Revenue Service and the Michigan Department of Revenue publish withholding tables annually based on personal earnings and the number of exemptions claimed by each worker to satisfy income tax withholding requirements. The worker, by use of the W-4 Form, states the number of exemptions claimed and any additional dollars withheld beyond the amount

indicated in the tax withholding tables. The amount withheld for Social Security and Medicare taxes are at a fixed percentage of earnings.

5.5.1 Garnishment

Garnishments are court ordered repayments of financial obligations by an individual. When so ordered, Messiah Lutheran Church must deduct the amount from your pay and remit it to the designated entity.

5.5.2 Other Payroll Deductions

Other payroll deductions are strictly voluntary and must be requested in writing (to the finance leader) by the employee. By providing these deductions, the congregation provides their workers with the opportunity to save dollars for their future and to experience current tax savings not permitted through non-payroll deducted savings plans.

Voluntary deductions may include: All-Cause Accident Insurance through the Worker Benefit Plans; Church Extension Fund Payroll Savings and Tax-Sheltered Annuities.

5.6 Overtime

5.6.1 Overtime Compensation

Overtime compensation will be paid to non-exempt employees for all hours worked in excess of 40 hours in a seven-day work week. The overtime rate of pay is one and one-half times the regular hourly rate of pay. Overtime is to be worked only when approved by the supervisor.

Exempt employees are not eligible for overtime pay.

5.7 Mileage Reimbursement

Mileage is reimbursed at the applicable rate according to the IRS.

SECTION 6 - DISCIPLINE AND GRIEVANCE

6.1 Discipline and Termination Procedures

Employment is with the mutual consent of you and the church. Consequently, both you and the church have the right to terminate the employment relationship at any time, with or without cause or advance notice. (See Employment-At-Will, paragraph 2.105)

6.1.1 Progressive Disciplinary Systems

Procedure

1. Verbal Warning

If you fail to follow the church's policies regarding job performance and conduct, you are subject to disciplinary action, including termination of employment. For other than major infractions, which can result in immediate termination, you will first be verbally counseled about the problem with the intent of clearing up any misunderstanding and establishing behavior expected in the future. (This oral warning will be documented by your supervisor, noting the time, place and subject of the discussion). Continued violation of policies will result in levels of written notification to you of unacceptable action and can lead to ineligibility for your merit increases, probation, suspension or termination.

2. Personnel Memo/Written Warning

The second step in the counseling procedure will be a personnel memo/written warning. The personnel memo/written warning is a tool to help the church communicate more effectively with you. It may be used to advise, warn or otherwise notify you of performance or conduct that is not acceptable. If you receive a personnel memo/written warning about unacceptable performance or conduct, you are encouraged to take advantage of the opportunity to improve your performance, in order to avoid the need for further disciplinary action. You will be asked to sign the personnel memo indicating that you have seen the memo. If you do not agree with the content, you may so indicate.

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3. Probation

Continued violations will necessitate the next step to be taken, which will be probation. A letter advising you of the reason and the length of probation (which shall be 3 days without pay) will be given to you. The letter will also indicate that unless performance improves or compliance with policies is met, the next step will be termination. You will be asked to sign the letter.

4. The final step will be termination

Without improvement, this most drastic step must be taken. It is hoped that the progressive counseling procedures as outlined in steps 1-3 will assist you in developing as a supportive employee.

The above procedures are intended to be a guide. In all situations, the employee and supervisor or Senior Pastor or his delegate will meet regularly to review progress toward the established improvement goals. Depending on the infraction, progress steps may be repeated or not utilized. Verbal warnings may be repeated or the immediate termination step could be taken.

6.1.2 Exceptions

It is important to note that the severity of the offense may warrant not following the usual sequence of reminder-warning-reprimand-penalty, and that the disciplinary action taken may begin at any level. A reprimand, for example, could be given for a serious first offense, and your immediate dismissal could result without prior warning or suspension in the case of significant acts of misconduct or serious dereliction of duty as determined by the "Church" in its sole discretion.

6.1.3 Non-Renewal of Contract

If you are a contract employee, Messiah Lutheran Church may choose to simply not renew your contract due to unsatisfactory performance during a previous contract period rather than initiate a formal dismissal. The church may also choose not to renew a contract for any reason in its sole discretion including a change in fiscal or personnel circumstances.

6.2 Grievance Procedure

The Church recognizes that occasionally employees may become dissatisfied with its practices, policies or other work situations. The Church encourages a quick and reasonable resolution of any such situations, difficulties or complaints. The following steps are suggested guidelines for the employee to ensure that the situations, difficulties, or complaints are most effectively and efficiently handled as Mathew 18 directs.

Step 1

Where possible, the employee is to first orally bring the matter to the supervisor's attention. (A full discussion and understanding of the matter by both the employee and supervisor is essential at this step.) The matter should be put in writing at this time. If an employee does not wish to discuss the matter alone with the immediate supervisor, the employee should ask the Senior Pastor or his delegate to participate in the discussion.

Step 2

If the grievance is not resolved between the employee and the immediate supervisor, the employee and the immediate supervisor should then discuss the matter with the Senior Pastor and/or a member of the Elder Board.

Step 3

If the grievance is still not resolved, the employee will put the grievance in written form and send it to the Chair of the Elder Board who will convene a meeting with the employee and subcommittee to discuss the grievance.

Step 4

The next steps will be to review the complaint with the entire Elder Board.

SECTION 7 - GENERAL INFORMATION

7.1 Introduction

At Messiah Lutheran Church it is important that all employees work together as a team so that the rights and interests of both the congregation and employees are assured. Common sense, good judgment and acceptable personal behavior on the part of all employees will make this a desirable place to work.

7.2 Harassment

The church will not tolerate any form of harassment including sexual harassment or hazing. A supervisor who harasses or solicits favors (including sexual favors) from a subordinate in return for promotions, increased wages, continuance of the job or any similar purpose will be terminated.

Likewise, unwelcome sexual propositions between employees may also constitute sexual harassment and will not be tolerated.

If an employee feels he or she is being harassed and cannot, for whatever reason, discuss the problem with the appropriate supervisor or manager, he/she should discuss the situation with the Senior Pastor or his delegate. A second option would be to use contact the chair of the Elders Board.

A report of sexual or other harassment will be treated seriously, and a thorough investigation will be conducted. An employee who files a complaint will be treated fairly and courteously at all times.

7.2.1 Sexual Harassment

It is the policy of Messiah Lutheran Church to strictly prohibit any conduct which constitutes sexual harassment and to discipline any employee guilty of such conduct.

"Acts of sexual harassment by employees, supervisors, and managers are prohibited employment practices and are subject to sanctions and disciplinary measures."

If you believe that you are being or have been harassed in any way, or have witnessed any incident of sexual harassment, please report the facts of the incidents immediately to your supervisor or to the Senior Pastor if the complaint involves your supervisor, without fear of reprisal. In determining whether the alleged conduct constitutes unlawful harassment, the totality of the circumstances, such as the nature of the

conduct and the context in which the alleged incident occurred, will be investigated.

Violation of this policy may result in disciplinary action, up to and including termination.

It is the policy of Messiah Lutheran Church to encourage any witness of an incident of sexual harassment to report such incident to your supervisor.

7.3 Alcohol, Drugs, and Controlled Substances

The use, sale, transfer, possession, or being "under the influence" of alcohol, drugs, or controlled substances when at work, on church property, or in church vehicles is prohibited. In addition, conduct while not working which may adversely affect the reputation or interests of the church is prohibited. "Under the influence" for the purpose of this policy, is defined as being unable to perform work in a safe or productive manner, and/or being in a physical or mental condition which creates a risk to the safety and well being of the affected employee, co-workers, the public or church property.

Violation of this policy may result in disciplinary action, up to and including termination.

7.4 Outside Activities

Employees are prohibited from engaging in outside employment, private business, or other activity, which might have an adverse effect on or create a conflict of interest with the church.

7.5 Personal Appearance

Your appearance reflects not only on you as an individual but on the church as well. We expect you to take pride in your appearance and strive to achieve a positive business-like image when representing the church.

7.6 Lost and

Employees should not bring large sums of money, jewelry or other valuables to work. The church is not responsible for personal property that is lost, damaged, stolen or destroyed.

If you happen to find personal belongings that have been lost, please turn them in to your supervisor.

7.7 Smoking

Smoking is prohibited in the building and the areas immediately around all entrances. There is one designated smoking area, which is by the north-west of the kitchen. This policy is established to provide a smoke-free environment for us and for all of our visitors.

7.8 Access to Church Property

It is important that the church have access at all times to church property, as well as other records, documents, and files. Certain management employees and officers of the church reserve the right, but always respecting that information deemed to be of confidential nature (i.e., Pastor's confidential files, personnel files), to access employee offices, work stations, filing cabinets, desks, and any other church property at its discretion, with or without advance notice or consent.

7.9 Business Expense Reporting

Employees will be reimbursed for all approved business-related expenses upon submission of accurate and receipted expense reports to the appropriate board or committee. Employees are requested to submit these reports in a timely manner to ensure proper accounting and prompt reimbursement.

7.10 Use of Church Telephones/Computers/Cell Phones

From time to time, it may be necessary for employees to make and receive personal calls on church phones. These calls should be limited to no more than 5 minutes in length. Employees are expected to use good judgment and common sense when it comes to personal phone calls. Long distance calls are prohibited unless the employee uses a personal calling card.

The use of church computers, including the internet, shall be for church use only. Any abuse or misuse of the phones or computer system will result in disciplinary action up to and including termination.

7.11 Employee Parking

Employees park at their own risk, and the church is not responsible for theft or damage to any vehicles parked on or near church property. Also, the church is not responsible for personal property left in vehicles that is lost, damaged, stolen or destroyed.

7.12 Church Bulletin Boards

Not applicable at Messiah Lutheran Church.

7.13 Intellectual Property

Any material developed on the property of Messiah during paid work hours will be the rights of Messiah.

7.14 References

It is against the policy of Messiah Lutheran Church to provide letters of recommendation for any employee. A neutral reference providing date of employment and position title may be provided to a potential employer.

SECTION 8 - EMPLOYEE STATEMENT OF ACKNOWLEDGEMENT

8.1 Employee Statement of Acknowledgement

I have access and have viewed the employee handbook at http://messiahondemand.com/handbook/ I understand all matters set forth in the employee handbook, and I further agree to abide by and adhere to Messiah Lutheran Church's policies during my employment with the Church. I further understand and agree that any provision of the employee handbook may be amended, revised, or eliminated at any time by the Church.

I understand that my employment with the Church is *not* for a specified length of time. Rather, I understand and agree that my employment is terminable at will so that both the Church and I remain free to choose to end our work relationship at any time for any reason with or without cause. Likewise, I understand and acknowledge that nothing in the Church

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employee handbook in any way creates an express or implied contract of employment between Messiah Lutheran Church, on the one part, and me on the other part.

I hereby acknowledge receipt of the <u>Employee Handbook</u> .
Employee's Name (Please Print)
Employee's Signature
Date

SECTION 9- CHANGE LOG

9.1 August 2007

Original roll-out to employees.

9.2 February 2008

New section 3.7.6 added for Medical Leave

9.3 August 2008

- Added information to Section 3.2 vacation exemption for preschool.
- Removed from Section 3.2 *Because we desire continuity for Preschool teachers, teachers are encouraged to limit vacation during the school year. As an incentive for this, Preschool teachers will receive a check at the end of the school year for unused vacation.

9.4 January 2009

Due to a benefit plan changes from Lutheran Benefits to Concordia Plan Services for health benefits, the following changes were made

- Update section 2.6 definition of Full-time, Class one to be over 30 hours and Full-time, Class two to be 21-30 hours
- 3.8.2 updated health plan information

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