Purpose. The purpose of this policy is to provide the structure to offer a new benefit program designed to reward employees for their long term commitment and contributions to Foundation. This new benefits program is called “Foundation’s Longevity Pay Plan”, hereinafter referred to as the “FLPP”. Although the FLPP is not intended to replace the retiree health benefits program offered prior to March 1, 2009, employees will be able to use funds from the FLPP for any purpose, thereby providing maximum flexibility to the individual who has earned these funds.

Applicability. This policy applies to all “Benefited” employees of Foundation to the extent it is not in conflict with rules and regulations associated with grants and contracts.

Policy Provisions.

1. To be eligible for the FLPP, employees of the Foundation must be first hired on or after March 1, 2009. Employees must be classified as full time (scheduled to work at least 30 hours per week on average during the full 12 month fiscal year) and be classified as a “benefited employee”, and must have completed the periods of employment as stated below. Student employees and employees not working at least 30 hours per week are not eligible for the FLPP.

2. An employee must have at least 120 months of benefited service with Foundation to begin to receive funds from the FLPP. Employees who work partial years due to seasonal lay-offs or partial year schedules (i.e.: 10/12 months) and are otherwise classified as “benefited employees” are eligible to have their time pro-rated based on the hours they have worked as a benefited employee.

For example, when a benefited employee is laid off during the months of July and August due to work schedule reductions beyond the control of the employee, such an employee would still receive credit for the two months they were laid off even though they did not actually perform services for Foundation during those two months.

3. Foundation will seek approval from the Board of Directors, on an annual basis, for an aggregate amount to be contributed to the FLPP. Those funds will then be applied to each employee’s account per the below schedule.
All contribution amounts for the FLPP are reviewed annually by the Board of Directors and are completely discretionary from year to year – the Board of Directors might approve or deny the request to apply Foundation contributions into the FLPP in any given year. However, once approved by the Board of Directors, the FLPP contributions are irrevocable and will be credited to the individual employee’s account. Many factors are considered in the review process by the Board of Directors, although the two key factors include the overall financial performance of Foundation for the prior fiscal year, and the expected fiscal constraints during future fiscal years expected by either the Foundation and or University.

4. Schedule for FLPP
   a. Years of Completed Service       Compensation Factor
      10       2%
      11       2.5%
      12       3%
      13       3.5%
      14       4%
      15       5%
      16       5.5%
      17       6%
      18       6.5%
      19       7%
      20       10%
      25+      15%*

5. Once an employee has achieved the completed Years of Service as outlined in the above Schedule, the corresponding Compensation Factor will be applied to the total annual base wages paid to the employee for the last calendar year, and this will be the amount Foundation will contribute into the FLPP on the part of the eligible employee. All FLPP contributions will be deposited directly into the Foundation 457(b) plan, and become fully vested by the employee immediately.