



Catholic Diocese of Memphis

Lay Employee Handbook

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Table of Contents

Table of Contents	i
1.0 Welcome	4
1.01 Vision and Mission Statements	4
1.02 Introduction.....	4
2.00 Equal Employment Opportunity	5
2.01 Code of Conduct	6
2.02 Sexual and Other Harassment	6
2.03 Disability Accommodations Policy	8
2.04 Open Door Policy	10
3.00 Job Classifications of Employment	10
4.00 No Fraternization Policy	11
4.01 Employment of Relatives	11
4.02 Confidential Information	11
4.03 Media Contacts	12
4.04 Inclement Weather and Shutdown	12
4.05 Emergency Procedures	12
4.06 Bulletin Board	12
4.07 Moonlighting Policy	13
4.08 Compensation	13
4.09 Timekeeping Procedures.....	13
4.10 Overtime	13
4.11 Work Hours and Deductions.....	14
5.00 Attendance Standard	14
5.01 Job Abandonment	15
5.02 Procedures for Notifying of Absence	15
5.03 Holidays.....	15

5.04 Vacation	16
5.05 Approved Sick/Casual Days	17
5.06 Short Term Disability Leave.....	18
5.07 Long Term Disability Leave.....	18
5.08 Workers Compensation Leave	18
5.09 Jury Duty Leave	19
5.10 Witness Pay.....	19
5.11 Voting Leave.....	19
5.12 Bereavement Leave.....	19
5.13 Family and Medical Leave Policy	20
5.14 Maternity Leave of Absence	23
5.15 Lactation Break Policy.....	25
5.16 Military Service Leave.....	25
5.17 Approved Leave of Absence.....	26
6.00 Healthcare Benefits	27
6.01 Employee Assistance Program (EAP)	28
6.02 Notice of Rights to Tennessee Continuation Coverage	28
6.03 Retirement Plan.....	30
6.04 Short Term Disability, Long Term Disability, Social Security Insurance, Worker's Compensation Protection and Unemployment Insurance.....	30
7.0 Employee Conduct.....	30
7.01 Discipline Policy	30
7.02 Firearms and Workplace Safety	32
7.03 Drug and Alcohol Policy	33
7.04 Workplace Safety	34
7.05 Workplace Violence.....	35
8.00 Internet and Computer Use	36
8.01 E-Mail Policy	36

8.02 Texting	37
8.03 Cameras, Recording Devices and Cellphones	38
9.00 Workplace Searches	38
9.01 Personal Appearance.....	38
9.02 Business Records	38
9.03 Parking	39
9.04 Smoking and Vaping.....	39
9.05 Personal Telephone Calls and Visits.....	39
9.06 Personal Mail and Packages.....	39
9.07 Housekeeping.....	39
9.08 Changes in Personal Information.....	39
9.09 Conflicts of Interest.....	40
9.10 Travel Policy	41
9.11 No Contracting Authority	42
9.12 Ethics and Compliance Violation Disclosure	42
10.00 Termination of Employment.....	45
10.01 Your Obligations Upon Termination	46
10.02 Benefit Cancellation.....	46
10.03 Employment Verification.....	46
10.04 Diocese is Not Subject to Unemployment Compensation Insurance	46
10.05 Exit Interview.....	47
11.00 Effective Date of Amendments to Employee Handbook.....	47
Acknowledgment of Receipt of Employee Handbook	48

1.00 WELCOME

Welcome to the Catholic Diocese of Memphis! We are pleased that you are joining us and we know that your contributions will further the work of the Catholic Church in spreading the good news of Jesus Christ, forming disciples, and serving God's people throughout various parishes, schools, and other ministries offered in West Tennessee. The Diocese of Memphis is comprised of several parishes, schools and other ministries, many of which are considered under the Church's religious law ("Canon Law") as separate employers. However, under federal, state and local law, the Diocese is typically treated as a single employer under the authority of Bishop David Talley and his successors in office. Thus, all parishes, schools and ministries of the Diocese use this handbook, and the policies it contains are applicable for all employees within the Diocese.

As an employee, you will want to know what you can expect from your employer (the "Diocese" or "We") and what the Diocese expects from you. This Handbook will give you that information by outlining many of our current benefits, practices, and policies.

Please keep this Handbook handy as a guide and ready reference throughout your employment. If you have questions as you read through this Handbook, please do not hesitate to discuss them with your supervisor. If your work for the Diocese is at a parish, then your supervisor is likely the pastor or his designee. In school settings, the principal is typically the supervisor. Your supervisor is a very important source of information and will be more than happy to assist you. Also, regarding other questions, Ms. Colleen Goodspeed, the Director of Human Resources for the Diocese, might be able to assist you.

1.01 VISION AND MISSION STATEMENTS

The Vision Statement of the Catholic Diocese of Memphis is to live a Christ-centered fellowship, on fire with the love of God and neighbor, to see individuals, families, parishes, and our schools working together to build up the Kingdom of God in West Tennessee. This Vision emphasizes the Diocese's Mission of *Living the anointed life* in Word and Sacrament.

1.02 INTRODUCTION

The contents of this Handbook are informational and only intended to be a brief and handy reference about personnel policies for employees who work for the Diocese. These policies are not intended to guarantee that specific working conditions will always remain in effect, nor is any statement intended to create an employment contract between the Diocese and anyone or all of its employees.

It is expected that every employee will read this employee handbook carefully, as it contains important information about your position as well as related rules and regulations that are pertinent. As policies are amended, revised, or deleted they will be updated on the Diocesan website. References to policies will be by policy name and number. The Diocese reserves the right at any time, and without the consent of employees, to modify, revoke, suspend or terminate any or all the policies, benefits or other terms and conditions of employment set forth in this

Handbook.

As an employee of the Diocese, you are working for the Catholic Church and are considered to be its representative and a participant in its religious mission. Therefore, you understand and agree that you are representing the Catholic Church, and that publicly dissenting from Catholic Church teaching on matters of faith or morals, or acting inconsistent with these teachings, as these are set forth in the Catechism of the Catholic Church or taught by the magisterium of the Catholic Church or the Bishop of Memphis, will be sufficient cause for the termination of employment.

As an employee you acknowledge that the religious, moral, and ethical principles of the Roman Catholic Church are many and may implicate and affect many activities. You are encouraged to consult, as necessary, with your supervisor to clarify whether any particular activity or advocacy that you are contemplating would violate these principles.

It is understood that your employment will continue on an "at will" basis. Either you or the Diocese may terminate your employment at any time, for any reason, or for no reason at all. No contract of employment is made or intended to be made by either party. No representative of the Diocese, other than the bishop, has authority to make any agreements or exceptions that are contrary to the policies set forth in this Handbook. Please note that certain educators and school administrators may be subject to additional policies and agreements specifically adapted for their educational ministry that are not set forth in this Handbook.

2.00 EQUAL EMPLOYMENT OPPORTUNITY

The Diocese is an equal opportunity employer, and does not discriminate on the basis of race, gender, sex, age, national origin, or other categories typically protected by federal law, except as follows. As a church-employer, and consistent with its religious beliefs, the Diocese does require certain positions to be held by practicing Catholics in good standing. Some positions are required to be held by ordained men as priests or deacons. Furthermore, the Diocese has deeply held religious beliefs concerning the nature of marriage, family, and gender and expects all of its employees as representatives of the Church to act accordingly. Consistent with its guaranteed rights under the First Amendment to the United States Constitution, Article 1 Section 3 of the Tennessee Constitution, the Religious Freedom Restoration Act (42 U.S.C. § 2000bb *et seq.*), the Religious Land Use and Institutionalized Persons Act (42 U.S.C. § 2000cc *et seq.*), and the Tennessee Religious Freedom Restoration Act (T.C.A. § 4-1-407), the Diocese expects its employees as ministers of the gospel to comport to Catholic Church teaching.

This equal opportunity policy applies to all areas of employer-employee relations including, but not limited to the recruitment, employment, promotion, demotion, transfers, layoff, termination, rates of pay, training, grievances, working conditions and any social and recreational programs sponsored by the Diocese.

Our commitment to equal opportunity employment applies to all persons involved in our operations and prohibits unlawful discrimination by any employee, including supervisors and co-workers. Employees are expected to conduct themselves in the workplace in a manner that is consistent with our religious mission and this policy, and to treat everyone with dignity and

respect.

The Director of Human Resources is the appointed Equal Employment Opportunity Officer and is responsible for overseeing all matters involving equal opportunities in the workplace.

If you believe that you have been treated in a manner that is in violation of this policy, you should promptly inform your supervisor, or the Director of Human Resources.

2.01 CODE OF CONDUCT

As representatives of the Catholic Church, Employees must adhere to a high ethical standard when carrying out their work responsibilities. Employees must be honest and ethical both at and outside of work. The Diocese therefore expects all its employees and agents to conduct their affairs at work in a manner consistent with the following principles:

- Conduct all activities in compliance with all applicable laws and regulations;
- Represent the Diocese accurately and honestly and not engage in any activity intended to defraud anyone of money, property, or services;
- Act in good faith and in the best interest of the Diocese;
- Maintain and protect confidential and proprietary information about employees and the Diocese;
- Conduct activities and relationships with others to avoid actual conflicts of interest, in appearance or in fact, and promptly disclose conflicts of interest if they do occur;
- Conduct business transactions with suppliers, contractors, vendors and other third parties at arm's length and free from offers or solicitation of gifts or favors, or other improper inducements; and
- Exercise responsible stewardship to preserve and protect the assets of the Diocese by making prudent and effective use of resources.

Much that constitutes ethical business behavior is second nature to people. But sometimes employees encounter situations in which they are unsure of what to do or how to act. Please contact your supervisor or the Director of Human Resources whenever there are any questions regarding appropriate work conduct.

2.02 SEXUAL AND OTHER HARASSMENT

The Diocese is committed to maintaining a work environment free of harassment in all forms. We will not tolerate actions, words, jokes, or comments based on an individual's sex, pregnancy, race, ethnic background, age, religion, or any other legally protected characteristic, if such conduct would be offensive to a reasonable person and creates an offensive work environment.

It is contrary to the policy for anyone to harass sexually another person. Sexual harassment is defined as any unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- Such conduct has the purpose or effect of interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Sexual harassment includes various forms of offensive behavior based on sex. The following is a non-exhaustive list of the types of conduct prohibited by this policy:

- Unwanted sexual advances or propositions, including repeated and unwelcome requests for dates;
- Offers of employment benefits in exchange for sexual favors;
- Making or threatening reprisals after a negative response to sexual advances;
- Visual conduct: leering, making sexual gestures, displaying sexually suggestive objects or pictures, cartoons, posters, websites, emails or text messages;
- Verbal conduct: making or using sexually derogatory comments, innuendos, epithets, slurs, sexually explicit jokes, or comments about an individual's body or dress, whistling or making suggestive or insulting sounds;
- Verbal and/or written depictions of abuse of a sexual nature, graphic verbal and/or written sexually degrading commentary about an individual's body or dress, sexually suggestive or obscene letters, notes, invitations, emails, text messages, or other social media postings; and
- Physical conduct: touching, assault or impeding or blocking normal movements; and retaliation for making reports or threatening to report sexual harassment.

Furthermore, harassment based on any legally protected status is prohibited. Such harassment may include but is not limited to:

- Verbal conduct including taunting, jokes, threats, epithets, derogatory comments or slurs based on an individual's protected status;
- Visual and/or written conduct including derogatory posters, photographs, calendars, cartoons, drawings, websites, emails, text messages or gestures based on an individual's protected status; and
- Physical conduct including assault, unwanted touching or blocking normal movement because of an individual's protected status.

Any individual who believes that he or she has been subjected to harassment should

report it immediately to the Director of Human Resources for investigation. All complaints will be promptly investigated and, if found to have merit, immediate steps will be taken to end the harassment. Any individual who is found to have engaged in such harassment will be subjected to disciplinary action, which may include termination.

As much as reasonably possible, the privacy of all persons involved will be protected, and the identity of the employees involved will be disclosed on a "need to know" basis. Employees should not instigate, spread or discuss allegations of harassment against fellow employees.

This policy applies to everyone involved in the operations of our office, parishes, school, agencies and corporations, regardless of their position, and prohibits harassing conduct by any employee, including clergy, supervisors, managers and nonsupervisory employees.

This policy also protects employees from prohibited harassment by third parties. If harassment occurs in the workplace by someone not employed by the Diocese, the procedures in this policy should still be followed. "Workplace" is defined to include any setting in which work-related business is being conducted (whether it is during or after normal business hours, and/or weekends, Diocesan-sponsored events, or on Diocesan-owned property).

Retaliation is prohibited against any person by another employee or by the Diocese for using this complaint procedure, reporting harassment, objecting to harassing conduct or filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing conducted by a governmental enforcement agency. Prohibited retaliation includes, but is not limited to; termination, demotion, suspension, failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions or otherwise denying any employment benefit.

2.03 DISABILITY ACCOMMODATIONS POLICY

Commitment to Equal Employment Opportunities

The Diocese complies with the Americans with Disabilities Act (ADA), the Tennessee Disability Act, and all applicable federal, state and local fair employment practices laws, and is committed to providing equal employment opportunities to qualified individuals with disabilities, subject to its rights to act consistent with its religious beliefs as guaranteed by the First Amendment and other state and federal law protecting religious freedom. Consistent with this commitment, and subject to its religious protections, the Diocese will provide a reasonable accommodation to disabled applicants and employees if the reasonable accommodation would allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship.

Requesting a Reasonable Accommodation

If you believe that you need an accommodation because of your disability, you are responsible for requesting a reasonable accommodation from Human Resources. You may

make the request in writing. The Diocese encourages employees to make their request in writing and to include relevant information, such as:

- A description of the accommodation you are requesting;
- The reason you need an accommodation; and
- How the accommodation will help you perform the essential functions of your job.

After receiving your request, the Diocese will engage in an interactive dialogue with you to determine the precise limitations of your disability and explore potential reasonable accommodations that could overcome those limitations. The Diocese encourages you to suggest specific reasonable accommodations that you believe would allow you to perform your job. However, the Diocese is not required to make the specific accommodation requested by you and may provide an alternative, effective accommodation, to the extent any reasonable accommodation can be made without imposing an undue hardship on the Diocese.

Medical Information

If your disability or need for accommodation is not obvious, the Diocese may ask you to provide supporting documents showing that you have a disability within the meaning of the ADA and applicable state or local laws, and that your disability necessitates a reasonable accommodation. If the information provided in response to this request is insufficient, the Diocese may require that you see a health care professional of the Diocese's choosing, and at the Diocese's expense. In those cases, if you fail to provide the requested information or see the designated health care professional, your request for a reasonable accommodation may be denied.

The Diocese will keep confidential any medical information that it obtains in connection with your request for a reasonable accommodation.

Determinations

The Diocese makes determinations about reasonable accommodations on a case-by-case basis considering various factors and based on an individualized assessment in each situation. The Diocese strives to make these determinations expeditiously and will inform the individual once a determination has been made. If you have any questions about a reasonable accommodation request you made, please contact the Director of Human Resources.

No Retaliation

The Diocese expressly prohibits any form of discipline, reprisal, intimidation, or retaliation against any individual for requesting an accommodation in good faith. The Diocese is committed to enforcing this policy and prohibiting retaliation. However, the effectiveness of our efforts depends largely on individuals telling us about inappropriate workplace conduct. If you believe that you or someone else may have been subjected to retaliatory conduct that

violates this policy, you should report it immediately to Human Resources.

If you have any questions regarding this policy or questions about disability accommodations that are not addressed in this policy, please contact Human Resources.

2.04 OPEN DOOR POLICY

The Diocese is committed to providing an excellent place to work. We believe this is accomplished in part by fostering open communications with employees and encouraging employee involvement in solving problems as they arise.

We prefer to deal with each of you directly. Please tell us if you have a problem. We think you will find us receptive to your concerns. We are always looking for ways to make our workplace better.

If there is something about your job that is bothering you, let's get it out in the open and discuss it. We cannot answer your questions or assist in solving your problems if you do not tell us what we can do to help.

Our "Problem Solving Procedure" offers all employees the freedom to discuss anything they wish with their supervisors. If you have a problem, it can usually be resolved by following these steps:

1. You should first discuss any concern with your supervisor. Your immediate supervisor is most often in the best position to handle your problem satisfactorily.
2. If your supervisor cannot solve the problem, or if the problem involves your supervisor and you feel you cannot discuss it with him or her, then you should ask to speak with the Director of Human Resources.

3.00 CLASSIFICATION OF EMPLOYMENT

Full Time: Employees who are regularly scheduled to work a minimum of thirty (30) hours weekly and who maintain continuous regular employment status are considered Full-Time Employees. Generally, Full Time employees are eligible for all benefits, subject to the terms, conditions and waiting periods of each Diocesan benefit program.

Regular Part-Time: Employees who are regularly scheduled to work less than thirty (30), but not less than twenty (20) hours per week, are considered Regular Part-Time employees. Generally, regular part-time employees are eligible for all benefits, subject to the terms, conditions and waiting periods of each Diocesan benefit program.

Part-Time: Employees who are regularly scheduled to work less than twenty (20) hours a

week are considered Part-Time employees. Part-Time employees do not qualify for any of the Diocese's benefit programs.

Temporary: Those employees whose services are intended to be for a limited duration for example: seasonal employees and/or substitute teachers. Temporary persons do not qualify for any of the Diocesan benefit programs.

In addition, employees may be further classified as exempt or non-exempt. Exempt employees are not eligible for overtime payment under the Fair Labor Standards Act. Non-exempt employees (covered by the overtime provisions of the Fair Labor Standards Act) are eligible for approved overtime payments for hours worked in excess of 40 hours in the regular work week.

Independent contractors are not eligible for benefits. If you have questions regarding your status or the benefits for which you qualify, please ask your supervisor or contact Human Resources. Note that employment classifications do not change unless and until an employee is notified in writing by an authorized representative of the Diocese of a change in his or her employment classification.

4.00 NO FRATERNIZATION POLICY

You, vendors, volunteers, and others engaging in activities with or on behalf of the Diocese are encouraged to develop professional relationships in the workplace provided that these relationships do not interfere with the work performance of either individual or with the effective functioning of the workplace. Furthermore, we believe that dating and romantic relationships between supervisors and employees can result in work-related problems. Consequently, the Diocese prohibits supervisors and managers from dating or being involved in romantic relationships with other employees when there is a direct reporting relationship between the two parties.

4.01 EMPLOYMENT OF RELATIVES

The Diocese's policy is to hire, promote, and transfer employees on the basis of individual merit and to avoid real or perceived favoritism or discrimination. The employment of individuals within a family at certain organizational levels or in positions where one might have influence over the other's status or job security is regarded as a potential violation of this policy.

Individuals with close relationships in a family may not work in positions at the Diocese where they might have influence over each other, unless the family relationship is fully disclosed and approved in writing by the supervisors of the affected employees.

4.02 CONFIDENTIAL INFORMATION

You are required to respect the confidential nature of the information which you are privileged to access at work. Certain information and material is, by its very nature, considered "confidential information." The term "confidential information" includes information set forth in

files, papers, documents, computer systems information and disks, and all other formats regarding matters such as the private or personal information associated with the Diocese and its operations, the students in its schools, and other individuals served or employed.

Confidential information should never be discussed with or disclosed to anyone outside the Diocese or with an employee of the Diocese who does not need the information in order to perform the functions of his or her job.

4.03 MEDIA CONTACTS

Contacts from the news media requesting information should be referred immediately upon receipt to the Diocesan Director of Communications.

4.04 INCLEMENT WEATHER AND SHUTDOWNS

In the event of inclement weather, building closing or delayed opening will be announced. A delayed opening allows for a delay of the opening of a location until 10:00 a.m. or another designated time. Efforts will be made to notify you of a delayed opening through IRIS messages and/or other means as available at your location.

Employees travel from various parts of West Tennessee and the surrounding area to work. If you believe that travel conditions are hazardous and that it is not safe to travel to work, then you may take a personal day or a non-paid day off for that day of inclement weather. However, you must provide appropriate notice to your supervisor.

If the office in which you work is shut down for more than one workday for any reason other than Holiday or Holy Days, it is expected that you will either work from home or begin to use your paid days off (e.g. vacation days). You should contact your supervisor to ensure that you have sufficient work to do at home or report use of a paid day off.

4.05 EMERGENCY PROCEDURES

Each parish, school and other work location will establish an emergency plan. You should become familiar with emergency procedures and follow instructions both during drills and during actual emergencies.

4.06 BULLETIN BOARD

A bulletin board is available at most locations. The bulletin board is typically located in a break area. However, this may vary from location to location. The board is for official use. You may post information on the bulletin board, but only after having received prior approval from your supervisor. Approval to post materials will be denied when the material is contrary to the teachings of the Catholic Church, or is of a political nature, or could reasonably be regarded by others as offensive. Please consult your supervisor regarding specifics about the posting of information on bulletin boards.

4.07 MOONLIGHTING POLICY

There have been times when most of us have had the opportunity or need to work two jobs at one time. It is important that any additional employment does not interfere with an employee's primary job with the Diocese. An employee should be careful that working extra hours for another employer does not affect the safe and effective performance of the employee's work for the Diocese.

4.08 COMPENSATION

Employees are paid bi-weekly on Fridays through direct deposit. All employees are required to enter direct deposit information in their Paylocity account or provide information to payroll. Employees may receive a copy of their check from Paylocity.

Wage or salary increases are determined by each pastor or other supervisor in the Diocese according to recommendations from the Finance Department.

4.09 TIMEKEEPING PROCEDURES

Unless otherwise notified, each hourly employee must record his or her own hours of work for the Diocese using the Diocese's available timekeeping technology. Employees must accurately record all the hours they work to ensure that they are properly paid as required by law. We will inform you on your first day of work as to your method of timekeeping. You must follow the established procedures in keeping your time, regardless of the method. Falsification of working time records in any manner, including for others, is strictly prohibited and subject to disciplinary action up to and including termination.

Changes or corrections to your time record must be initiated by you and your supervisor. Under no circumstances may any employee falsify his or her own or another employee's time record. Any changes to time records should be approved by both the employee and supervisor.

4.10 OVERTIME

The Diocese may periodically schedule mandatory overtime. In such cases we will attempt to give you as much advance notice as possible. We expect that all employees will work overtime when scheduled to do so, unless excused by their supervisor.

Hourly employees must obtain proper authorization from their supervisor prior to working beyond their normally scheduled time.

Overtime pay is calculated at 1½ times the employee's regular rate for all hours worked in excess of forty (40) hours in a workweek. Only actual time worked will be counted in calculating paid hours. Paid holidays, jury duty, paid bereavement leave, and vacation days will not be counted as time worked for the purpose of computing overtime. If you are a salaried exempt employee, then you are not eligible for overtime pay.

4.11 WORK HOURS AND DEDUCTIONS

For full-time employees, the normal workweek consists of not less than thirty (30) hours. For regular part-time employees, the normal workweek consists of less than twenty (20) hours. There may be occasions when a part-time employee may work more than thirty (30) hours in a week. Scheduled work hours may vary from location to location. Please check with your supervisor regarding work hours, lunch and break periods. Generally, if you leave the premises during this time, unless instructed otherwise, you are to notify your supervisor before leaving.

The following mandatory deductions will be made from every employee's gross wages: federal income taxes, social security, FICA tax, and applicable state taxes or withholdings (e.g., garnishments). Other deductions may be made for the employee's portion of any health insurance cost, or premium or other benefits. Employee must complete a federal withholding allowance certificate on the payroll system, IRS Form W-4 on or before his/her first day of the job. Employees are expected to comply with the form's instructions. The form must be completed in accordance with federal regulations.

Employees may make changes to their W-4 form anytime their circumstances change. In certain situations, questions regarding the propriety of claimed deductions may be referred to the IRS.

The Diocese reserves the right to deduct from any paycheck such sum(s) as may be necessary to reimburse the Diocese for any financial loss suffered by the Diocese as a result of the employee's carelessness, negligence, or improper use of the Diocesan funds or property, provided that the employee shall receive at least the minimum amount required by applicable federal wage and hour laws for any hours worked.

5.00 ATTENDANCE STANDARD

Regular work attendance is a high-priority job expectation. Frequent absences place an undue hardship on co-workers and supervisors who must cover for the absent employee. It also often requires the use of overtime to replace the absent employee, which produces budget overages.

Nonetheless, the Diocese recognizes that there may be occasions when an employee is unable to work. Accordingly, the Diocese has provided for employees to have approved time off for specific reasons and, in many instances, provided for such time off to be paid.

Types of Absences

Authorized Absences. An authorized absence is defined as an absence from work during scheduled working hours (including overtime) for the specific reasons discussed in this handbook and described hereinafter (e.g., approved sick occurrences, short term or long-term disability

leave, holidays, vacations, worker's compensation leave, jury duty, voting leave, bereavement leave, FMLA leave, maternity leave, military leave, and approved leaves of absence). Any other kind of absence (for whatever reason) shall constitute an unapproved absence and be treated as an "occasion." The accumulation of three (3) "occasions" within a twelve (12) month period may result in an employee's termination for excessive absenteeism.

Progressive Discipline for Unauthorized Absences or Tardiness/Lateness. Lateness or leaving early (without prior approval from an employee's supervisor) will be included in attendance standards. Employees are expected to be at work on time. Employees must clock in when scheduled each workday. Any employee clocking in or reporting to work more than six minutes after the scheduled start time will be deemed "tardy." All employees should be aware that the accumulation of three (3) tardies or leaving early during any twelve (12) month period could result in a warning and will be equivalent to one unauthorized absence. Any employee accumulating more than three (3) unauthorized absences during any twelve (12) month period (whether reported or unreported) may be terminated for excessive absenteeism. Ordinarily, the employee will receive a written warning upon the first occasion, a suspension upon the second occasion, and will be terminated following the third occasion. This progressive discipline policy is separate and independent from any other discipline an employee may receive.

5.01 JOB ABANDONMENT

Any employee on an unreported and unauthorized absence from work will be automatically separated from the payroll after three (3) working days of such absence. Termination under these circumstances is considered to be initiated by the employee and will be regarded as a voluntary resignation.

5.02 PROCEDURES FOR NOTIFYING OF ABSENCE

If you are unable to come to work for any reason, you must notify your supervisor as soon as possible. You may not report your absence to a co-worker. If you do so, this will be treated as an unreported absence. If your absence is due to illness, the Diocese may require a medical statement or a release from a medical doctor certifying your illness and stating you are able to return to work.

In reporting your absence to your supervisor, you may initially leave a message on voice mail, email or by text message; however, it is your responsibility to contact your supervisor directly by telephone at some point during the day you are absent, unless physically unable to do so.

5.03 HOLIDAYS

All hourly employees are eligible for specified holidays and Holy Days with pay. Paid holidays and Holy Days include:

New Year's Day
Martin Luther King, Jr. Birthday

Holy Thursday
 Good Friday
 Easter Monday
 Memorial Day
 Juneteenth
 Independence Day
 Labor Day
 Day before Thanksgiving
 Thanksgiving Day
 Friday after Thanksgiving
 Christmas Eve
 Christmas

Holiday/Holy Day schedules may vary from location to location. For specifics regarding your schedule or a list of paid holidays/Holy Days, please consult your supervisor.

If you are a Full Time or Regular Part-Time and scheduled to work on a holiday, you will be compensated for time and one-half for all hours worked on the Holy Day/holiday. Paid holidays will not be counted as time worked for the purpose of computing overtime.

Part-time employees who work less than 20 hours per week are eligible for holiday pay if the holiday falls on a scheduled workday. You will receive holiday pay according to your regularly scheduled hours. For example, if you are ordinarily scheduled to work 5 hours per day, you will be eligible for 5 hours of holiday pay.

5.04 VACATION

Non-exempt full-time employees are eligible for paid vacation according to the following schedule:

Length of Service Credited For Vacation Purposes	Amount of Vacation
Six months to one year	One week (Five days)
One year but less than seven years	Two weeks (Ten days)
Seven years but less than fifteen years	Three weeks (Fifteen days)
Fifteen or more years	Four weeks (Twenty days)

Exempt employees working more than twenty hours per week are eligible for three weeks (fifteen days) vacation from date of hire to seven years of service credited for vacation purposes and four weeks (twenty days) after seven years of such service.

Time spent on personal leave will not be counted when calculating the length of service credited for vacation purposes.

The vacation period is from July 1 to June 30. Vacations may not be carried over or accumulated. Provided that at least two weeks' notice is given, accrued vacation will be paid to terminating employees on a pro rata basis determined by the number of months worked from July 1 to June 30.

Regular Part-Time employees are eligible to receive vacation. However, the amount of vacation a Regular Part-Time employee receives will be determined by the number of hours per week the employee is normally scheduled to work. For example, assume a Regular Part-Time employee with one year (but less than seven years) credited service is normally scheduled to work twenty-five hours per week, these hours being comprised of five hours each workday. Such an employee would be entitled to two weeks of vacation calculated on the twenty-five hours he is normally scheduled to work in the workweek. The vacation accrued for this hypothetical Regular Part-Time employee would therefore be fifty hours, i.e. 25 hours per week x 2 weeks earned by having at least one year of credited service, amounting to 50 hours of vacation.

Please note that vacation policies may vary depending upon your position and work location.

Scheduling

Each supervisor will establish the maximum number of employees permitted to be on vacation in a given period. Employees are required to request vacation from their supervisor in advance when possible. Vacation time may not be taken in any increment of less than 4 hours. Should a holiday fall during the vacation, an additional day will be allowed.

5.05 APPROVED SICK /CASUAL DAYS

- Full time and Regular Part-Time non-exempt employees receive six (6) paid sick/casual days per fiscal year (July 1 through June 30).
- Part time non-exempt employees do not receive paid sick/casual days.

Non-exempt employees who have completed six months of employment are allowed a certain number of sick/casual absence days with pay from July 1 to June 30, for personal emergency absences. These days are for sporadic illness, doctor appointments, extraordinary personal business, or other emergency purposes. The number of personal absence days allowed varies from location to location. You should check with your supervisor to determine the number of such days that are available at your location. Use of sick/casual absence days is subject to approval by your supervisor. Sick/Casual absence days must be used in half day or full day increments. Sick/Casual absence days are not accrued and must be used during the fiscal year. Unused days will not be compensated for at the end of the year. Employees terminating their employment will not be paid for unused sick/casual days.

5.06 SHORT TERM DISABILITY LEAVE

Short-term Disability (STD) is used for pay protection when an eligible employee is required to be absent for extended periods because of personal illness or debilitating accident or non-work related injury. You are provided STD for ninety (90) calendar days in a rolling calendar year. STD is paid at 75% of your normal salary during the ninety days.

You are not eligible for STD until you have worked for six months. STD is paid as follows:

Six months to one-year employment: one month pay

One year to two years' employment: two months' pay

Two or more years' employment: three months' pay.

Applications for STD can be obtained by contacting Human Resources. STD will run in conjunction with Family Medical Leave (FMLA) if that form of leave is applicable.

5.07 LONG TERM DISABILITY LEAVE

The Diocese provides eligible employees Long-Term Disability (LTD) coverage applicable in the event of a prolonged illness. To qualified employees, LTD begins on the ninety first (91) day of continued disability. If approved, you will receive sixty-six and two thirds ($66\frac{2}{3}$) percent of your annual salary. You will need to contact Human Resources to begin the process to apply for LTD. All communication of medical information necessary to apply will go through the plan sponsor. You should make application as soon as possible to prevent income gaps. Diocesan paid health insurance will end on the last day of the month you are approved for LTD by the plan sponsor.

5.08 WORKER'S COMPENSATION LEAVE

Employees who are injured during the course and scope of their employment with the Diocese shall receive whatever benefits they are entitled to under the worker's compensation laws of Tennessee and may be absent from work while temporarily disabled for up to ninety days (90). However, if an employee is still unable to return to his or her regular work, then the employee shall be separated from employment. The Diocese deems such prolonged absences as indefinite and uncertain and believes that in these circumstances it will need to make arrangements to permanently fill the employee's job position. Employees who have been injured at work must immediately report the injury to their supervisor. Your supervisor is to be immediately advised of your work status following any injury and provided any return-to-work notice. Family Medical Leave runs in conjunction with Workers Comp Leave.

5.09 JURY DUTY LEAVE

If you receive a call to jury duty, please notify your supervisor immediately so that we can plan for your absence with as little disruption as possible. In order to avoid financial loss as a full-time or regular part-time employee, the Diocese will continue to pay you your regular rate of pay and you may keep any jury duty pay you receive from the court. To receive jury duty pay, employees must submit their jury duty notice and all related paperwork to their supervisor.

At times an employee may be released from jury service during normal working hours. When this is the case and the employee is on jury duty for less than three (3) hours, the employee must call his or her supervisor immediately and report to work if needed for the day. Jury duty will not be counted as time worked for the purpose of computing overtime.

5.10 WITNESS PAY

An employee subpoenaed as a witness, unless it relates to Diocesan business, will not receive witness pay.

5.11 VOTING LEAVE

Any employee who works three (3) or more hours after the opening of the polls in the county where the person is a resident for any election held in this state, or who ends work three (3) or more hours before the polls close, may not take time off from work to vote. However, any other employees will be permitted to take up to three (3) hours of paid leave to vote provided the employee makes application for such leave before twelve (12:00) noon of the day before the election. The Diocese reserves the right to specify the hours during which an employee may be absent to vote.

5.12 BEREAVEMENT LEAVE

Full-time and Regular Part-time employees are eligible to receive three (3) days paid bereavement leave due to the death of a member of their immediate family. An employee's immediate family includes his or her spouse, children, stepchildren, parents, stepparents, brother, or sister, stepsiblings, spouse's parents, and any other relative residing in the same household. Any employee's leave may be extended on an unpaid basis, subject to approval by his or her immediate supervisor. An employee's supervisor may also approve bereavement leave on an unpaid basis for friends or other relatives not considered part of the employee's immediate family as defined above.

Bereavement pay will not be counted as time worked for the purpose of computing overtime. Pay for the absence will be for actual time lost from work. Should the funeral occur at a time when the employee is not scheduled to work, no payment is due for that day(s). Funeral leave may not be retroactive, split or postponed.

5.13 FAMILY AND MEDICAL LEAVE POLICY

The Diocese provides leave according to the Family and Medical Leave Act of 1993 (FMLA), which provides for unpaid, job-protected leave to cover employees in certain circumstances.

Eligibility

To qualify for FMLA leave, you must: (1) have worked for the Diocese/Employer for at least 12 months, although it need not be consecutive; (2) worked at least 1,250 hours in the last 12 months; and (3) be employed at a worksite that has 50 or more employees within 75 miles. If you have any questions about your eligibility for FMLA leave, please contact Human Resources.

Leave Policy

If eligible, you may take up to 12 or 26 weeks of family or medical leave, whichever is applicable (as explained below), within the relevant 12-month period defined below. While you are on FMLA leave, the Diocese will maintain your group health insurance coverage at the same level and under the same circumstances as when you were actively working, as explained more fully under the section titled, *Medical and Other Benefits*. Upon returning from approved FMLA leave, you have the right to be restored to the same job or an equivalent position, subject to the terms, limitations, and exceptions provided by law.

Leave Entitlement

You may take up to 12 weeks of unpaid (unless you qualify for STD) FMLA leave in a 12-month period, which uses a "rolling" method that is measured backward from the date you use any FMLA leave for any of the following reasons:

- the birth of a son or daughter and in order to care for that son or daughter (leave to be completed within one year of the child's birth);
- the placement of a son or daughter with you for adoption or foster care and in order to care for the newly placed son or daughter (leave to be completed within one year of the child's placement);
- to care for a spouse, son, daughter, or parent with a serious health condition;
- to care for your own serious health condition, which renders you unable to perform any of the essential functions of your position; or
- a qualifying exigency of a spouse, son, daughter, or parent who is a military member on covered active duty or called to covered active-duty status (or has been notified of an impending call or order to covered active duty).

You may take up to 26 weeks of unpaid FMLA leave in a single 12-month period, beginning on the first day that you take FMLA leave to care for a spouse, son, daughter, or next of kin who is a covered service member and who has a serious injury or illness related to active duty service, as defined by the FMLA's regulations (known as military caregiver leave).

Both Spouses Employed by the Diocese

Spouses who are both employed by the Diocese and eligible for FMLA leave may be limited to:

- A combined total of 12 weeks of leave during the 12-month period if leave is requested:
- for the birth of a son or daughter and in order to care for that son or daughter;
- for the placement of a son or daughter with the employee for adoption or foster care and in order to care for the newly placed son or daughter; or
- to care for an employee's parent with a serious health condition.
- A combined total of 26 weeks in a single 12-month period if the leave is either for:
- military caregiver leave; or
- a combination of military caregiver leave and leave for other FMLA- qualifying reasons.

Notice of Leave

If your need for FMLA leave is foreseeable, you must give your supervisor at least 30 days' prior written notice. If this is not possible, you must at least give notice as soon as practicable (within two business days of learning of your need for leave). Failure to provide this notice may be grounds for delaying FMLA-protected leave, depending on the particular facts and circumstances.

Additionally, if you are planning a medical treatment or a series of treatments or you are taking military caregiver leave, you must consult with your supervisor first regarding the dates of this treatment to work out a schedule that best suits the needs of both the employee or the covered military member, if applicable, and Human Resources.

Where the need for leave is not foreseeable, you are expected to notify your supervisor within two business days of learning of your need for leave, except in extraordinary circumstances. The Diocese has Family and Medical Leave Act request forms available from the Human Resources Department. Please submit a written request, using this form, when requesting leave.

Certification of Need for Leave

If you are requesting leave because of your own or a covered relative's serious health condition, you and the relevant health care provider must supply appropriate medical certification. You may obtain Medical Certification forms from Human Resources. When you

request leave, the Diocese will notify you of the requirement for medical certification and when it is due (at least 15 days after you request leave). If you provide at least 30 days' notice of medical leave, you should also provide the medical certification before leave begins. Failure to provide requested medical certification in a timely manner may result in denial of FMLA-covered leave until it is provided.

The Diocese, at its expense, may require an examination by a second health care provider designated by the Diocese. If the second health care provider's opinion conflicts with the original medical certification, then the Diocese, at its expense, may require a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion. The Diocese may require subsequent medical recertification. Failure to provide requested certification within 15 days, when practicable, may result in delay of further leave until it is provided.

The Diocese also reserves the right to require certification from a covered military member's health care provider if you are requesting military caregiver leave and certification in connection with military exigency leave.

Reporting While on Leave

If you take leave because of your own serious health condition or to care for a covered relative, we request you contact your supervisor monthly regarding the status of the condition and your intention to return to work. In addition, you must give notice as soon as practicable (within two business days if feasible) if the dates of leave change or are extended or initially were unknown.

Leave Is Unpaid

FMLA leave is unpaid if you are not qualified to use Short Term Disability. You may substitute any accrued and unused vacation/paid time off/sick/casual days for unpaid FMLA leave as described below:

- If you request leave because of birth, adoption, or foster care placement of a child, any accrued and unused paid leave will first be substituted for unpaid family/medical leave and run concurrently with your FMLA leave.
- If you request leave because of your own serious health condition, or to care for a covered relative with a serious health condition, any accrued paid vacation/personal/family or medical/sick leave will be substituted for any unpaid family/medical leave and run concurrently with your FMLA leave.

The substitution of paid leave time for unpaid FMLA leave does not extend the 12 or 26 weeks (whichever is applicable) of the FMLA leave period. In no case can the substitution of paid leave time for unpaid leave time result in your receipt of more than 100% of your salary. Your FMLA leave runs concurrently with other types of leave, for example, accrued vacation time that is substituted for unpaid FMLA leave and any state family leave laws, to the extent allowed by state law.

Medical and Other Benefits

During approved FMLA leave, the Diocese will maintain your health benefits as if you continued to be actively employed. If paid leave is substituted for unpaid FMLA leave, the Diocese will deduct your portion of the health plan premium as a regular payroll deduction. If your leave is unpaid, you must pay your portion of the premium through your employment location. While on approved unpaid leave, the Diocese will pay, as an advance of your salary, your portion of the health plan premium for a period of time, not to exceed 90 days. Your health care coverage will cease if your premium payment is more than 30 days late. If your payment is more than 15 days late, we will send you a letter to this effect. If we do not receive your premium payment within 15 days after the date of this letter, your coverage may cease. If you elect not to return to work for at least 30 calendar days at the end of the leave period, you will be required to reimburse the Diocese for the cost of the health benefit premiums paid by the Diocese for maintaining coverage during your unpaid leave, unless you cannot return to work because of a serious health condition or other circumstances beyond your control.

Intermittent and Reduced Leave Schedule

If medically necessary, FMLA leave occasioned by a serious health condition may be taken intermittently (in separate blocks of time due to a serious health condition) or on a reduced leave schedule (reducing the usual number of hours you work per workweek or workday). FMLA leave may also be taken intermittently or on a reduced leave schedule for a qualifying exigency relating to covered military service.

If leave is unpaid, the Diocese will reduce your salary based on the amount of time actually worked. In addition, while you are on an intermittent or reduced schedule leave, the Diocese may temporarily transfer you to an available alternative position that better accommodates your leave schedule and has equivalent pay and benefits.

Returning from Leave

If you take leave because of your own serious health condition (except if you are taking intermittent leave), you are required, as are all employees returning from other types of medical leave, to provide medical certification that you are fit to resume work. Otherwise, you will not be permitted to resume work until it is provided.

5.14 MATERNITY LEAVE OF ABSENCE

Employees taking maternity leave will receive slightly different, but more favorable treatment than other employees taking medical leave. Maternity leave for employees is unpaid, and will be governed in accordance with Tennessee law, Title 4, Chapter 21, Tennessee Code Annotated. The text of the law is as follows:

TITLE 4. STATE GOVERNMENT
CHAPTER 21. HUMAN RIGHTS
PART 4--EMPLOYMENT-RELATED DISCRIMINATION

(a) A female employee who has been employed by the same employer for at least twelve (12) consecutive months as a full-time employee, as determined by the employer at the job site or location, may be absent from such employment for a period not to exceed four (4) months for pregnancy, childbirth and nursing the infant, where applicable (such period to be hereinafter referred to as "maternity leave").

(b) (1) A female employee who gives at least three (3) months' advance notice to her employer of her anticipated date of departure for maternity leave, her length of maternity leave, and her intention to return to full-time employment after maternity leave, shall be restored to her previous or a similar position with the same status, pay, length of service credit and seniority, wherever applicable, as of the date of her leave.

(2) A female employee who is prevented from giving three (3) months' advance notice because of a medical emergency which necessitates that maternity leave begins earlier than originally anticipated shall not forfeit her rights and benefits under this section solely because of her failure to give three (3) months' advance notice.

(c) (1) Maternity leave shall not affect the employee's right to receive vacation or casual days, advancement, seniority, length of service credit, benefits, plans or programs for which she was eligible at the date of her leave, and any other benefits or rights of her employment incident to her employment position, so long that the employee maintains her portion of the employee benefits premiums.

(2) If an employee's job position is so unique that the employer cannot, after reasonable efforts, fill that position temporarily, then the employer shall not be liable under this section for failure to reinstate the employee at the end of her maternity leave period.

(3) The purpose of this section is to provide leave time to female employees for pregnancy, childbirth and nursing the infant, where applicable; therefore, if an employer finds that the female employee has utilized the period of maternity leave to actively pursue other employment opportunities or if the employer finds that the employee has worked part time or full time for another employer during the period of maternity leave, then the employer shall not be liable under this section for failure to reinstate the employee at the end of her maternity leave.

(4) Whenever the employer shall determine that the employee will not be reinstated at the end of her maternity leave because her position cannot be filled temporarily or because she has used maternity leave to pursue employment opportunities or to work for another employer, the employer shall so notify the employee.

(d) Nothing contained within the provisions of this section shall be construed to:

(1) Affect Diocesan policy which provides for greater or additional benefits than those required under this section;

(2) Require any employer to provide maternity leave to male employees;

(3) Apply to any employer who employs fewer than one hundred (100) full-time employees on a permanent basis at the job site or location; or

(4) Diminish or restrict the rights of teachers to leave for maternity pursuant to title 49, chapter 5, part 7, or to return or reinstatement after leave.

(e) The provisions of this section shall be included in the next employee handbook published by the employer after passage of this section.

5.15 LACTATION BREAK POLICY

Eligible Employees

All employees who are nursing mothers are eligible to take reasonable breaks under this policy to express breast milk for the employee's infant child. The Diocese encourages all eligible employees who intend to take breaks under this policy to notify their supervisor of their intent, for example when they are discussing their return to work following leave relating to childbirth.

Compensation During Breaks

Lactation breaks under this policy are unpaid. Employees who are required to record time must accurately record the start and end of lactation breaks on their time sheets/clock in and out for their lactation breaks in accordance with the Diocesan timekeeping policy. Uninterrupted lactation breaks do not count as hours worked.

Employees may begin work before the regularly scheduled start of their shift or continue working past the regularly scheduled end of their shift to make up any time used for lactation breaks. Employees who choose to do this should speak with their supervisor in advance to make appropriate arrangements.

Exempt employees may be provided with break time with pay when necessary to comply with state and federal wage and hour laws.

Administration of this Policy

If you have any questions regarding this policy or if you have questions about lactation breaks that are not addressed in this policy, please contact Human Resources.

Complaint Procedure

If you are subjected to any conduct that you believe violates this policy, you should promptly speak to, write, or otherwise contact the Human Resources Department, who will ensure that a prompt investigation is conducted and take prompt corrective action, if appropriate.

No Retaliation

The Diocese expressly prohibits any form of discipline, reprisal, intimidation, retaliation, or discrimination against any individual for requesting or taking lactation breaks, or filing a complaint for violations of this policy, the Fair Labor Standards Act or applicable state or local law.

The Diocese is committed to enforcing this policy and prohibiting retaliation against employees who request or take break time under this policy, or who file a related complaint. However, the effectiveness of our efforts depends largely on individuals telling us about inappropriate workplace conduct. If employees feel that they or someone else may have been subjected to conduct that violates this policy, they should report it immediately to the Human Resources Department. If employees do not report retaliatory conduct, the Diocese may not become aware of a possible violation of this policy and may not be able to take appropriate corrective action.

5.16 MILITARY SERVICE LEAVE

All employees who are reservists or National Guard members that are called to active duty will receive leave of absence, pay or other rights and benefits as provided by the applicable state and federal law.

Procedures

1. During an unpaid leave of absence for military service:
 - a. Seniority (continuous service) continues to accrue.
 - b. Vacation days and holidays do not accrue.
 - c. Active participation in employee benefit plans and programs, including group insurance, is suspended during the leave. Employees will be reinstated upon their return to active employment. With respect to health plans, the employee may elect to continue coverage for the lesser of the eighteen (18) month period beginning on the date the employee's absence begins or the date after the date on which the person fails to apply for or return to a position of employment.
 - d. While an employee is on military leave, the employee's and the Diocese's

contributions, if any, to the retirement plan will cease. However, upon reemployment as provided under applicable law, the Diocese will reinstate the employee to the retirement plan retroactive to the starting date of the military leave (if he or she was then a member of the plan) or to the date of eligibility for membership in the plan, whichever is later. The Diocese will make all contributions (employee and employer) that accumulated in the interim. Employees will be given three times the period of their leave to make contributions to any defined contribution plan that they may have missed while they were away. The Diocese will then make corresponding matching payments.

- e. All reinstatement rights provided by applicable state or federal laws (e.g., reemployment upon return) are granted to employees upon their return from leave. Application for re-employment must be made within ninety (90) days or discharge from military service.
- 2. During annual training or emergency active duty by reservists or National Guard members, participation in all benefits plans and programs remains unchanged.

5.16 APPROVED LEAVES OF ABSENCE

Employees who have exhausted their approved leave may be provided with extended leave of absence. This leave is without pay and will be granted at the discretion of the Diocese after consultation with the Director of Human Resources. The Employee's supervisor must approve such leave in advance and in writing with an expected return to work date. Employees who take such leave are not guaranteed to be returned to work or reinstated to a particular job, rate of pay, or shift at the end of their leave. However, the Diocese will attempt to return employees to their regular position if it is available. If it is not available at the time reinstatement is sought, the Diocese will attempt to place you in a similar job for which you are qualified, if such a job is available. Employees on such leave may maintain their insurance benefits, subject to policy terms and conditions by paying the applicable Tennessee State Continuation premiums in a timely manner.

6.00 HEALTHCARE BENEFITS

The Diocese provides certain "Section 125" employee benefits. These benefits include group health, dental, life insurance, long-term disability, retirement, medical reimbursement, and childcare reimbursement. You also may participate in a matching tax-sheltered annuity 403 (b) for retirement.

All benefit plans are set forth in plan documents, including Summary Plan Descriptions. Enrollment in the plans is electronic. If you have questions about the plans, please contact Human Resources. You may enroll during open enrollment, which usually occurs in November and December. New employees may enroll in the benefits after sixty (60) working days of employment. Benefit plans become effective the first of the month following sixty (60) working days of employment with the Diocese.

The Diocese provides you with a PPO Plan or a HDHP for coverage due to illness or injury which is not work related. A PPO Plan and HDHP is an agreement the Diocese has with one or more networks of hospitals and physicians that provide services at reduced cost for a participating employer and its employees. The required contribution amounts are partially paid by you, and the Diocese pays the remainder.

The information contained below is brief and is subject to the provisions set forth in the official documents applicable to the plans and policies. Benefits eligibility is dependent on a variety of factors and any questions you have regarding eligibility can be directed to the Human Resources Department. No representative of the Diocese can change or alter the terms, conditions, waiting periods and limitations of any plan as set forth in applicable and controlling plan documents.

6.01 Employee Assistance Program (EAP)

The Diocese sponsors an Employee Assistance Program (EAP) through which you or your family members can receive assistance in dealing with emotional or other personal needs. This is a confidential program provided by an outside provider.

6.02 Notice of Rights to Tennessee Continuation Coverage

If you are an employee who is covered by the Plan, you have a right to choose continuation coverage if you lose your coverage because of a reduction in your hours of employment, or because of the termination of your employment for any reason.

If you are the spouse of an employee and are covered by the Plan, you have the right to choose continuation coverage for yourself if you lose coverage for any of the following four reasons:

1. The death of your spouse;
2. The termination of your spouse's employment for any reason other than gross misconduct or the reduction in your spouse's hours of employment;
3. Divorce or legal separation from your spouse; or
4. Your spouse has enrolled for Medicare.

If you are a dependent child of an employee and are covered by the Plan, you have the right to continuation coverage if your coverage is terminated for any of the following five reasons:

1. The death of your parent who is employed by the Diocese;
2. The termination of that parent's employment for any reason other than gross misconduct or the reduction in that parent's hours of employment;
3. That parent's divorce or legal separation;
4. That parent has enrolled for Medicare; or
5. You cease to be a dependent child under the Plan.

Under the law, you have the responsibility of informing the Diocese of a divorce, legal separation, or a loss of a child's dependent status under the Plan within sixty days of the event. The Diocese has the responsibility of notifying the various carriers of the employee's death, termination of employment or reduction in hours, or Medicare enrollment.

When the Diocese is notified that one of these events has happened within the time frame just specified, it will in turn notify you that you have the right to choose continuation coverage. You have at least sixty days from the date you would lose coverage because of one of the events described here to inform the Diocese that you want continuation coverage. Your regular coverage will terminate at the end of the month when the event occurs. If you elect continuation coverage within the sixty-day period, your coverage will be retroactively reinstated without penalty. If you do not choose continuation coverage, your coverage under the Plan will end.

If you choose continuation coverage, the Diocese is required to provide coverage that, as of the time coverage is being provided, is identical to the coverage provided under the Plan to similarly situated employees or family members. The law requires that you be provided with the opportunity to purchase continuation coverage for a maximum period of three months for all events.

Your continuation coverage will cease before the expiration of the maximum period only for the following reasons:

1. The Diocese no longer provides group coverage to any of its employees;
2. You do not pay the premium for your continuation coverage within thirty days of the due date.

If coverage under the Plan is changed for active employees, the same changes will be provided to individuals purchasing continuation coverage. You will be provided with notification of any plan changes.

You do not have to provide medical evidence that you are insurable to choose continuation coverage. The cost of this continuation of insurance coverage will not be paid by the Diocese. If you elect to receive continuation coverage, you will be responsible for paying the premium. The cost of the premium will be the same rate that the Diocese pays for the Plan, which is subject to change.

6.03 RETIREMENT PLAN

The Diocese offers a 403(b) retirement plan for eligible employees. Full-Time and Regular Part-Time employees who meet the minimum age and service requirements may participate.

- Upon enrollment, eligible employees may contribute at least 2% of their earnings.
- The Diocese matches 0.5% for every 1% the employee contributes, up to a maximum employer match of 2%.

- In addition to the match, the Diocese contributes an extra 5% of earnings to each eligible employee's 403(b) account, regardless of whether the employee participates in the plan. (This contribution is subject to change at the Diocese's discretion.)
- Employees may choose to contribute more than 2% to increase their savings.
- Every July 1st, any participant that defers less than 4% will automatically be increased by 0.5% per year up to a maximum of 4% deferral.

6.04 SHORT-TERM DISABILITY, LONG TERM DISABILITY, SOCIAL SECURITY INSURANCE, AND WORKER'S COMPENSATION PROTECTION

The Diocese offers short-term and long-term disability benefits for its Full Time and Regular Part-Time employees. Contact Human Resources for any questions you may have.

In addition, under the Federal Insurance Contributions Act, better known as the Social Security Act, the Diocese is required to deduct a percentage of your pay and match it with an equal amount from the Diocese. If you are not familiar with the retirement and disability benefits provided under Social Security, check with Human Resources or your local Social Security office for a more complete explanation.

Workers' Compensation is required by Tennessee law and paid entirely by your employer and protects you in the event of occupational injury or sickness. You must immediately report any accident on the job, no matter how small, to your supervisor.

7.00 EMPLOYEE CONDUCT

The following sections discuss the Diocese's policies regarding employee conduct and related issues. These policies are not a substitute for common sense and are not intended to be exhaustive. Employees are expected to exercise good judgment, and while on the job, must behave professionally at all times. Please direct any questions regarding performance requirements to your supervisor.

7.01 DISCIPLINE POLICY

Violation of any Diocesan policy may subject an employee to disciplinary action, up to and including termination. It is your responsibility to be aware of and to follow all of the Diocese's policies, procedures and standards of professional conduct. Additionally, employees are expected to use common sense and sound judgment in the course of their work. There may be occasions when an employee's conduct or poor performance warrants disciplinary action. Ordinarily, and except in cases of major infractions (described below), disciplinary or corrective action will involve the following progressive measures:

- *Step 1 – Verbal Warning* (documented in writing on a Corrective Action Form). As the first step in correcting unacceptable performance or behavior, the manager will review the pertinent job requirement(s) with you to ensure your understanding of the requirement(s). You will be informed that a written warning, suspension, or possible

termination could result if the problem is not resolved.

- *Step 2 – Written Warning* (documented in writing on a Corrective Action Form). For any unacceptable performance or behavior after receiving a Step 1 Verbal Warning, the next step is a Written Warning. Certain circumstances, such as a violation of a widely known policy or safety requirement, may justify a Written Warning without first using a Verbal Warning.
- *Step 3 – Final Counseling/Last Chance.* Following the Step 2 Written Warning, if no improvement by the Employee is evident, a last step of counseling is attempted to correct the poor performance or unacceptable behavior.
- *Step 4 – Termination of Employment.* For any unacceptable performance or behavior after receiving a Step 3 -Final counseling/Last Change, the final step is termination of employment.

Please note, however, that the Diocese reserves the right to exercise the broadest possible discretion and may bypass any of the progressive measures discussed above based on individual circumstances and institute whatever steps it may deem warranted and in its best interests.

An employee may be immediately discharged without prior reprimand or suspension in appropriate circumstances, including, but not limited to, the following infractions:

- Excessive absenteeism, tardiness or leaving early;
- Failure to report an absence;
- Wasting time or interfering with another employee's work;
- Poor housekeeping;
- Discourtesy (All employees should be courteous, polite, and friendly to both members of the Diocese and to their fellow employees. Avoid the use of profanity to show respect. Do not engage in any activity which could harm the image or reputation of our organization or create an unpleasant work situation.);
- Damage to Property (We have made an investment in our facilities and equipment to better serve the Diocese and to make your job easier. Deliberate or careless damage to Diocese property may result in dismissal.);
- Fighting, Threats, or Weapons (Fighting, threatening words or conduct, or any other actions that could injure a fellow employee or member of the public will not be tolerated. We also do not allow the possession of weapons of any kind on the Diocese premises.);
- Fraud, Dishonesty, or False Statements (No employee or applicant may make any materially false representations on or about any application, document establishing identity or work status, medical history record, insurance form, invoice, production paperwork, time sheet, timecard, purchase orders, receipts, or any other document. If you observe such a violation, please report it to your supervisor or Human Resources immediately.);
- Harassment (Our No Harassment Policy, which we have set forth in detail in this handbook, prohibits harassment based upon age, race, color, religion, sex, national origin, citizenship, veteran status, or disability, or any other category protected by law.);

- Insubordination (Insubordination is the failure to follow directions from your supervisor or exhibiting disrespectful behavior when given instructions. We all have duties to perform and everyone, including your supervisor, must follow directions from someone. No employee may refuse to follow the lawful directions of a supervisor.);
- Misuse of Property (Employees may not misuse or use without authorization any equipment, vehicle, or any other property of organization. If you are not sure whether you should do something, check with your supervisor first.);
- Poor Performance (We expect all employees to make every effort to learn their job and to perform at a satisfactory level. We encourage employees to seek information from their supervisor regarding their job performance.)
- Sleeping or Inattention (To protect the safety of all employees and to properly serve our Parishioners, everyone needs to be fully alert while on the job.);
- Substance Abuse (Please refer to the complete substance abuse policy in this handbook. Any employee testing positive or refusing to take a test or attempting to adulterate a test will be terminated.);
- Theft (Stealing, whether from the Diocese or a fellow employee will not be tolerated. For your protection, we reserve the right to inspect all purses, briefcases, packages, lockers, toolboxes, desks, cabinets, vehicles, and any other items on Diocese property. If you wish to remove any Diocese property, including scrap, from the premises, you must obtain written permission in advance from your supervisor.);
- Unlawful Activity (No employee may engage in any unlawful, immoral, or unethical activity, either on our property or off the job since such activity can adversely affect the Diocese and its reputation.)
- Unsafe Work Practices (We are committed to providing a safe place for you to work, and we want all employees to understand the importance of safety. This requires all of us to exercise good judgment and common sense in our day-to-day work. Horseplay and practical jokes can cause accidents and injuries and are therefore prohibited.).

7.02 FIREARMS AND WORKPLACE SAFETY

For the safety of our employees, visitors and volunteers, the Diocese will not tolerate any behavior that could be interpreted as threatening or as an act of violence or harm to a fellow employee, visitors or volunteers on Diocesan premises, or to Diocesan property.

A safe and secure workplace is a shared responsibility. You are expected to report safety concerns including any threat witnessed or overheard.

Firearms, illegal weapons, or objects that have the appearance of weapons (i.e. toy guns, knives, etc.) are prohibited on any property that is owned, leased or under the control of the Diocese or its subsidiaries, including parking lots (and privately-owned vehicles in those lots), offices, desks, lockers or any other personal belongings and spaces on the premises. You are prohibited from reporting to work or being on Diocesan property (whether on duty or not) with a weapon or any object having an appearance of a weapon. This policy applies while on paid travel time, work assignments for the Diocese, and while conducting any Diocesan business. This policy also applies

to individuals who may hold a “carry permit.” A violation of this policy may constitute a violation of State and/or Federal criminal law which, if found to have occurred, can result in discipline up to and including termination.

7.03 DRUG AND ALCOHOL POLICY

For the safety of employees and visitors the Diocese is committed to a workplace free of alcohol and unauthorized drugs.

The Diocese strongly urges treatment for alcohol and drug addiction in order to overcome its devastating effects on you, your family and society. The Diocese encourages early detection and voluntary treatment of addiction.

This policy prohibits all individuals including you, volunteers, visitors and all others from manufacturing, possessing, selling, distributing, using, dispensing, consuming or being under the influence of illegal drugs or alcohol, or misusing legally prescribed drugs, while working or on call. You and your possessions are subject to search and surveillance at all times while on the Diocesan property or while conducting Diocesan business.

You and outside contractors are prohibited from reporting to work or being on Diocesan property (either on duty or off) with an identifiable level of illegal or unauthorized substances, alcohol or other intoxicants in your system, regardless of how or when the substance entered the system. These prohibitions also apply while on paid travel time, work assignment at any location, and while conducting any Diocesan business at any location.

An “identifiable level” means a level of alcohol or drugs or its metabolite in the blood, urine or other body fluid or tissue which exceeds the level determined by the Diocese or its testing laboratory as a cut-off level for a positive test result. As a condition of employment, all Diocesan employees agree to cooperate fully with drug/alcohol screening upon request and agree that the Diocese has the sole final authority to interpret and act upon the results of such screens. Failure to cooperate in screening, including any attempt to avoid, subvert or adulterate, as determined by the Diocese, is grounds for discharge.

You may use a prescription drug during work time provided it is: 1) prescribed for you; 2) is used as prescribed; and 3) is not a drug that alters your ability to reason or function in an acceptable manner.

A violation of this policy will result in corrective action, up to and including discharge. Should a violation of this policy occur, treatment will not be an alternative to corrective action. If you are charged with illegal drug activity on the job, you may be discharged. You are required to report to your supervisor or Human Resources any criminal drug convictions, including for violations in the workplace, within five days of the conviction. Violation of this reporting requirement may result in discharge.

General Procedures

Any employee reporting to work visibly impaired will be deemed unable to perform required duties and will not be allowed to work. If possible, the employee's supervisor will first seek another opinion to confirm the employee's status. Next, the supervisor will consult privately with the employee to determine the cause of the observation, including whether substance abuse has occurred. If, in the opinion of the supervisor, the employee is considered impaired, the employee will be sent home or to a medical facility by taxi or other safe transportation alternative - depending on the determination of the observed impairment - and accompanied by the supervisor or another employee if necessary. A drug or alcohol test may be ordered if drug or alcohol abuse is suspected. An impaired employee will not be allowed to drive. If the employee refuses safe transportation and drives contrary to Diocesan directives, then the supervisor will immediately notify the police.

Refusal to Submit

Failure to submit to the required substance abuse test also is misconduct and also shall be grounds for termination. If an injured employee refuses to submit to a test for drugs and alcohol, the employee forfeits eligibility for worker's compensation and medical and indemnity benefits.

7.04 WORKPLACE SAFETY

It is Diocesan policy to promote safety on the job. The health and well-being of our employees is foremost among our concerns. For this reason, we urge you to follow common-sense safety practices and to correct or report any unsafe condition or defective or malfunctioning equipment to your supervisor. We expect all employees to assist in maintaining safe working conditions. Safety is everyone's responsibility. Remember: SAFETY FIRST.

You must report all serious accidents -- including those which do not involve serious injury and those involving non-employees -- to your supervisor. It is only through full knowledge of every accident that the organization can remain a safe and healthy place for everyone to work. Report any accident to your supervisor.

All employees are required to adhere completely with all safety requirements set forth by state and federal law, local ordinances, and our insurance company.

7.05 WORKPLACE VIOLENCE

The Diocese is concerned about the increased violence in society, which has also filtered into many workplaces throughout the United States. It is the policy of the Diocese to expressly prohibit any acts or threats of violence by any employee or former employee against any other employee in or about the Diocesan facilities or elsewhere at any time. The Diocese also will not tolerate any acts or threats of violence against employees or visitors on the Diocese's premises at any time or while they are engaged in business with or on behalf of the Diocese, whether on or off the premises.

- A. In keeping with the spirit and intent of this policy, and to ensure that the Diocese's objectives in this regard are attained, it is the commitment of the Diocese:
1. To provide a safe and healthy work environment;
 2. To take prompt remedial action up to and including immediate termination, against any employee who engages in any threatening behavior or acts of violence or who uses any obscene, abusive, or threatening language or gestures;
 3. To take appropriate action when dealing with former employees or visitors to the Diocese who engage in such behavior; including notifying the police or other law enforcement personnel and prosecuting violators of this policy to the maximum extent of the law;
 4. To prohibit employees, former employees, and visitors from bringing unauthorized firearms or other weapons onto the Diocese's premises; and
 5. To establish viable security measures to ensure that the Diocese's facilities are safe and secure to the maximum extent possible and to properly handle access to the Diocese's facilities by the public, off-duty employees, and former employees.
- B. Any employee who displays a tendency to engage in violent, abusive, or threatening behavior, or who otherwise engages in behavior that the Diocese, in its sole discretion, deems offensive or inappropriate, will be subject to disciplinary action, up to and including discharge.
- C. In furtherance of this policy, employees have a "duty to warn" their supervisor or Human Resources of any suspicious workplace activity or situations or incidents that they observe or that they are aware of that involve other employees, former employees, or visitors and that appear problematic. This includes, for example, threats or acts of violence, aggressive behavior, offensive acts, threatening or offensive comments or remarks, and the like. Employee reports made pursuant to this policy will be held in confidence to the maximum extent possible. The Diocese will not condone any form of retaliation against any employee for making a report under this policy. Please immediately contact your supervisor, or Human Resources, to report any suspected potential violence.

8.00 INTERNET AND COMPUTER USAGE

Employees have a duty and responsibility to preserve, protect, and account for the Diocesan information systems and data to which they have access. You may not use information technology (IT) systems for any activity that is contrary to the laws, teachings of the Catholic Church, against Diocesan policy, or that is illegal. All information generated using IT equipment is the property of the Diocese and subject to its control. The Diocese reserves the right, at its discretion, to review any employee's electronic files, messages, and usage to the extent necessary to ensure that

Diocesan systems are being used in compliance with the law and with Diocesan policy.

Diocesan computers are for business purposes. Limited personal use of the Internet is permissible, provided such use does not interfere with your job duties, productivity, or work performance. Internet users must adhere to the Diocese's policies. In order to protect IT systems of the Diocese against viruses, you are not permitted to download files such as shareware, freeware, or commercial software including weather widgets, screen savers, anti-spyware, etc.

To ensure that the use of the Diocese's information system and other electronic communications systems is consistent with its legitimate business interests, the Diocese may monitor the use of this equipment from time to time.

Upon termination of employment, it is absolutely forbidden to download any information from Diocesan computers. Such action would be considered theft of proprietary information.

Further, employees may not use a code, access a file, or retrieve any stored communication unless authorized to do so or unless they have received prior clearance from their supervisor. All Diocesan computers have standard software installed. Any additional software or upgrades of existing software must be authorized by the Diocese. Additionally, no additional software or equipment can be purchased without the prior approval of your supervisor and the IT Director. If you have any questions, consult the IT Director.

8.01 EMAIL POLICY

The Diocese intends to honor the policies set forth below but reserves the right to change them at any time as may be required under the circumstances. The Diocese maintains an electronic mail system. This system is provided to assist in the conduct of the Diocese's ministries.

1. The electronic mail system hardware is Diocese's property. Additionally, all messages composed, sent, or received on the electronic mail system are and remain the property of the Diocese. They are not the private property of any employee.
2. The use of the electronic mail system is reserved solely for the conduct of Diocesan business. It may not be used for personal matters.
3. The electronic mail system may not be used for non-job-related solicitations.
4. The electronic mail system is not to be used to create any offensive or disruptive messages. Among those which are considered offensive, are any messages that are vulgar, contain sexual implications, racial slurs, gender-specific comments, or any other comment that offensively addresses someone's age, sexual orientation, religious or political beliefs, nationality or disability.
5. The electronic mail system shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or

similar materials without prior authorization.

6. The Diocese may review, audit, intercept, access and disclose all messages created, received or sent over the electronic mail system for any purpose. The contents of electronic mail properly obtained for legitimate business purposes may be disclosed within the Diocese without the permission of the employee.

7. The confidentiality of any message should not be assumed. Even when a message is erased, it is still possible to retrieve and read that message. Further, the use of passwords for security does not guarantee confidentiality.

8. Notwithstanding the Diocese's right to retrieve and read any electronic mail messages, such messages should be treated as confidential by other employees and accessed only by the intended recipient. Employees are not authorized to retrieve or read any e-mail messages that are not sent to them. Exceptions to this policy must be based on prior approval by your supervisor.

9. Employees shall not use a code, access a file, or retrieve any stored information, unless authorized to do so. Employees should not attempt to gain access to another employee's messages without permission.

10. Any employee who discovers a violation of this policy shall notify their manager immediately.

8.02 TEXTING

The Diocese strictly prohibits you from texting while driving as follows:

"Texting" means composing or viewing messages on a wireless device such as a cell phone, smart-phone, iPhone, iPad, pager, or any other wireless device capable of composing, reading, sending, or receiving messages or other writing electronically. This includes viewing or composing text messages and emails, surfing the internet, playing games, using applications to access or view social media sites such as Facebook and Twitter, or any other similar activity that has the potential to distract the driver from safely operating a vehicle.

Texting is prohibited: (a) when driving during your normal work hours or while performing any work related functions; (b) when you are running errands related to the Diocese's business; (c) when you are commuting to or from any property owned by the Diocese; and, (d) when you are commuting to or from any function sponsored by the Diocese, such as a Diocesan Christmas Party, etc.

Even if you are off duty or on vacation, texting is prohibited when driving if the text message relates to the business of the Diocese in any way.

Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment. Numerous states, including Tennessee, have statutes which prohibit

texting while driving. Thus, employees who violate this policy may also be violating the law.

8.03 CAMERAS, RECORDING DEVICES, AND CELLPHONES

You are not allowed to use cameras, tape recorders, video recorders or other recording devices (including when such devices are a feature on a cell phone or similar device) on the premises unless the use is part of the employee's job, e.g., tape recording a report. The use of portable electronic devices such as cell phones and PDAs to text, email, or otherwise comment about employees, students, etc., is strictly prohibited. Exceptions to this policy may be approved by your supervisor for specified events such as retirement parties, where all those being recorded are aware and consent to the recording.

9.00 WORKPLACE SEARCHES

The Diocese reserves the right to inspect and search any employee's work area, personal belongings or automobile while on Diocesan property to ensure compliance with all safety, health and other policies contained herein. Accordingly, no employee should have any expectation of privacy regarding same.

9.01 PERSONAL APPEARANCE

You should consult your supervisor with respect to the appropriate dress code for your position. In every case, we expect that you will present a neat, well-groomed appearance and a courteous disposition. We believe that these qualities go further than any other factor in making a favorable impression on the public and fellow workers.

Avoid extremes in dress. Flashy clothing, extreme hairstyles and the like are not desirable. No jeans, tennis shoes, or other casual clothing are allowed, unless pre-approved. Any tattoos must be covered and body piercings, other than earrings, must not be visible. Moderation and good taste in grooming and dress are desired.

9.02 BUSINESS RECORDS

The Diocese maintains various types of written and electronic business records. These records are Diocesan property and, thus, are subject to review or inspection by the Diocese, its authorized employees, or agents at any time without advance notice. For these and other reasons, please do not use our computer systems or other business systems for personal matters or those which are not related to the organization's business. Upon termination of employment for any reason, it is absolutely forbidden to copy or take from the premises any Diocesan business records. Such actions would be considered theft of Diocesan property.

9.03 PARKING

You are to park in designated parking areas. You park at your own risk. The Diocese encourages you to keep your car locked. The Diocese encourages you not to keep valuable items in your car. But if for some reason valuables are in a car, they should be kept in a trunk, glove box,

or otherwise out of sight.

9.04 SMOKING AND VAPING

Smoking or vaping may be offensive to co-workers and others, therefore smoking and vaping are prohibited at all times in all Diocesan buildings. Certain designated smoking and vaping areas have been established outside for your convenience. See your supervisor for further information.

9.05 PERSONAL TELEPHONE CALLS AND VISITS

Personal calls, whether on Diocesan phones or personal cellular phones, are discouraged and should be kept to a minimum. If you have access to long distance, it is to be used for business purposes only. All communication is subject to review without prior notice at any time, and no information placed on the system should be considered personally confidential. The Diocese does not provide childcare. Employees should not bring their children to work with them.

9.06 PERSONAL MAIL AND PACKAGES

All mail and packages delivered to the Diocese are presumed to be related to our business and will be routed to your department. If you do not want your mail handled in this manner, please have it delivered to your home or post office box.

9.07 HOUSEKEEPING

The appearance and condition of our facility is one of the qualities by which our organization is judged. Therefore, it is extremely important that each and every employee keep their work area clean. Furthermore, a clean and orderly work area reduces accidents, improves quality, efficiency, and enhances enjoyment in your work.

9.08 CHANGES IN PERSONAL INFORMATION

To keep your personnel records up to date and to ensure that the appropriate benefits are available to you, you should promptly notify the Diocese of any change of personal information, including the following:

- Name changes;
- Mailing address;
- Telephone numbers;
- Name and number of dependents;
- Teachers' licenses and certificates or such similar documentation of qualifications or fitness to perform duties of a position held;
- Driver's License, if required for work. (Note: Notice of a loss of or placement of restriction on a driver's license is not required unless possessing an unrestricted driver's license is a job requirement, or if you are instructed to drive on Diocesan business.);
- Emergency Contacts.

Your personnel data should be accurate and current at all times. Some of the above information may be updated directly through Paylocity. Otherwise, please inform Human Resources of any changes.

9.09 CONFLICTS OF INTEREST

You should avoid any situation that involves or may involve conflict between your personal interests and the interests of the Diocese. As in all other facets of your duties, when dealing with vendors, suppliers, contractors, or any person doing or seeking to do business with the Diocese, you are required to act in the best interest of the Diocese. You shall make prompt and full disclosure in writing to your supervisor of any potential situation that may involve a conflict of interest. Examples of potential conflicts of interest include:

- Ownership by you or by a member of your family of a significant interest in any outside enterprise which does or seeks to do business with the Diocese.
- Serving as a director, officer, partner, consultant, or in a managerial or technical capacity with an outside enterprise that does or is seeking to do business with the Diocese.
- Acting as a broker, finder, go-between, or otherwise for the benefit of a third party in transactions involving or potentially involving the Diocese or its interests.
- Any other arrangements or circumstances, including family or other personal relationships, which might dissuade you from acting in the best interest of the Diocese.
- Any situation where you receive compensation from any other entity for services rendered while also receiving regular pay from the Diocese.

In any case where a conflict of interest exists or the appearance of a conflict of interest may exist, it is your duty as an employee covered by this policy to disclose your benefits. You must reveal any interest in an organization or entity that may benefit from your employment with the Diocese, including any such beneficial interest a member of your immediate family may have because of your employment with the Diocese.

Supervisors or managers who perceive the existence of a conflict of interest shall not attempt to resolve the conflict or determine that the external benefits will not adversely affect the Diocese, but shall make a full disclosure of the facts, circumstances, relationships, and transactions to Human Resources or the Chief Financial Officer.

Any violation of the Code of Conduct or particular policies related to it will subject you to disciplinary action up to and including immediate termination. If you have knowledge of any violation or suspected violation of this policy, you have a responsibility to promptly report such violation to the appropriate level of management. When questions arise concerning any aspect of this policy, you should contact Human Resources or the Chief Financial Officer.

9.10 TRAVEL POLICY

An employee who travels on Diocesan business shall be reimbursed for reasonable and necessary travel expenses. All Diocesan travel must be pre-authorized by the employee's supervisor. Approved travel expenses include:

- Any registration fees and tuition charged by the approved school, trade show or conference;
- Travel expenses to and from the destination;
- Meals up to \$100 per day, including tips but excluding alcoholic beverages;
- Lodging;
- Business telephone calls to and from the Diocese/Employer.

Travel may be by (1) air carrier at the lowest commercial rate; (2) by personal vehicle with mileage reimbursement at the amount determined from time to time by the Diocese or (3) by Diocesan vehicle with reimbursement for out-of-pocket fuel costs.

The method of travel is approved by your supervisor. If you are driving on Diocesan business the following apply:

- You must maintain a valid driver's license required for the type of vehicle and driving involved;
- You must have liability insurance as required by Diocesan policy;
- You must immediately report to Human Resources if a required license or insurance policy is lost, limited or restricted and must immediately cease all driving duties;
- You must not violate the texting policy set forth in this Handbook;
- You must immediately report to your supervisor any accident or damage which occurs to your personal vehicle while it is being used on Diocesan business.

For reimbursement, the employee must keep all receipts and provide them to the Finance Office. Other expenditures, including entertainment, alcoholic beverages, travel, meal and lodging expenses greater than specified in this policy must be pre-approved in writing.

9.11 NO CONTRACTING AUTHORITY

No employee has authority to bind the Diocese to any contractual obligation or other financial commitment without approval from the bishop or pastor in accordance with Canon

law. Any proposed contractual agreements submitted to an employee by the manufacturer, vendors, or other third parties must be forwarded to the Finance Office for further review, negotiation, and signature by the appropriate officer.

Nothing in this policy prohibits employees from executing those documents routinely and customarily executed by the employee as part of his/her typical job duties in the ordinary course of business.

9.12 ETHICS AND COMPLIANCE VIOLATION DISCLOSURE

The Diocese expects its employees to voice concerns and report noncompliance with the law, our Code of Conduct and Diocesan policies. The Diocese prohibits retaliation against any employee for raising a concern or reporting suspected misconduct in good faith.

What Does This Policy Cover?

Employees have an obligation to report or disclose any situation in which an employee, or someone acting on behalf of the Diocese, is engaged or based on reasonable suspicion, is believed to be engaged, in conduct which violates the law, Diocesan policies or the Code of Conduct.

What are your Responsibilities?

Every person acting on the Diocese's behalf is responsible for upholding the Diocese's mission and applicable policies. An important part of this responsibility is knowing and following the ethical and legal requirements that apply to your job, but also by speaking up if:

- You are unsure about the proper course of action and need advice about an ethics or compliance concern;
- You believe that someone acting on behalf of the Diocese has done, is doing, or may do something that violates the law, the Code of Conduct, or Diocesan policy;
- You believe that you yourself may have been involved in misconduct when doing something on behalf of the Diocese.

In addition, the Diocese expects you to:

- Never discourage others from reporting a problem;
- Always report your concerns in good faith — never knowingly make a false report;
- Give due regard to protecting the rights and concerns of anyone accused of misconduct;
- Be truthful, candid, and cooperative in any internal inquiries and investigations; and
- Never retaliate against an employee who makes a report.

What are Examples of Compliance Concerns that you are Required to Report?

No matter where you work in the Diocese, you have an obligation to report suspected misconduct so that the Diocese can quickly take corrective action. Here are a few examples of the types of issues you must report:

- Theft or fraud from the Diocese by an employee, contractor or third-party agent;
- Improper booking/accounting of revenue or expenses;
- Intentional misstatement of accounting records;
- Inaccurate creation, reporting or falsification of Diocesan business or financial records;
- Discrimination or sexual harassment;
- Accepting or giving impermissible gifts or other types of conflict of interest;
- Workplace violence
- Misuse of intellectual property rights
- Retaliation against any employee reporting a concern
- Child abuse (physical or psychological) or neglect

Whom Should you Contact to Voice a Concern?

Where to raise a concern depends to some degree on the nature of the issue and the people involved. In most cases, your supervisor is closest to the issue and may be the best place to raise a concern or file a report. However, actual or suspected violations of this policy can be reported to the Director of Human Resources or Chief Financial Officer. If you are uncomfortable reporting an issue within your department, and reporting to the Director of Human Resources or the Chief Financial Officer does not make sense based upon the nature of the issue or people involved, another option is the Diocesan legal counsel.

What if you want to Remain Anonymous?

Face-to-face discussions are often best, but there may be times when you may not feel comfortable talking to someone in person or you may prefer to remain anonymous. That is why The Diocesan Compliance Hotline, is available online and by telephone toll-free 1- 877-253-4281. It allows you to report your concerns anywhere, anytime, completely anonymously. All calls and electronic web reports are caller/user-identification blocked, allowing you to remain anonymous if you prefer.

What Should you do if Someone Comes to you to Report Possible Ethical or Compliance Concerns?

If someone comes to you with an ethics or compliance concern, you are expected to immediately inform your supervisor unless the suspected misconduct concerns him or her directly. In that event, report it to the Director of Human Resources.

What if you are not sure you want to Voice a Concern?

Raising concerns can be hard. Sometimes people are reluctant to raise concerns because they are afraid they will be subject to retaliation. This should not prevent you from raising a concern. The Diocese strictly prohibits retaliation against anyone for raising a concern or reporting suspected misconduct in good faith. If you are concerned you have been or will be retaliated against for making a report, you should contact the Director of Human Resources.

Another reason people do not want to make a report is because they do not want to get anyone in “trouble.” This is a mistake. Prompt reporting of concerns can stop a small problem from becoming a big problem, not only for the individuals involved, but for you, and in a very real way, the Diocese. In fact, the consequences of failing to correct a known problem are oftentimes far worse than the consequences for the problem itself.

Lastly, people may not raise concerns because they believe nothing will happen. The Diocese is committed to responding to you if you raise a good faith concern about a potential issue. To protect the privacy of those involved, however, we may not always be able to share the outcome of an investigation with employees. If you have reported a concern to management and feel the situation was not resolved, you should refer the issue to higher management or contact the Director of Human Resources.

What Happens When You Make a Report?

The Diocese takes all reports seriously. All reports are reviewed to determine if the matter should be investigated and, if so, how best to investigate and resolve the matter, based on the nature of the report. The facts are investigated to determine objectively what happened and decide what to do based on those facts.

Do Reports Remain Confidential?

The Diocese will handle all reports with discretion and, at your request, will protect your confidentiality to the fullest extent possible. Obviously, certain individuals have to know the circumstances involved in the report and the specifics of the allegation for effective investigation and follow-up to occur. Also, there may be times when the Diocese has to make available to third parties’ information about reported compliance issues. In these situations, your identity may become known during the course of the investigation. If this occurs, the Diocese will strive to keep your identity as confidential as possible and prevent any retaliation based upon the report.

Will I be told about the Details of an Investigation or its Outcome?

In most cases, you will be told whether your reported issue was investigated and whether it was resolved. You should know that there are legal and other restrictions on what information the Diocese is allowed to provide. For example, you may not be told about the actions taken against an employee as a result of your report because that information may be considered “private” under applicable law. You also will not be told information that is considered to be legally privileged or otherwise confidential.

What if I Report Something to my Manager and I’m told to “Keep Quiet” about it?

If you think that you are being discouraged from reporting a potential violation of the law or Diocesan policy, you should report both the original concern and the fact that you have been told to “keep quiet” to the Director of Human Resources

How Does the Diocese Prevent Retaliation?

Any employee who seeks advice in good faith and raises a concern or reports suspected misconduct is doing the right thing. The Diocese will not tolerate retaliation against that person. Anyone who engages in retaliatory action will face discipline, which may include any form of discipline up to and including termination, regardless of that person's position or stature within the Diocese. If you believe that you or someone you know has been retaliated against for raising an ethical or compliance-related issue, immediately contact the Diocesan legal counsel or the Director of Human Resources. Directions for how to obtain advice or to report a concern are included below.

What if you Neglect or Abuse your Reporting Responsibilities?

If you fail to report misconduct you know about, you may be subject to disciplinary action. Be aware, however, that if you abuse the reporting system and knowingly submit a false report, you will automatically become the subject of a separate investigation and, if substantiated, you will face disciplinary action.

Where can you ask Questions?

If you have questions about a Diocesan policy or a situation you think is not covered by a policy, ask for clarification. You can get help or advice from your supervisor, the Director of Human Resources, or the Chief Financial Officer.

10.00 TERMINATION OF EMPLOYMENT

Resignation: Should you decide to voluntarily leave employment with the Diocese, two weeks' written notice for an hourly-paid (nonexempt) position and four weeks written notice for an exempt position is requested. Giving notice is good business practice and allows management time to plan for your replacement. The Diocese may elect to release an employee prior to the completion of his/her notice period if the Diocese deems it appropriate.

Quitting: This is the term applied when you leave or fail to report as required by the Diocese when scheduled to work or fail to report as required by the Diocese during a leave. This is a very poor practice which will be reflected on your record.

Reduction-In-Force: Sustained employment and job security are goals that the Diocese strives to attain. However, economic conditions or reorganization may necessitate a reduction-in-force after other reasonable alternatives have been considered. Selection of employees to be affected will be determined by the location or department based on job classification, job performance, flexibility of skills, attendance, and all other employment characteristics deemed appropriate. When all other factors are equal, length of service will be the determining factor. Employees who are affected will be notified in writing.

At-Will Relationship: When employment is "at-will," both the employee and the Diocese may end the employment relationship at any time, with or without notice and with or without cause.

Dismissal (Involuntary)

No employee is to be dismissed without prior review by the Human Resources Director and the Diocesan Legal Counsel. Under certain circumstances you may be suspended until this prior review occurs. In such cases, you should be informed in writing and requested to surrender your keys, Diocesan property, etc. until the matter is finally resolved. The Diocese reserves the right to request you to leave the premises immediately. Employees involuntarily dismissed will not be eligible for rehire in the Diocese.

10.01 YOUR OBLIGATIONS UPON TERMINATION

Upon leaving the Diocese, you must: return all Diocesan property; not disclose confidential information to which you had access while employed at the Diocese; comply with all other post-termination restrictions that may have been applicable to your particular employment. You may also be requested to participate in an exit interview or complete an exit questionnaire and if so requested, you will be expected to cooperate.

10.02 BENEFIT CANCELLATION

An employee's benefits will be affected by employment termination in the following manner. All accrued vested benefits that are due and payable at termination will be paid. Health care benefits may be continued at the employee's expense if the employee elects to do so subject to plan requirements and applicable law. Employee benefits cease at the end of the month of termination or approval for LTD. The employee will be notified of the benefits that may be continued and of the terms, conditions and limitations.

10.03 EMPLOYMENT VERIFICATION

Verification of employment and work references should be addressed to Human Resources, which is the only department authorized to give references.

10.04 DIOCESE NOT SUBJECT TO UNEMPLOYMENT COMPENSATION INSURANCE

The Diocese is not required to participate in State unemployment compensation insurance programs and does not do so. Accordingly, payments pursuant to this insurance are not available to employees upon termination of their employment with the Diocese.

10.05 EXIT INTERVIEW

Upon termination of employment, for whatever reason, an employee may be asked to attend an exit interview. The purpose of the exit interview is to confirm the reasons for the employee's separation from employment

Any requests for employment reference should be directed to Human Resources.

11.00 EFFECTIVE DATE OF AMENDMENTS TO EMPLOYEE HANDBOOK

This Employee Handbook has been provided to you as a guide to the Diocese's employment policies. Please be advised that, subject to its constitutional and statutory protections as a Church, the Diocese intends to comply with all applicable state and federal laws, including but not limited to those laws, relating to medical, family, or military leave, equal opportunity, or any other terms and conditions of employment. To the extent that any of the provisions contained in this handbook are inconsistent with applicable laws, the controlling laws shall apply. If you have any questions about a particular policy or its interpretation, please feel free to contact your supervisor.

This handbook has been approved for distribution to all employees and the policies herein shall be effective upon promulgation. Employees will be notified as soon as possible in writing, of any revision, additions, or deletions of the policies contained herein.

The Diocese reserves the right to modify, rescind, change, alter or supplement any of the policies contained herein, with or without notice, at any time, for any reason.

ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK

This form is to be read by every employee. Each employee is to sign, date and return this form to Human Resources.

The contents of this handbook are presented as a matter of information only and are intended for all employees of the Diocese. The policies and procedures herein described are not conditions of employment. The Diocese reserves the right to modify, revoke, suspend, terminate, or change any or all such policies or procedures, in whole or in part, at any time with or without notice. The language in this handbook is not intended to create, nor is it to be construed to constitute a contract between the Diocese and any one or all of its employees. That is, employment can be terminated at any time at the will of either the employer or the employee. In other words, your employment is at-will.

Employee's acknowledgment. I have received my copy of the Employee Handbook and I understand that it is my responsibility to immediately read and comply with the policies contained in this handbook and any revisions to it. I also acknowledge that this handbook is not a contract of employment and that either the Diocese or I may terminate my employment at any time with or without cause and with or without notice.

Employee's signature

Date