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| <b>Bogardus<br/>Medical<br/>Systems, Inc.</b><br><br><b>POLICY &amp;<br/>PROCEDURE<br/>MANUAL</b> | DEPARTMENT: HUMAN RESOURCES       | <b>Policy 2.2</b><br><br><b>PAGE: 1 of 2</b>                                                        |
|                                                                                                   | SUBJECT: EMPLOYEE CLASSIFICATIONS | <b>REVISED: 05/10/06</b><br><b>REVIEWED: 04/04/2008</b><br><b>EFFECTIVE DATE:</b><br><b>8/18/03</b> |

## **Employee Classifications**

### **Purpose:**

To establish a policy governing the classifications of employment status.

### **Policy:**

- A. It is the intent of BMSi to clarify the definitions of employment classifications so employees understand their employment status and benefit eligibility. These classifications do not imply or in any way guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at-will, at any time, is retained by the company and the employee. Employees are placed into one of four classifications:
1. **FULL-TIME EMPLOYEE (FTE)**: A regular full-time employee is an individual whose employment is for no definite term, **who has completed his/her probationary period**, and who is scheduled to work a **minimum** of 32 hours per week on a regularly scheduled basis. Generally, a FTE is eligible for all employee benefits subject to the terms, conditions, and limitations of each benefit program.
  2. **PART-TIME EMPLOYEE (PTE)**: A regular part-time employee is an individual whose employment is for no definite term, **who has completed his/her probationary period**, and who is scheduled to work a **minimum** of 20 hours per week on a regularly scheduled basis. A Part-time employee receives all legally mandated benefits such as Social Security and Worker's Compensation, but is **not eligible** for any other benefit programs.
  3. **PRN EMPLOYEE (PRN)**: A PRN is an individual who is so classified, whose employment is for no definite term, and who is scheduled to work on an as needed basis, and/or a regular scheduled basis for 20 hours or less per week. A PRN employee receives all legally mandated benefits such as Social Security and Worker's Compensation, but is **not eligible** for any other benefit programs.
  4. **PROBATIONARY EMPLOYEE (PE)**: A PE is a full or part time employee that is in the 90-day probationary period and therefore not yet classified as a FTE or

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PTE. While a PE receives all legally mandated benefits such as Social Security and Worker's Compensation, a PE is ***not eligible*** for any other benefit programs.

- B. All employees will have annual evaluations.
- C. Employees changing from a PRN or PTE to FTE status will begin to accrue full-time benefits once they have reached minimum requirements.
- D. Employees who are FTE and change their status to PRN or PTE may go back to FTE status and begin with the same benefit accrual rate as before their status change if they return to within one year. This one-year limitation is not in effect if the employee is asked by management to change their status to PRN. **All waiting times for other fringe benefits such as medical insurance, etc., require the normal waiting period.**

### **Management Guidelines:**

- A. Because of the record keeping requirements involved in status changes, employees are encouraged to remain in one classification and to minimize changes. Employees who desire to change should have these restrictions explained to them in full prior to changing. Once an employee changes, no additional consideration will be given to changing benefits because of special conditions, seniority, etc
- B. When applicants interview for PRN positions, supervisors should clarify that a PRN position is less than 40 hours per pay period and does not qualify for benefits.