

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

KENTUCKY 56 MORGAN

BOARD OF DIRECTORS POLICIES AND PROCEDURES MANUAL

Policy Number 203

Effective Date: 03/20/2014

SUBJECT: WAGE AND SALARY PROGRAM

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**PURPOSE:** To provide employees with monetary compensation for the time, effort, and knowledge they contribute toward the conduct of the Cooperative's business.

**POLICY:** The Wage and Salary Program will maintain pay structures that will attract competent personnel; adequately compensate individuals for the work performed; provide an incentive for seeking advancement, and provide for the consistent compensation, in accordance with Federal, State and Local Laws, Rules and Regulations.

**RESPONSIBILITIES:**

1. The administration of this program is delegated to the Administration Department, to include recommending changes, as necessary and deemed appropriate.
2. The implementation of the practices, as set forth in this policy is delegated to each department head with prior approval of the General Manager/CEO, to include the responsibility for exercising sound judgment and equitable treatment, when proposing or approving adjustments in an individual's compensation.

**PRACTICES:**

1. Wages and salaries shall be classified as follows:
  - A. Non-Exempt shall be applied to those employees who are assigned to positions that are recognized as office, clerical trades, and crafts, where wages are paid for time worked on normal (base) hourly rate of pay.
  - B. Exempt shall be applied to those individuals who are assigned positions that are recognized as Executive, Professional, Administrative, and salaries are paid for performance, with no reference to the actual time or number of hours worked.
  - C. Wages and salaries will be evaluated annually by the General Manager/CEO and his/her staff with findings and recommendations, including the financial conditions of this Corporation, to the Board of Directors for their appropriate action.

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D. Consideration for a salary adjustment will normally be considered at the December Board Meeting of each calendar year. However, consideration will not be interpreted to mean the automatic granting or receiving of an increase. An adjustment may be awarded only when the individual has demonstrated to the satisfaction of the supervisor, a satisfactory or better performance.

The amount of any increase will conform to the applicable wage and salary schedule and the guidelines announced by the General Manager/CEO, as approved by the Board of Directors.

- E. In addition to base wages, overtime pay shall be paid to non-exempt employees who work over forty (40) hours in the specified workweek.
- (1) The overtime pay rate is one and one-half times the individual's normal (base) hourly rate.
  - (2) Employees while actually performing Hot Line (energized system) Work shall be compensated an additional amount not to exceed two dollars (\$2.00) per hour above the normal (base) hourly rate of pay.
  - (3) Employees called out for emergency work after normal working hours shall receive a minimum of two (2) hours pay at one and one-half times their normal (base) hourly rate of pay for such work.
  - (4) If the employee requests and receives time off for relief or meal period between the schedule time and the overtime period, such break shall not change the connecting nature of such work.
  - (5) One or more employees may be designated each week by management to be first called in the event of emergencies or service interruption.
  - (6) Employees having worked overtime shall not be required to lay off to offset their overtime compensation.

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- (7) The Cooperative will endeavor to divide overtime work, other than emergency, equally amount the employees regular normally assigned to that kind of work.
  - (8) All work performed on Sunday shall be paid for at one and one-half times the normal rate of pay and shall be computed in determining weekly overtime. There shall be no overtime on overtime.
  - (9) Work performed on holidays shall be paid at the rate of one and one-half times the normal rate of pay in addition to the time granted.
  - (10) The pay period for all employees shall be on a biweekly basis effective January 01, 1988. Paychecks will be distributed on every other Friday (see Bulletin Board for the detailed schedule).

2. Administrative instructions are as follows:

- A. All employees are subject to call at any time for emergencies and are expected to hold themselves in reasonable readiness for such work when required (RE: Procedure Number 19, HOURS OF OPERATION).
- B. The normal work week shall be from Monday, 7:00 a.m. through 7:00 a.m. the following Monday.
  - (1) Time sheets shall be used by all employees. The time sheets will also serve as the document authorizing the payment of earnings and as the official record.
    - (a) Employees shall be responsible for recording the time they begin and end each daily work period and the time out and in when leaving the premises on personal business during working hours. This responsibility may be delegated only to the employee's supervisor.
    - (b) Time sheets that show irregular work time, extra overtime and/or time-not-worked, charged to a payable program, must be

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validated with the supervisor's initials and the total number of payable hours.

- C. Pay rate changes, advanced vacation pay requests, and whenever possible, terminations should be submitted to the Administration Department ten (10) calendar days before the date of pay. If effective or desired, in cases of shorter notice, processing shall be accomplished as quickly as possible; however, the effective or desired dates are not guaranteed.

When changing an individual's normal (base) pay rate, the effective date will, whenever possible, coincide with the date for beginning a workweek or pay period.

- D. Payroll deductions will not be taken from an individual's earnings without the individual's written authorization, with the exception of Income Taxes, Social Security or Court Ordered Attachment (Garnishee).

- (1) Each employee is required to file and maintain an accurate "Employee's Withholding Allowance Certificate," for Federal, City, County, and State, etc. when applicable. (Example: IRS Form W-4).

Anytime such a certificate is not on file, the Payroll Section will figure the withholding allowance on the basis of single zero allowances.

- (2) The consignment of earnings through payroll deduction will be limited to those activities which are sponsored by the Organization and approved by the Manager of Administrative Services.

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This Policy supersedes all prior policies with Number 203.

Board Approved March 20, 2014

Secretary \_\_\_\_\_