

- \*f. At the start of the educational leave of absence the employee will be paid in full for all unused vacation. Upon returning to work at the expiration or termination of the educational leave, he will be eligible for all regular vacation earned in the calendar year in which he started his leave, based on the time worked in the calendar year in which he started his educational leave.
- g. On return to employment with the Contractor at the expiration or termination of his educational leave, the employee will receive his former service credits, but he shall not receive vacation or service credits while on educational leave.
- h. Requests for leaves of absence shall transmit the following information as it applies to the individual's case:
  - (1) Dates of the leave requested.
  - (2) A brief resume' of the candidate's employment record with the Contractor.
  - (3) A list of courses carrying degree credit previously completed by the candidate with grades received.

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- (4) A plan of study showing course work necessary before completing all requirements for the degree.
- (5) Evidence that the candidate has been accepted for study toward the desired degree by the educational institution of his choice.
  - i. The candidate will be informed of the action on his request by copies of correspondence which implement the conditions of the leave.

3. Loan-Scholarship Program

There shall be allowable under the contract the costs hereinafter specified, which are incurred by the Contractor in accordance with this Paragraph 3., for participation by employees of the Rocky Flats Plant in the Contractor's Loan-Scholarship Program.

- a. The selection of a Rocky Flats Plant employee for participation in the Contractor's corporate-wide competition for loan-scholarships shall be approved by the Supervising Representative or his designee(s).
- b. A recipient of a loan-scholarship:

- (1) shall have not more than two years' study remaining in order to be eligible for either a Bachelor's, Master's or Doctor's degree;
- (2) shall be eligible for, and be granted, an educational leave of absence in accordance with Paragraph 2. above;
- (3) shall have a position available for him with the Rocky Flats Plant upon completion of his educational leave of absence and receipt of his degree.

c. No more than two Rocky Flats Plant employees may be selected each calendar year as recipients of loan-scholarships.

\*d. The Contractor may, using funds advanced under the contract, loan to an employee selected to receive a loan-scholarship, up to \$4,000 if the educational leave of absence granted is for a nine-month academic year, up to \$5,000 if the educational leave of absence is for a twelve-month academic year, and up to \$10,000 if the educational leave of absence granted is for two years, provided that a binding written agreement is entered into between the Contractor and the employee which includes these features:

- \* (1) payment to the employee of the proceeds of the loan shall be in installments of not in excess of \$1,350 each, the first installment to be paid at the inception of the leave of absence and succeeding installments to be paid at the end of each three months' period thereafter; provided that no such succeeding installment shall be payable unless the Supervising Representative or his designee(s) finds that the employee is making satisfactory progress;
- (2) the amount actually loaned the employee shall be repayable by the employee in five equal annual installments, the first installment falling due on the last day of the first full year following the expiration or termination of the employee's educational leave of absence; provided that if the individual was regularly employed at the Rocky Flats Plant during the annual period to which a particular installment is related, repayment by the employee of 20% of that installment may be deemed to have discharged the individual's obligation to repay the portion of the principal of the loan represented by the installment.

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- (3) The employee shall pay interest on the amount actually loaned the employee at a rate equivalent to that specified by the Contractor for scholarship loans made to non-Rocky Flats Plant employees as a result of the same competition, commencing with the year which begins the day immediately following the day the educational leave of absence expires or is terminated, the interest being due and payable with the respective installments of principal and computed on the then unpaid balance; provided that if the individual was regularly employed at the Rocky Flats Plant during the particular annual period for which interest is thus due and payable, payment of interest for that annual period shall be deemed to have been waived and the individual's obligation to pay said interest discharged.
- (4) The unpaid balance of the amount loaned, or any installment thereof, may be repaid by the employee at any time; provided that interest payable at the time of said repayment, and not waiveable pursuant to d. (3) above, is tendered by the employee along with the repayment.

Amounts loaned to individuals pursuant to d. above, and not required to be repaid pursuant to d. (2) above, shall constitute allowable costs under the contract; provided that no installment of a loan paid to an employee following issuance of a notice of termination by either party pursuant to the article of the contract entitled "Termination" shall be an allowable cost. Repayments of amounts loaned, and payments of interest, received by the Contractor shall be deposited in a Special Bank Account maintained by the Contractor pursuant to the article of the contract entitled "Payments and Advances."

4. No employee granted educational leave in accordance with Section C. shall be eligible for participation in any training program pursuant to Section B. while on such leave.

\*D. Teaching or Research at Educational Institutions

The Contractor may assign professional personnel for purposes of training, research, or teaching at colleges or universities or other institutions to enhance the professional development of such personnel or to broaden the base of manpower resources for nuclear science and technology. Assignments under this Section which

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exceed 168 hours in a fiscal year shall require prior written approval of the Contracting Officer. Allowable costs under this paragraph

include:

- a. The employee's salary paid by the Contractor reduced by any salary paid by the institution to which assigned.
- b. Temporary assignment expenses under provisions of Part V, Section F., of this contract.
- c. Costs under (a) and (b) will be limited to two years, unless extended by prior written approval of the Contracting Officer.

SECRET

PART II - EXEMPT AND NONEXEMPT SALARIED EMPLOYEES

\*A. Coverage

The provisions of this Part II shall apply to all salaried personnel both exempt and nonexempt, except that the salary and adjustments thereto of the Contractor's Supervising Representative and the Special Assistant to the Supervising Representative shall be as agreed by the Manager of the Commission's Albuquerque Operations Office and the Contractor's Vice-President and shall be allowable costs under this contract. Salaried employees in bona fide executive, administrative, or professional capacities shall be referred to herein as "exempt employees." Salaried employees in other categories shall be referred to herein as "nonexempt employees." It is the intent of the parties that the distinction between the two categories, "exempt employees" and "nonexempt employees" be that defined by the Wage and Hour provisions of the Fair Labor Standards Act, and official regulations and interpretations issued thereunder.

B. Job Classifications (Positions) and Salary Ranges

1. The Contractor has developed a job evaluation program which covers all salaried job classifications. Such program is on

file with and has been approved by the Contracting Officer for application at the Rocky Flats Plant. Not less frequently than once each two years a responsible executive of the Contractor's Salary Administration Department, Midland, Michigan, shall conduct a comprehensive audit of the application and administration of the job evaluation program at the Rocky Flats Plant without cost to the Commission. Such audit, together with a statement of action contemplated, if any, shall be promptly submitted to the Contracting Officer. The scope of such audits will include the following:

- a. Mutually agreed upon Rocky Flats benchmark jobs.
- b. All new and reevaluated jobs approved by the Commission since the last audit.
- c. Any other individual jobs requested by the Contracting Officer.
- d. A total number of all Rocky Flats jobs sufficient to furnish a representative sampling of jobs from each organizational segment.

\*2. The job classifications, which term in this Appendix A is used as being synonymous with the word "positions", the monthly salary ranges for all nonexempt salaried job classifications, the evaluation points for all exempt job classifications, the

salary range formula for exempt job classifications and the exempt salary maximums shall be in accordance with Schedule I, Parts A and B, as it may be amended from time to time, attached to and hereby made a part of this Appendix A. That portion of basic salary paid to an employee in excess of the salary maximum for his position and performance rating shall be unallowable unless payment of basic salary in excess of such salary maximum has the prior written approval of the Contracting Officer or unless the employee's salary is above the salary maximum as a result of a change in his performance rating. If the employee's salary is above the salary maximum as a result of a change in his performance rating, he shall not be given another salary increase until his salary is below the salary maximum for his performance rating. As used in this Part II, the term "basic salary" shall mean the straight-time monthly compensation, exclusive of premium or other compensation.

3. Job descriptions for each job classification shall be developed, and amended to reflect changes in duties as they occur, covering all salaried employees. Copies of such descriptions, and amendments thereto, shall be furnished by the Contractor for review by the Contracting Officer. All salaried employees shall be required to work substantially within the job description

for their classifications.

4. From time to time a new job classification, together with its salary range as established by job evaluation, may be authorized for use at the Rocky Flats Plant. Any such additional job classification and salary range, or other similar change, shall constitute a revision of this Appendix A and can be accomplished only by a Reimbursement Authorization. When the salary range of any job classification is revised upward as a result of job reevaluation, such classification shall, for purposes of this Part II, be considered a new job classification. For purposes of this paragraph 4., new job classifications shall be accepted for inclusion in the Appendix A upon receipt by the Contracting Officer of a request from the Contractor in the form of a proposed Reimbursement Authorization and a statement that the job classification is consistent with the Contractor's approved job evaluation program.

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\*5. Hiring rates may be established and changes made in employees' salaries by the Contractor in accordance with its policies and practices as provided elsewhere in this Part II; provided that the proposed total annual compensation, and any proposed adjustment thereto, of (i) any individual employed in a supervisory position reporting directly to the supervising representative, and (ii) any individual receiving total annual compensation of \$25,000 or more, shall have the prior written approval of the Contracting Officer. For purposes of applying the foregoing proviso, the term "total annual compensation" shall mean base salary plus any cash award made pursuant to the Contractor's Cash Award Program and the term "adjustment" shall include any such cash award. Proposed salary actions requiring approval under this paragraph shall be submitted to the Contracting Officer on Form AEC-37 sufficiently in advance of the proposed effective date of the action to give the Contracting Officer a reasonable time to review the proposal prior to that date. The effective date of such an action shall not be earlier than the date of submission of the Form AEC-37 to the Contracting Officer, unless he shall otherwise authorize.

**\*C. Adjustment of Salary Ranges**

1. Exempt Employees

The formula for computing salary ranges is set forth in Schedule I, Part A of this Appendix A and may be revised by Reimbursement Authorization from time to time as satisfactorily justified by the Contractor. At the time a change in the formula occurs, a table containing minima and maxima salaries, consistent with the formula, will be furnished to the Contracting Officer.

2. Nonexempt Employees

It is recognized that it will probably be necessary to adjust nonexempt salary ranges annually. Contractor proposals to adjust nonexempt salary ranges to reflect economic conditions of the market shall be adequately supported by the survey data drawn from mutually selected survey sources in the local labor market in which the Contractor normally recruits for employees. The survey data shall be sufficiently comprehensive to permit a representative finding for manufacturing industries. It must be demonstrated that range adjustments are necessary to retain a reasonable competitive position in this market.

**\*D. Hiring Rates**

Salaried employees shall not be hired at rates which exceed the salary

range established for the classification which is to be filled. Ordinarily the starting rate will be the minimum of the range for the position. An individual's previous experience, training, ability and educational background together with salaries paid to other employees in the same job classification who have the most nearly comparable experience, training, ability and educational background may be taken into consideration in establishing a starting rate which may be above or below the minimum.

\*E. Salary Increase Fund (Exempt Employees)

1. Prior to the end of the budget period, a fund shall be established, with the approval of the Contracting Officer, for the following budget period which shall cover the costs of salary increases to be granted that period resulting from all merit increases and increases resulting from changes in the minima of the ranges or from a general economic increase. The trend of increases in salary levels during the preceding five-year period in the survey sources identified in Paragraph 2 below shall be considered in establishing the fund.
2. When Company-wide economic conditions warrant, the Executive Committee of the Contractor's Board of Directors establishes a corporate-wide percentage figure which is the basis for computing

the average amount by which salaries of exempt employees in each division may be increased within the budget period. A copy of each such determination by the Executive Committee shall be submitted to the Contracting Officer together with the following information:

- a. Corporate returns to the eight-company salary survey used by the Corporate Salary Committee in determining the relative position of corporate exempt salary levels and the corporate-wide percentage merit fund from which merit adjustments will be made. If this survey is discontinued, the Contractor will furnish any comparable survey data which it obtains in lieu thereof.
- b. Market survey data using the selected industry sample served by Hay Associates with which The Dow Chemical Company normally conducts annual salary comparisons to determine relative salary levels for positions having equivalent job evaluation point values under the Hay Plan.
- c. The relative position of the Contractor's corporate-wide exempt salary levels to the selected industry market in a. above and the relative position of exempt salary levels at the

Rocky Flats Plant to the exempt salary levels in other divisions of the Contractor.

- d. Relevant market survey data used by the Contractor in determining appropriate entrance salary levels for college and university recruits.
  - e. The Commission recognizes that the continued availability of market data to the Contractor is contingent upon their preserving the confidentiality of salary information obtained. Thus, for the purpose of any submission to the Contracting Officer, the input from any specific company in any identifiable form need not be furnished to the Contracting Officer. The names of the participating companies should be furnished together with a composite of average salaries which exist throughout the survey sample of companies participating in the survey. However, specific returns from the Dow Chemical Company to such surveys shall be submitted which will contain a separate input for the Rocky Flats Plant.
3. During any budget period no exempt employee may, except with prior written approval of the Contracting Officer, receive merit increases which total more than 15 percent of his basic salary as of the beginning of the budget period.

4. The pay of exempt employees on the Progression Schedule (Section H) shall be excluded from the total exempt salary payroll for purposes of computing the total salary increases permissible hereunder.

\*F. Salary Increase Fund (Nonexempt Employees)

1. Prior to the end of a budget period a fund shall be established with the approval of the Contracting Officer, for the succeeding budget period which shall cover the costs of salary increases to be granted that period resulting from merit increases and increases resulting from changes in the minima of the ranges or from a general economic increase, except as otherwise specifically provided in this Appendix A. The amount of the fund shall be such as to permit the Contractor to maintain a reasonable competitive position with respect to the local labor market in which it must compete for nonexempt employees. The Contractor and the Contracting Officer shall agree upon the survey sources and benchmarks which are to be used in determining the relationship of nonexempt salary levels at the Rocky Flats Plant to those being paid by others in the labor market in which the Contractor competes.
- \*2. Merit increases may be granted at any time during the budget period. No nonexempt employee may, except with the prior

written approval of the Contracting Officer, receive during any budget period merit increases which total more than 15 percent of his basic salary at the beginning of the budget period.

3. The pay of nonexempt employees on the Progression Schedule (Section H) shall be excluded from the total nonexempt salary payroll for purposes of computing the total salary increases permissible hereunder.

G. Pay Increases for Salaried Employees Resulting from Promotions and Job Reevaluations

A salary increase for an employee who is promoted to a higher position or whose position is reevaluated upward, may be given at the discretion of the Contractor to the minimum of the new salary range for the new or reevaluated position or to an amount not in excess of 115 percent of the employee's prior basic salary, whichever is greater; provided that the resulting basic salary does not exceed the maximum of the salary range for the new or reevaluated position.

H. Progression Increases

1. College Graduates

- \*a. In lieu of salary increases heretofore provided under Section E or F. of this Part II, the work progress of a newly employed college graduate with a Bachelor's, Master's

or Doctor's degree and who is employed in a job which requires substantial utilization by such employee of his academic training will be reviewed and considered for increase as follows:

- \* (1) A new employee, with less than one year of related experience, shall be scheduled for work progress and salary review at six and twelve months from date of employment. After the second review, the employee shall be covered by Section E. or F. of this Part II.
- \* (2) A new employee with one year but less than two years of related experience, shall be scheduled for work progress and salary review only once, six months from date of employment. After such review, the employee shall be covered by Section E. or F. of this Part II.

b. As a result of each such progress and salary review, a college graduate may receive a salary increase not to exceed 7 percent of his basic salary, the amount of increase to depend upon his job performance.

2. Others

- a. In lieu of salary increases under Section F. of this Part II, the work progress of newly employed clerical, stenographic and other general salaried personnel will be reviewed and

progress increases may be granted as follows:

- \* (1) Not to exceed 4 percent of basic salary after three months of service if the employee has demonstrated at least normal advancement in ability.
- \* (2) Not to exceed 5 percent of basic salary after an additional six months of service, if the employee merits it.
- \* (3) No basic salary resulting from an increase hereunder shall exceed the midpoint of Grade C-200 in Schedule I, Part B, Series C of this Appendix A.
- \* (4) After an employee's basic salary has been increased twice or to the midpoint of Grade C-200 in accordance with this Section H. 2. a. , he will no longer be covered by this Section H. but will be covered by Section F. of this Part II.

b. If an employee is not entitled to a particular increase hereunder upon the elapse of the appropriate time interval, the employee shall be again considered for the particular increase at the lapse of a similar time interval.

\* c. The increases under paragraph 2. of this Section H. are intended to cover a combination training and proving period

for newly employed personnel. If a newly employed person is promoted with a salary increase to a new classification before completing nine months of service, the employee shall upon such transfer be covered by Section F. rather than Section H. of this Part II, except as provided in subparagraph d., below.

- d. An employee in the Contractor's Special Clerical Training Program will be hired as a trainee at the minimum rate for the lowest clerical grade. After satisfactory completion of the training program, the employee may be granted an increase to bring his salary to the then current base hiring rate for qualified clerical employees with no work experience. At such time, the employee will be considered a new employee and enter into the progression under the provisions of subparagraph a., above.

\*3. Foreman

- a. In lieu of salary increases under Section E of this Part II, the work progress and salary of a new foreman will be reviewed after 13 weeks and again after 9 months from the date he becomes a foreman.

- b. As a result of each such progress and salary review, a foreman may receive a salary increase not to exceed 7% of his basic salary, the amount of increase to depend upon his performance on the job.
  - c. After the second review, the foreman shall be covered by Section E of this Part II.
  - d. If such employee is promoted with a salary increase to a new classification before completing nine months of service, he shall upon such transfer be covered by Section E, rather than Section H of this Part II.
- \*4. Progression increases granted in accordance with Paragraphs 1, 2 and 3 above shall not be deducted from the salary increase funds.

I. Cash Awards

1. Exempt Employees

The Contractor may make cash awards to exempt salaried employees

in recognition of consistent performance above and beyond a job well done, or in recognition of a single outstanding contribution, subject to approvals required by other provisions of this contract and to the following:

- a. Prior to the inception of each new budget period, a Cash Award Fund shall be established, with the approval of the Contracting Officer, which shall cover the costs of all cash awards to be made to exempt salaried employees during the budget period. In establishing the amount of the Cash Award Fund, the parties shall take into consideration the corporate-wide percentage figure and other criteria established by the Contractor's Executive Committee for application to annual exempt payrolls in computing corporate exempt cash award budgets.
- b. Decisions as to who shall receive cash awards and as to amounts of awards to individual employees shall be made in accordance with the criteria and procedures of the Contractor's company-wide Cash Award Program.
- c. The amount of a cash award shall not exceed three times the monthly basic salary being paid the employee at the inception of the budget period for which the cash award is made.

- d. Receipt of a cash award shall not affect an employee's basic salary or his salary range.

2. Nonexempt Employees

The Contractor may make cash awards to nonexempt salaried employees in recognition of consistent performance above and beyond a job well done or in recognition of a single outstanding contribution, subject to approvals required by other provisions of this contract and to the following:

- a. Prior to the inception of each new budget period, a Cash Award Fund shall be established, with the approval of the Contracting Officer, which shall cover the costs of all cash awards to be made to nonexempt salaried employees during the budget period. In establishing the amount of the Cash Award Fund, the parties shall take into consideration the current corporate-wide percentage figure and other criteria established by the Contractor's Executive Committee for application to annual nonexempt payrolls in computing corporate nonexempt cash award budgets.
- b. Decisions as to who shall receive cash awards and as to amounts of awards to individual employees shall be made in accordance with the criteria and procedures of the Contractor's company-wide Cash Award Program.

- c. The amount of a cash award shall not exceed two month's basic salary at the rate being paid the employee at the inception of the budget period for which the cash award is made.
- d. Receipt of a cash award shall not affect an employee's basic salary or his salary range.

J. Computation of Salary for Partial Pay Period

An employee who does not work for an entire pay period shall, unless he is on leave with pay during the portion of the pay period he does not work, be paid only a pro rata salary for work performed; provided, however, that nothing herein shall limit payment to an employee for shift premium and overtime as elsewhere provided for in this contract. The following formula shall be used in determining the straight-time daily salary of salaried employees except salaried employees on the 24-hour platoon schedule shift:

$$\text{Daily Salary} = \frac{\text{Basic Monthly Salary} \times 12 \times 14}{365 \times 10}$$

The straight-time daily salary of salaried employees on the 24-hour platoon schedule shift shall be determined by the formula:

$$\text{Daily Salary} = \frac{\text{Basic Monthly Salary} \times 12 \times 8}{52 \times 21}$$

K. Shift Premium

- \* 1. An exempt employee is eligible for shift premium pay in accordance with the schedule in Paragraph 2. below provided he has been assigned to the shift or a rotating continuous shift for four weeks or longer.
- 2. A nonexempt employee who is assigned to work on a second, third or jump shift may receive shift premium pay as hereinafter provided:

2nd Shift	\$26.00 per month
3rd Shift	\$38.00 per month
Jump Shift	\$40.00 per month

- 3. In the event a salaried employee is not entitled to full month's premium as provided in the above schedule, he shall receive a pro rata share of such premium pay based upon the number of hours actually worked for which he is entitled to such premium pay utilizing the following formula:

$$\text{Hourly Shift Premium} = \frac{\text{Applicable Monthly Shift Premium}}{173.33}$$

- 4. Shift premium pay shall be added to the basic salary for the purpose of computing overtime pay.
- 5. Exempt and nonexempt salaried employees working continuous shift schedules shall be paid a premium of thirty cents per hour

for all hours worked on Saturday and a premium of fifty cents per hour for all hours worked on Sunday.

Such premium shall not apply on an hour for which a premium is payable for overtime or holiday work.

6. Exempt and nonexempt salaried employees required to work an odd scheduled shift Monday through Friday extending a minimum of four weeks may receive premium pay in the amount of \$20 per month in addition to applicable shift premium. Exempt and nonexempt salaried employees required to work an odd scheduled shift whose scheduled workweek includes Saturday and/or Sunday, regardless of hours of work extending a minimum of four weeks shall receive premium pay in the amount of \$35 per month in addition to applicable shift premium.
7. A salaried employee required to work a 24-hour platoon schedule shift shall be excluded from the above provisions of Section K.

L. Requirements for Contracting Officer Approval Respecting Overtime

\*1. Basic Workweek

The basic workweek for employees working a five-day shift is a forty-hour week consisting of five workdays of eight hours each

within a designated period of seven consecutive days considered as a unit when pay is computed.

The basic workweek for employees working a continuous shift consists of three weeks of five eight-hour days and one week of six eight-hour days in a four-week cycle.

The basic workweek for employees working a 24-hour platoon schedule consists of five weeks of three 24-hour days and three weeks of two 24-hour days in an eight week cycle. Each 24-hour workday shall consist of eight full-duty hours, eight standby hours, and eight sleep hours.

2. Extended Workweek

An extended workweek is a workweek regularly scheduled and established in excess of the normal workweek for a period in excess of four consecutive weeks.

3. Overtime

Contracting Officer authorization shall be obtained by the Contractor prior to permitting any employee or group of employees to work an extended workweek.

Contracting Officer authorization shall also be obtained by the Contractor prior to permitting any employee or group of employees to work, in any workweek, overtime of more than twelve hours per employee in excess of the basic workweek or an authorized extended workweek.

Any authorized absence which occurs within the basic or extended workweek and which is counted as time worked for purpose of overtime compensation shall, for the purpose of determining overtime hours requiring prior Contracting Officer approval, be considered as part of the basic or extended workweek in the same manner as if the time of the absence had actually been spent in work.

If overtime is required to meet an emergency or for security reasons, and it is not reasonably possible for the Contractor to obtain a required prior approval of the Contracting Officer, the Contractor may authorize employees to work overtime to meet the situation. On the following workday the Contractor shall report the matter to the Contracting Officer stating the number of overtime hours worked and the reasons therefor.

4. **Employee Time Records**

Adequate employee time or attendance records shall be maintained for all employees.

M. Computation of Overtime Pay

\*1. **Exempt Employees**

Overtime pay for exempt employees working an extended workweek shall be as follows:

- a. Employees whose basic salaries are \$1100.00 or less per month will be paid time and one-half for the scheduled overtime hours worked.
- b. Employees whose basic salaries are between \$1100.00 and \$1550.00 will be paid for the scheduled overtime hours worked in accordance with Schedule III which is attached to and hereby made a part of this Appendix A.
- c. Employees whose basic salaries are \$1550.00 or more per month will not receive any overtime pay.
- d. The provisions of this Section shall not apply to exempt employees assigned to the 24-hour platoon schedule. Such employees shall receive a differential equal to 15 percent of their basic salary in lieu of all payments for overtime, shift premium and holiday pay.

- e. The provisions of this Section shall not apply to the sixth eight-hour day occurring once in each four-week cycle for exempt employees assigned to a continuous shift when their basic salary exceeds \$1250.00 per month. These employees will be paid at the regular straight time rate for such overtime hours.

**\*2. Nonexempt Employees**

- a. Except as provided in Subparagraphs b., c., e., and f. below, a nonexempt employee shall be paid at the rate of one and one-half times his basic hourly rate plus shift premium, if applicable, for all hours worked in excess of eight in any one basic workday or forty hours in any one workweek, calculated on both a daily and weekly basis, with payment to be of the higher amount so derived, but in no event shall the same period of time be paid for twice. The basic hourly rate is the straight-time daily salary divided by eight.
- b. Except as provided in Subparagraph e. below relating to people on a 24-hour platoon schedule, a nonexempt employee may be paid one and one-half times his basic hourly rate for all hours worked on the employee's first scheduled day of

rest and two times the basic hourly rate may be paid for all hours worked on the employee's second scheduled day of rest.

- c. A nonexempt employee when required to report to work outside the employee's regularly scheduled working hours will be paid four hours at his straight-time hourly rate or for all hours worked at the applicable overtime rate, whichever is greater, when such call-in requires the employee to make a round trip to the Plant which the employee would not otherwise have to make. Such hours actually worked are excluded from consideration of overtime payment on any other basis, thus eliminating a double overtime payment.
- d. The following hours shall be considered as hours worked for the purpose of calculating overtime pay:
- (1) Hours actually worked.
  - (2) Hours allowed for absences that are specifically provided in this Appendix A as being considered as hours of work for the purpose of calculating overtime pay.
- e. A nonexempt employee working on a 24-hour platoon schedule will be paid one and one-half times his basic hourly rate for the first eight hours worked and twice his basic hourly rate for all successive hours worked on a scheduled day of rest.

A nonexempt employee working on a 24-hour platoon schedule will be guaranteed a minimum of two hours pay at his basic hourly rate when called in to cover for an employee absent during sleep hours.

\*N\*

Holidays

1. Each salaried employee shall, when the work schedule permits, be granted time off with pay on each of the following holidays which falls on a regularly scheduled workday of such employee:

New Year's Day	Labor Day
Good Friday	Thanksgiving Day
Memorial Day	Friday after Thanksgiving
Independence Day	Christmas Day

Such pay shall equal the amount of money the employee would have received if working full time at his job on the regularly scheduled workday.

2. Any salaried employee who can be spared from his job without adversely affecting plant operations may be excused from work without loss of pay not more than two hours before the end of his scheduled work period on one but not both of the last scheduled workdays before Christmas Day and New Year's Day except when those holidays fall on Monday. Notwithstanding other

provisions of this Appendix A, employees absent on these dates will not be allowed extra time off or extra pay because of this provision.

3. Any recognized holiday falling on a Saturday may be observed the preceding Friday.
4. Any recognized holiday falling on Sunday may be observed on the Monday immediately following.
5. When a holiday as listed in Paragraph 1. falls on the scheduled day off for a salaried employee working a continuous shift schedule or a nonexempt salaried employee working on the 24-hour platoon schedule, such employee shall receive the same pay that the employee would have received if working full time at his job on a regularly scheduled workday.
6. Any exempt employee working a continuous shift schedule and any nonexempt employee who is required to work on a recognized or observed holiday, as provided in this Section N., shall receive his basic salary plus premium pay for all hours worked on the holiday. Such premium pay shall be calculated by multiplying the employee's basic hourly rate plus applicable premiums by one and one-half times the number of hours worked. Should a salaried employee who is scheduled

to work on a holiday (recognized or observed) fail to work, no pay for such employee shall be allowable unless the Supervising Representative or his designee(s) determines the failure to work was for reasonable excuse. In no event, however, may an employee be paid more than he would have received if working full time at his job on a regularly scheduled workday.

7. Time absent due to holidays for which salary payments are made shall be counted as time worked for purposes of computing overtime pay.
8. This Section N. does not apply to exempt salaried employees working the 24-hour platoon schedule.

O.

Vacation Leave

1. Employees not on the 24-hour platoon schedule will be entitled to vacation as follows:

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<u>Years of Service Attained During Calendar Year</u>	<u>Days of Vacation Available on Jan. 1 of Each Year</u>	<u>Maximum Days May Borrow</u>	<u>Maximum Cays May Carry Over</u>
0	1 <sup>1</sup>	5	1
(Jan-Apr) <sup>2</sup>	14	5	5
(May-Aug) <sup>2</sup>	12	5	5
(Sept-Dec) <sup>2</sup>	10	5	5
2 through	14	5	5
3 through	17	5	10
10 through	19	5	10
15 through	20	5	10
20 through	24	10	20
25 through	25	10	20
30 and over	26	10	20

<sup>1</sup>This vacation may be used any time during the employee's first year of service.

<sup>2</sup>Month of hire.

2. Employees on the 24-hour platoon schedule will be entitled to vacation as follows:

<u>Years of Service Attained During Calendar Year</u>	<u>Days of Vacation Available on Jan. 1 of Each Year</u>	<u>Maximum Days May Borrow</u>	<u>Maximum Days May Carry Over</u>
0	1	3	1
(Jan -Apr) <sup>1</sup>	1	7-1/2	3
(May-Aug) <sup>1</sup>	1	6-1/2	3
(Sept-Dec) <sup>1</sup>	1	5-1/2	3
2 through	4	7-1/2	3
5 through	9	9	5
10 through	14	10	5
15 through	19	10-1/2	5
20 through	24	12-1/2	10
25 through	29	13	10
30 and over		13-1/2	10

<sup>1</sup>  
Month of hire.

3. An employee who is normally scheduled to work at least 20 but less than 40 hours per week will be eligible for vacation prorated to the closest half day on the basis of the ratio of hours actually paid (exclusive of overtime) during the previous calendar year to the hours that would have been paid under a normal 40 hours per week schedule.

\*4. Except for the vacation days allowed (as hereinbefore provided) as carry-over from one calendar year to the next, any vacation must be taken during the calendar year in which the employee becomes entitled to the vacation. However, should an employee be prevented from taking full vacation during a particular calendar

year by circumstances making it inequitable that he suffer a loss of vacation as a result thereof, the Supervising Representative of the Contractor may allow the employee an additional carry-over to the next calendar year of the number of vacation days he was unable to take as a result of such circumstances. In the event an employee is prevented from taking his full vacation because of a management request, the Supervising Representative of the Contractor may authorize payment in lieu of vacation for not more than fifteen days in any one calendar year. Supervisory employees earning \$2,500 or more per month are excluded from receiving pay in lieu of vacation.

5. If employment is terminated for any reason prior to the date the employee would normally have become eligible for said vacation, the Contractor will take reasonable steps to recover salary paid to such employee for borrowed vacation.
6. If an employee is laid off for lack of work, is granted a military leave of absence, or dies, he or his beneficiary will be paid for any unused vacation and in addition will be paid for vacation at the rate of one day for each full month worked during the year in which he terminates or dies, except that an employee on the 24-hour platoon schedule will be paid for any unused vacation and in addition will be paid for vacation at the rate of one-half day for each full month worked during the year in which he terminates or dies.

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7. If an employee is retired under a company retirement plan, he will be paid for any unused vacation and in addition will be paid for accrued vacation at the rate of one-twelfth of his next year's vacation allotment for each full month worked during the year in which he retires. In addition, he will be paid accredited vacation pay based on his continuous employment as shown in the following table, except that an employee on the 24-hour platoon schedule will be paid for one-half of the days shown in the following table:

<u>S</u>	<u>V</u>	<u>S</u>	<u>V</u>	<u>S</u>	<u>V</u>
0 - 59 mo.	0 days	216-227 mo.	3 days	384-395 mo.	10 days
60 - 71	4	228-239	0	396-407	5
72 - 83	3	240-251	16	408-419	0
84 - 95	2	252-263	12	420-431	20
96 - 107	1	264-275	8	432-443	15
108 - 119	0	276-287	4	444-455	10
120 - 131	8	288-299	0	456-467	5
132 - 143	6	300-311	16	468-479	0
144 - 155	4	312-323	12	480-491	20
156 - 167	2	324-335	8	492-503	15
168 - 179	0	336-347	4	504-515	10
180 - 191	12	348-359	0	516-527	5
192 - 203	9	360-371	20	528-539	0
204 - 215	6	372-383	15		

S = Continuous service at time of retirement.

V = Accredited vacation days pay.

8. If an employee is discharged for cause or quits without giving at least five days' notice, no vacation pay will be allowed.

9. Absences allowed under this Section O. shall be considered hours worked for purposes of computing overtime pay.

P. Sick Leave

- \* 1. No salary deductions are made if salaried employees are absent for reasonable periods due to illness or injury (including appointments with a doctor or a dentist) if the absence is approved as follows:

<u>Absence Period</u>	<u>Level of Approval</u>
24 hours or less in a pay period	Authorized Supervisor
40 hours or less, but more than more than 24 hours, in a pay period.	Supervisor Reporting to the Supervising Representative or to the Assistant General Manager for Operations
More than 40 hours in a pay period, or more than 40 hours for one illness or injury	Supervising Representative or his designee(s)

2. Pay to an employee for sick leave will be limited to the difference between the sum of money receivable, if any, under the Contractor's Group Insurance Plan or Workmen's Compensation Insurance, or both, and the amount of money the employee would have received if working full time at his job. Such payments will not be adjusted or affected by reason

of any lump-sum settlements or loss-of-member payments under the applicable Workmen's Compensation Statutes.

3. Payment of salary to an individual on sick leave for more than a total of 600 scheduled work hours per calendar year shall require Contracting Officer approval.
4. Absences allowed under this Section P. shall be considered as hours worked for purposes of computing overtime pay.
5. For any period that an employee is entitled to receive benefits under the Contractor's long term disability income insurance plan, the employee will not be eligible for sick leave benefits.

\*Q. Excused Absence

1. A salaried employee necessarily absent from work for a reasonable period for personal reasons including, but not restricted to, death or serious illness in his immediate family, funeral leave in excess of that provided under Section R. below, and attendance in court other than under Section U., below, will receive no reduction from the pay the employee would have received if working full time at his job if the absence is approved as follows:

Absence in Pay Period

Level of Approval

Less than 8 hours

Authorized Supervisor

8 through 20 hours

Supervisor reporting to the  
Supervising Representative or  
to the Assistant General  
Manager for Operations

40 hours or less, but more  
than 20 hours

Supervising Representative or  
his designee

More than 40 hours

Contracting Officer

2. Payment of salary for excused absences which exceed a total of 40 scheduled work hours per calendar year for any employee shall require Contracting Officer approval.
3. Absences allowed under this Section Q. shall be considered as hours worked for purposes of computing overtime pay.

R. Funeral Leave

- \*1. No reduction in the pay an employee would have received if working full time at his job on a regularly scheduled workday need be made if the employee is absent from work in connection with the death of a member of his immediate family if the absence is approved by his supervisor. Such absence with pay may be a maximum of 40 scheduled work hours (maximum of 48 scheduled full-duty or standby work hours for an employee on

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the 24-hour platoon schedule) in connection with the death of the employee's spouse or child and a maximum of 24 scheduled work hours (maximum of 32 scheduled full-duty or standby work hours for an employee on the 24-hour platoon schedule) in connection with deaths of other members of the employee's immediate family, who are, for the purposes of this Paragraph, the employee's father, mother, sister, brother, mother-in-law, father-in-law, grandfather, grandmother, foster parents and legal guardian. An employee's supervisor may approve absence from work without salary deduction for an employee in connection with the death of an individual other than one of those referred to above where the individual functioned in a role relative to the employee similar to the role normally played by a member of the immediate family; provided that the absence without salary deduction may not exceed the number of hours allowed in connection with the death of the corresponding immediate family member.

2. Absences allowed under this Section R. shall be considered as hours worked for purposes of computing overtime pay.

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S. Military Service, Military Training and Peace Corps Service

1. Extended Military Service

- a. Any employee leaving his job to enter military service will receive two weeks' pay at his basic salary rate for two years

or less service with the Contractor and one additional week's pay for each additional year of service with the Contractor, except that the total pay received will not exceed eight weeks' pay. Upon returning from the armed forces, an employee's reemployment shall be in accordance with applicable laws.

- b. An employee is deemed to have entered military service if the employee enters the Armed Forces of the United States Government (i) under the Selective Service Act, (ii) by enlistment, or (iii) by call into active service as opposed to annual training because of membership in the National Guard or Reserve.

## 2. Annual Military Training

- a. An employee absent from work because of participation in annual military training with the National Guard or Reserves will be paid at one-half of his basic rate for each of his scheduled workdays during such absence but not more than twelve scheduled working days in any one calendar year; provided, that such payment shall be made only if the employee has been employed by the Contractor for at least thirty-five days prior to his leaving for training.

b. An employee's job status will not be affected by participation in military training programs when the time of such programs does not exceed a total of eight weeks for any one calendar year.

3. Peace Corps Service

An employee accepted for service in the Peace Corps may be granted a leave of absence without pay up to a maximum of two years while so serving. If within 30 days following termination of such leave of absence, the individual makes application for reemployment and is reemployed by the Contractor within six months of the date of the application, the individual shall be entitled to be recredited with that length of service or longevity of service to which he was entitled to be credited on the effective date of the leave of absence.

T. Separation Pay

1. Except as provided in Paragraph 3. below, an exempt employee whose services are no longer needed under this Contract shall receive a separation pay allowance of one month's basic salary

for service of one year or less plus one week's basic salary for each full year of service over one year, to a maximum of twenty weeks.

2. Except as provided in Paragraph 3. below, a nonexempt employee whose services are no longer needed under this Contract shall receive a separation pay allowance of one week's basic salary for service of one month or more but less than one year plus one week's basic salary for each year, or portion thereof, of service over one year, to a maximum of twelve weeks.
3. No employee (1) who accepts transfer to another facility, subsidiary, or affiliate of the Contractor, (2) whose employment is continued by a successor contractor, (3) who resigns, (4) who is discharged for cause or (5) who retires under a pension or retirement plan of the Contractor, will be eligible for separation pay.
4. Whenever used in this Section T., the term "service" shall mean and be limited to service performed by an employee under this contract.

\*U. Jury Duty and Service as a Witness

An employee may be allowed time off with no reduction from the pay the employee would have received if working full time at his job for the time necessarily spent (i) serving on a jury, (ii) serving as a witness called by the Government, (iii) serving as a witness called by the Contractor in connection with the performance of the contract work, and (iv) with the approval of the Contracting Officer, serving as a witness in other circumstances. The Contractor shall require the employee to submit a copy of the notice requiring his service on a jury and a certification as to the dates and times the employee was engaged in serving on a jury or serving as a witness. Absences allowed under this Section U. shall be considered as hours worked for purposes of computing overtime pay.

V. Voting Time

Except as hereinafter provided, all salaried employees who are registered to vote and who are scheduled to work on a voting day may be allowed not more than two hours off with pay for the purpose of voting in local, state, and federal elections.

salaried employees required to work a 24-hour platoon schedule shift, who are registered to vote and who are scheduled to work on a voting day shall be excluded from the preceding paragraph and shall instead be allowed not more than four hours off with pay for the purpose of voting in local, state and federal elections.

Absences allowed under this Section V shall be considered as hours worked for purposes of computing overtime pay.

\*W. Summer Employment Program

The Contractor has a program for summer employment of teachers and college students.

- \*1. Students under this program shall be paid in accordance with the following schedule applied to the Contractor's current U. S. Area Employment Rates for Professional Personnel.

<u>Schooling Status</u>	<u>Percent of applicable base rate rounded to nearest \$5.00</u>
1. 1 yr. towards bachelor's degree	65% of bachelor's base
2. 2 yrs. towards bachelor's degree	75% of bachelor's base
3. 3 yrs. towards bachelor's degree	85% of bachelor's base
4. 4 yrs. (without degree)	90% of bachelor's base
5. Bachelor	95% of bachelor's base
6. 1 yr. graduate study	88% of Master's base
7. 2 yrs. graduate study or Master's	92% of Master's base
8. Ph. D. minus 1 yr.	Individual consideration

In addition to the calculated base rates, adders may be applied

as follows:

Applicable summer experience	\$5/mo. for each summer
Applicable full time experience	\$10-15/mo. for each year
Nonapplicable experience	\$0
Military experience	\$10 maximum
Quality	Up to \$20 maximum can be applied to not more than 25% of job offers

Prior to each summer employment period, the Contractor will furnish the Contracting Officer the applicable base rates established by the Contractor for Company-wide application.

2. Teachers under this program may be paid at rates determined by the Contractor.
3. Employees under this program shall receive compensation for the holidays as outlined in Section N, Holidays and may be granted one day of vacation which must be taken prior to termination of the summer employment or lost.
- \* 4. Employees under this program may be paid a mileage allowance for transportation between the Rocky Flats Plant and home or school at the rate of 10 cents per mile at the beginning and end of employment; mileage cost to be computed as defined in Part V, D. 1. of this Appendix.

\*X. Overtime Meals

The Contractor may furnish meals to employees requested to and who do work in excess of ten consecutive hours (eighteen hours for employees on a 24-hour platoon schedule) after the start of their regularly scheduled work hours. A meal may be furnished every four hours thereafter. The Contractor may furnish a breakfast to day workers who are requested to and who do work more than two hours before their normal starting time. When overtime work includes a meal period, such time will be counted as time worked in computing overtime pay. Meals will not be furnished to exempt employees when being compensated for time worked in excess of eight consecutive hours.

Y. Special Benefits for Certain Advanced Systems Group

("Model Shop") Employees

There shall be allowable under this contract costs incurred by the Contractor in providing the special benefits described in paragraphs 1. and 2. below to the five individuals, previously employed by ACF Industries, Incorporated, whom the Contractor hired on April 3, 1967 for work in the model shop at the Rocky Flats Plant.

1. Vacation Leave

Such employees may be granted vacation leave in accordance with Section Z., Paragraph 2., of this Part II.

2. Return - Move

The Contractor may honor a return-move agreement which any of such employees may have had with ACF Industries, Incorporated, in accordance with the employment agreement between the Contractor and such employee. Only those expenses actually incurred by an employee in accordance with such employment agreement are allowable hereunder.

Z. Special Provisions for Category J Employees

An employee of ACF Industries, Inc. (hereinafter called "ACFI") who resigns from the Albuquerque Plant operated by ACFI for the Commission to accept employment with the Contractor on Category J work will receive the benefits specified elsewhere in this Appendix A except as such benefits may be increased as set forth below:

1. Training and Educational Assistance

ACFI service will be recognized for the service requirements of the Training and Educational Assistance programs of the Contractor.

All other provisions of Sections B. and C., Part I of this Appendix

A will apply.

\*2. Vacation Leave

On January 1 of each calendar year vacation allowance will be granted based on the Service Years to be attained during the given calendar year, as determined by the chart set forth below, using Total Dow and ACFI Service or Dow Service only, whichever provides the greater vacation.

<u>Service Years</u>	<u>Vacation Based on Total DOW and ACFI Service</u>	<u>Vacation Based only on Dow Service</u>	<u>Service Years</u>	<u>Vacation Based on Total DOW and ACFI Service</u>	<u>Vacation Based only on Dow Service</u>
0	0 day	1 day	10-14	15 days	19 days
1	10	(10-12-14)*	15	16	20
2	10	14	16	17	20
3	10	14	17	18	20
4	10	14	18	19	20
5	11	17	19	20	20
6	12	17	20-24	20	24
7	13	17	25-29	20	25
8	14	17	30 and up	20	26
9	15	17			

\*Vacation days granted depend on month of hire as given in Section O of this Part II.

All other provisions of Section O, Part II of this Appendix A will apply.

\*Revised by R. A. # 34 to Mod. 104  
Effective July 1, 1969