

Premere Rehab

SUBJECT:	LAST REVISED	LAST REVIEWED
3.02 EMPLOYMENT CLASSIFICATIONS	6/2024	6/2024

Policy: Premere Rehab does not recognize any contract of employment unless it is reduced to writing and signed by an officer of the Company. Any employee who does not have a written contract of employment for a specific period of time is an AT-WILL employee, meaning that either party can terminate the employment relationship at any time for any reason or no reason.

Each employee of Premere Rehab will be assigned employee status categories as defined below to determine eligibility for overtime pay under the specific provisions of federal and state laws and/or other benefits. Changes in employment status must be documented in the employee's personnel file.

IMPORTANT RULES ON LENGTH OF SERVICE: Definition of years of employment

Regular employees are eligible for a number of benefits, many of which are based on the length of service with Premere Rehab. Due to the increasing complexity of employment relationships, we are clarifying our length of service standard. Our definition of a year of employment means a total of 2080 work hours as a regular employee (not on-call). Thus to obtain the benefits available at 5 years, you would need to have worked a total of 10,400 regular hours (5 x 2080 hrs per year). For example, if you were to work full time 40 for 4 years, then drop to on-call for 3 months, then resume full time 40, you will reach 5 year status in approximately 5 years, 3 months. If you work 30 hours per week, you would reach 5 year status at approximately 6 years, 7 months. Any break in a benefitted employment position with Premere Rehab over 12 weeks results in a new initial hire date for the purposes of length of service. You must be in a benefitted status to access the applicable benefits.

While an at-will employee, each employee will be assigned to one of the following categories:

- 1) Regular full-time 40 hours per week– those employees who are not in a temporary status position and who are expected to be regularly scheduled to work in a position of more than 360 days duration at approximately 40 hours per week. Based on a 24 pay period cycle, this equates to 86.67 hours per pay period. Generally, regular full-time employees are eligible for the Company's benefit programs, subject to the actual terms, conditions, and limitations of each program's policies and provisions.
- 2) Regular full-time 30 hours per week– those employees who are not in a temporary status position and who are expected to be regularly scheduled to work in a position of more than 360 days duration at approximately 30 hours per week. Work days fluctuate per pay period thus an average of 6 hours a day must be maintained during each pay period. Generally, regular full-time employees are eligible for the Company's benefit programs, subject to the actual terms, conditions, and limitations of each program's policies and provisions.
- 3) Regular part-time – those employees who are not in a temporary status position and who are expected to be regularly scheduled to work in a position of more than 360 days duration at a schedule of 20 to 29.99 hours per week. Work days fluctuate per pay period thus an average of 4.0 hours a day must be maintained during each pay period. Generally, regular part-time employees are eligible for some of the Company's benefit programs, subject to the actual terms, conditions, and limitations of each program's policies and provisions.
- 4) On-call, PRN or Per Diem –Employment is on an "as-needed" basis generally without a definite schedule. Except for those legally mandated benefits, on-call employees are not eligible for the Company's benefits programs. A change to or from this category can be accomplished only with the written authorization by the Area Rehab Director. Service in this category may not be credited toward any non-legally mandated benefit program, even if the employee is later assigned to a benefit-eligible category.
- 5) Temporary – those employees who are hired as interim replacements to temporarily supplement the work force, or to assist in the completion of specific project for a limited duration, usually no more than 120 days. Employment beyond any initially stated period does not in any way imply a change in employment status and temporary employees retain that status unless and until notified, in writing, of a change. Temporary employees receive all legally mandated benefits (such as workers'

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compensation insurance and Social Security), but are generally ineligible for all of the Company's other benefit programs. Employment assignments in this category are either full- or part-time.

Each individual employee's status will be re-evaluated periodically. If during the lookback period, the employee is not working the average hours expected based on their assigned status (as defined above), the employee will be reassigned to the category that best matches their worked hours over the lookback period. This process is important to maintaining fairness and equity among all employees, as well as maintaining compliance with the terms of our self-funded health care plan.

Each employee will also be designated as either non-exempt or exempt from federal and state wage and hour laws. The Human Resources Department will determine whether a particular job position meets the applicable test for an exemption from overtime pay requirement under state or federal law.

- 1) *Non-exempt* – those employees entitled to overtime pay under the specific provisions of federal and state laws (including but not limited to therapists and office personnel).
 - i) Non-exempt employees are paid based on the number of hours worked and will be paid at a rate of time and one-half after 40 hours worked in one pay week excluding PTO or unpaid leave, jury duty, or bereavement leave. Overtime will also be paid to a non-exempt employee who works in excess of a daily maximum in accordance with applicable state provisions.
 - ii) Averaging of hours over two or more weeks is not permitted. Normally, overtime pay earned in a particular workweek must be paid on the regular payday for the pay period in which the wages were earned.
 - iii) Non-exempt employees may use available PTO in hourly increments.
 - iv) An employee who is required to remain on-call on the employer's premises is working while "on-call". An employee who is required to remain on call at home, or who is allowed to leave a message where he/she can be reached is not working (in most cases) while on call. Additional constraints on the employee's freedom could require this time be compensated.
 - v) Lunch and rest periods will be provided based on State law. Generally, rest periods of short duration, usually 10 minutes or less per four hour working period are provided and are paid for as working time. These short periods must be counted as hours worked. Bona fide meal periods (typically 30 minutes or more) are not compensated as work time. The employee must be completely relieved from duty for the purpose of eating regular meals. The employee is not relieved if he/she is required to perform any duties, whether active or inactive, while eating. Again, individual State law will be followed.
 - vi) Attendance at lectures, meetings, training programs and similar activities are not to be counted as working time unless approved by your Area Rehab Director.

- 2) *Exempt* – those employees excluded from specific provisions of federal and state wages and hour laws (Fair Labor Standards Act).
 - a) Generally, employees in positions of management with supervisory responsibilities of more than 2 employees are considered exempt.
 - b) Exempt employees are paid on a salary basis and are not eligible for overtime pay.
 - c) Exempt employees who are paid on a salaried basis can only have their salary reduced due to absences of one or more full days for personal reasons or absences of one or more full days due to sickness or disability (partial days must be paid as full days). Exempt employees are required to use available PTO to cover partial or full day absences in compliance with Premere Rehab's PTO policy.
 - d) In certain situations, an exempt employee may also, due to business and/or staffing considerations, be scheduled for on-call duty in addition to their regularly scheduled workweek. In these situations, the exempt employee may receive additional compensation for such work in accordance with applicable local, state, and federal regulations. The procedure of the region will govern in the absence of federal, state and local regulations. Questions regarding guidelines in use in these instances should be directed to the Vice President.

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- 3) Questions concerning entitlement to benefits based on full- or part-time status, classification of an employee as exempt or non-exempt, or other questions of employee status will be directed to Human Resources.