



MULTISTATE TAX COMMISSION

PERSONNEL HANDBOOK

Multistate Tax Commission
444 N. Capitol Street, N.W., Suite 425
Washington, DC 20001-1538
Phone # (202) 650-0300
National Nexus Program # (202) 695-8140

TABLE OF CONTENTS

WELCOME	1
NOTICE TO EMPLOYEES	2
AT WILL EMPLOYMENT	2
EQUAL EMPLOYMENT OPPORTUNITY	3
AMERICANS WITH DISABILITIES ACT	4
PREGNANCY ACCOMMODATION	4
RELIGIOUS ACCOMMODATION	5
EMPLOYEE CONDUCT	6
General	6
Conflicts of Interest	6
Campaign Activities and Public Office	7
Legislative and Regulatory Involvement	7
Outside Employment and Business Activities	8
Acceptance of Gifts	9
Engagements to Speak, Write, or Lecture	10
Confidentiality of Records and Information	10
Non-Harassment	11
Sexual Harassment	12
Social Media	13
Dress Policy	15
COMMISSION WORKING HOURS	15
COMPENSATORY TIME POLICY	15
HOLIDAYS	17
ANNUAL LEAVE	18

	SICK LEAVE	19
	Reasons Sick Time May Be Used	19
	OTHER LEAVE	20
	Family and Medical Leave	20
	Jury Leave	21
	Military Leave	22
	Voting Leave	22
	Bereavement Leave	22
	Leave Without Pay	23
	Maternity, Paternity, and Adoption Leave	23
	Inclement Weather	23
	USAGE OF LEAVE	24
	Requesting Leave	24
	Leave Certification	24
	Retaliation	25
	POLICY ON PART TIME EMPLOYMENT	25
	PAY POLICIES	26
	INSURANCE	26
	Health and Dental	27
	Life	27
	Continuation of Coverage	27
	Worker's Compensation	29
	Unemployment Insurance	29
	Short Term Disability	29
	Long Term Disability Benefit	30
	Travel Insurance	30
	SALARY DEDUCTION PROGRAMS	30
	Deferred Compensation Plan	30
	Social Security	32
	TRANSPORTATION	33

	RETIREMENT PROGRAM	33
	Eligible Employee	33
	Contributions	33
	Investments	34
	Normal Retirement Date	34
	Vesting Period	34
	Disability Contributions	34
	In-Service Death Benefit	35
	Payment of Defined Contribution Plan Monies Upon Termination	35
	 ALTERNATIVE WORK LOCATION	35
	Assigned Regular Work Location Is Not at a Commission Office or Commission Premises	35
	Optional Work Not Performed at a Commission Office or Commission Premises	36
	 ACCEPTABLE USE OF COMPUTERS & COMMUNICATIONS SYSTEMS	37
	 SAFETY IN THE WORKPLACE	39
	Each Employee's Responsibility	39
	Workplace Violence	39
	Substance Abuse	40
	 TRAVEL AND PER DIEM	42
	Transportation	42
	Lodging	43
	Meals	44
	 EDUCATIONAL COSTS	44
	 POLICY CONCERNING REFERENCES AND RECOMMENDATIONS	45
	Definitions	45
	References	45
	Recommendations	46
	Negative Opinions Concerning Prospective Employment	47

**PROVISIONS OF MULTISTATE TAX COMPACT AND COMMISSION
BYLAWS 47**

IMPLEMENTATION OF PERSONNEL POLICIES 48

ACKNOWLEDGEMENT AND RECEIPT 49

**WELCOME TO THE
MULTISTATE TAX COMMISSION...**

. . . where we work to achieve fair and efficient taxation of multijurisdictional business.

Though small in numbers, our staff has the support of almost every state, including the sixteen that have enacted the Multistate Tax Compact. We hope that you will enjoy the satisfaction of working for the cause of good government.

June 2017

NOTICE TO EMPLOYEES

The Multistate Tax Commission Personnel Handbook sets forth most of the policies, procedures, conditions of employment, compensation guidelines, and benefits which are currently in effect at the Commission. The inclusion of any matter within this Personnel Handbook does not create contract or other rights or expectancies in the employees. The Commission reserves its managerial right to discharge any employee at any time, subject only to such limitations as may be established by applicable statutory law. Except for the policy of at-will employment, the Commission also reserves the right at any time to amend, eliminate, or add to its policies, procedures, conditions of employment, compensation guidelines, and benefits, whether set forth in the Personnel Handbook or not, without the necessity of giving any prior notice or any notice to any employee or any employee's dependents, beneficiaries, or heirs.

Nothing in this Handbook or in any other document or policy is intended to violate any local, state or federal law. Nothing contained in the Personnel Handbook precludes an employee from engaging in conduct protected by Section 7 of the National Labor Relations Act. Furthermore, nothing in this Handbook prohibits an employee from reporting concerns to, filing a charge or complaint with, making lawful disclosures to, providing documents or other information to or participating in an investigation or hearing conducted by the Equal Employment Opportunity Commission ("EEOC"), National Labor Relations Board ("NLRB"), Securities and Exchange Commission ("SEC") or any other federal, state or local agency charged with the enforcement of any laws. Employees receiving a copy of the Personnel Handbook acknowledge that they have not and will not accept or rely on the contents of the Personnel Handbook as consideration for the commencement or continuation of his or her employment.

Not all of the Commission's policies and procedures are set forth in this Personnel Handbook. We have summarized only some of the more important ones. If an employee has any questions or concerns about this Personnel Handbook or any other policy or procedure, please ask your supervisor or another member of management.

AT WILL EMPLOYMENT

Employment with the Commission is at-will, unless state law provides otherwise. This means that employment may be terminated for any or no reason, with

or without cause or notice at any time by the employee or by the Commission. Nothing in this Handbook or any oral statement shall limit the right to terminate at-will. This at-will employment policy is the sole and entire agreement between the employee and the Commission as to the duration of employment and the circumstances under which employment may be terminated. No manager or supervisor has any authority to enter into a contract of employment express or implied that changes or alters the at-will employment relationship. Only the Executive Director of the Commission or his or her authorized representative has the authority to enter into an employment agreement that alters the at-will employment relationship and any such agreement must be in writing signed by the Executive Director of the Commission or his or her authorized representative.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of the Commission to implement equal opportunity for all employees and candidates for employment without regard to any legally recognized basis, including but not limited to veteran status, uniformed servicemember status, national origin or ancestry, physical or mental disability, genetic information (including testing and characteristics), age (18 and over), sex (including pregnancy, childbirth or related medical conditions, breastfeeding, and reproductive health decisions), race, color, religion, sexual orientation, gender identity or expression, marital status, family responsibilities, national origin, matriculation (e.g., being enrolled in a college or university or in a business, nursing, professional, secretarial, technical or vocational school), political affiliation, genetic information (including family medical history), lawful use of tobacco products, unemployment status, or any other consideration protected by federal, state, or local law. This policy applies to recruiting, hiring, training, advancement, work assignments, compensation, benefits, discipline, termination, and all other terms, conditions, and privileges of employment.

If an employee believes that he or she is being discriminated against, the employee is urged to bring the matter to the Commission's attention. Supervisors and managers are not only expected to refrain from discrimination of any kind but are expected to take immediate action should they note any such incidents. For these purposes, employees are encouraged to report any incident to the Commission's director of administration, general counsel, or deputy executive director.

The Commission maintains a continued commitment to equal employment opportunity and elicits the full cooperation of all staff.

This statement of policy reaffirms the intent of the Commission to comply with all provisions of applicable fair employment practice laws.

AMERICANS WITH DISABILITIES ACT

The Commission is committed to providing equal employment opportunities to qualified individuals with disabilities. This may include providing reasonable accommodation where appropriate in order for an otherwise qualified individual to perform the essential functions of the job. It is your responsibility to notify your supervisor or one of the directors, preferably in writing, of the need for accommodation. Upon doing so, one of the directors may ask you for your input or the type of accommodation you believe may be necessary or the functional limitations caused by your disability. Also, when appropriate, we may need your permission to obtain additional information from your physician or other medical or rehabilitation professionals. The Commission will then work with the employee to identify possible accommodations, if any, that will help to eliminate or otherwise address the barrier or limitation. If an identified accommodation is reasonable and will not impose an undue hardship on the Commission or a direct threat to the health or safety of the individual or others, the Commission will generally make the accommodation, or it may propose another reasonable accommodation which may also be effective. Employees are required to cooperate with this process by providing all necessary documentation supporting the need for accommodation, and being willing to consider alternative accommodations when applicable. We will not seek genetic information in connection with requests for accommodation. All medical information received by us in connection with a request for accommodation will be treated as confidential to the extent possible and required under law.

PREGNANCY ACCOMMODATION

Employees and applicants may request a reasonable accommodation for pregnancy, childbirth or related medical conditions, or breastfeeding. A reasonable accommodation will be provided unless the accommodation would impose an undue hardship on the Commission's business operations.

Reasonable accommodations may include but are not limited to: more frequent or longer breaks; time off to recover from childbirth; the acquisition or modification of equipment or seating; the temporary transfer to a less strenuous or hazardous position; other job restructuring, such as light duty or a modified work schedule; avoidance of heavy lifting; relocation of the employee's work area; or the availability of private, non-bathroom space for the expression of breast milk.

Employees who take leave or are provided a temporary transfer as an accommodation under this policy will be reinstated to their original job or to an equivalent position with equivalent pay, accumulated seniority and retirement, benefits, and other applicable service credits upon their notification to the Commission of their intent to return to work or when the employee's need for a reasonable accommodation ends.

The Commission may require that employees provide a certification from their health care provider regarding the medical advisability of a reasonable accommodation.

The Commission will not take adverse employment actions against employees or applicants who request or use reasonable accommodations in accordance with this policy.

Employees who have questions about this policy or who wish to request a reasonable accommodation under this policy should contact their supervisor or manager.

RELIGIOUS ACCOMMODATION

The Commission will provide reasonable accommodation for employees' religious beliefs, observances, and practices when a need for such accommodation is identified and reasonable accommodation is possible. A reasonable accommodation is one that eliminates the conflict between an employee's religious beliefs, observances, or practices and the employee's job requirements, without causing undue hardship to the Commission.

The Commission has developed an accommodation process to assist employees, and management. Through this process, the Commission establishes a system of open communication between employees and the Commission to discuss conflicts between

religion and work and to take action to provide reasonable accommodation for employees' needs. The intent of this process is to ensure a consistent approach when addressing religious accommodation requests. Any employee who perceives a conflict between job requirements and religious belief, observance, or practice should bring the conflict and his or her request for accommodation to the attention of your supervisor to initiate the accommodation process. The Commission requests that accommodation requests be made in writing, and in the case of schedule adjustments, as far in advance as possible.

EMPLOYEE CONDUCT

General

It is the general goal of the Commission to improve tax policy and tax compliance. Employees of the Commission need to be aware of this goal and to conduct themselves accordingly. Achievement of this goal requires not only a generally high standard of professionalism on the part of employees, but also an awareness of, and sensitivity to, the possible problem areas and conflicts of interest that may be created because of this organization's access to sensitive and confidential information. To maintain the confidence of both member states and taxpayers, employees need to be aware that their behavior reflects on the general perception of the fairness, integrity, and efficiency of the Commission. Below, we have indicated areas of particular concern, but these are not the only potentially troublesome areas, and these rules and standards are not necessarily exhaustive. Commission employees should attempt to follow both the letter and the spirit of these guidelines. Do not hesitate to discuss with other employees, your supervisor, or the executive director any matter which might involve a potential conflict of interest or other ethical issue before proceeding.

Conflicts of Interest

A conflict of interest arises when an employee's private interest, usually of a financial or economic nature, conflicts or raises a reasonable question of conflict with an employee's public duties and responsibilities. As a general rule, it is important to avoid not only any real conflict but also situations which can give the appearance of such a conflict.

This policy in no way prohibits employee affiliations or activities that are protected under applicable state and federal laws, including but not limited to any activity that is protected under Section 7 of the National Labor Relations Act, which includes the right of employees to organize collectively and to speak with others about their terms and conditions of employment.

Campaign Activities and Public Office

No inquiry will be made of an employee's political views or party affiliation as a condition of employment. Employees are encouraged to vote and otherwise take an active part in the political process, provided, however, that the employee does not use his or her official authority or influence for political purposes and does not engage in political activities while on duty. No employee may use Commission resources for matters directed toward the success or failure of a political party, candidate for political office (whether themselves or others), or partisan political advocacy group. Employees should be particularly sensitive to the possibility of a conflict of interest when campaigns for state office are involved, such as gubernatorial or legislative races in which it could appear that the Commission is endorsing one candidate over another. No employee may hold political office if a significant possibility for conflict exists between that office and the Commission. An employee must submit a request to run for political office to his or her supervisor and the executive director before announcing or qualifying his or her candidacy for that office.

Legislative and Regulatory Involvement

A Commission employee may, in his or her official capacity, testify before, speak to, or provide information to any state legislative or administrative committee or other official body, or to the staff of a legislative or administrative committee or body, on any matter, including a particular legislative or regulatory proposal, provided that the employee takes the appropriate steps to determine that the Commission's member or representative in that state has no objection. When necessary to ensure that the Commission's position is properly represented, the employee shall first clear the information to be provided with the executive director, deputy executive director, or the general counsel. A Commission employee may, in his or her official capacity, testify before, speak to, or provide information to any congressional body, congressional staff, or any federal administrative agency, only with the permission of the executive director. Nothing in this policy shall prevent employees from giving testimony, speaking, or

providing information to any governmental body in their personal capacity provided that they affirmatively declare that they are not acting in their capacity as Commission employees or representing the Commission.

Outside Employment and Business Activities

The Commission wants employees to have the maximum freedom possible to engage in outside employment or business activities consistent with their responsibilities to the Commission. Any outside employment or business activity will be considered in relation to the following guidelines, regardless of whether the employee is receiving compensation for such employment or business activity:

1. The activity does not involve work on tax-related matters for taxpayers who come within the Commission's jurisdiction, nor involve work in any other area of the Commission's responsibilities.
2. No apparent conflict between an employee's private interests and those of third parties will arise in regard to his or her duties and responsibilities to the Commission.
3. An employee will not use any resources provided by the Commission for any outside employment. This includes supplies and equipment, as well as access to data that the employee would otherwise not have access to except for their employment with the Commission.
4. The employee will not be able to use information, which is obtained through the employee's official duties or position and which is not generally available to the public, to guide or influence the conduct of the outside activity.
5. The outside activity will not impair the employee's availability, ability, capacity, or efficiency in performing official duties for the Commission. If an employee requests a change in work hours or assignments to undertake outside employment, such change must be approved in advance and in writing by the executive director. If a regular and continuous change in work hours and assignment is requested, the executive director may seek to have the Executive Committee act on the matter.

6. An employee may not have work performed indirectly through either family members or business associates that would otherwise be impermissible for the employee.

Examples:

1. An employee may not represent, advise, or act as an agent or attorney for any person, corporation, or partnership in any matter involving the Commission.

2. An employee may not deal with tax problems, tax returns, or the determination of tax liability at the local, state, or federal level for taxpayers who may come within the Commission's jurisdiction.

3. An employee may not engage in a business activity unless customers are solicited by general advertising.

4. An employee may not keep books or records for others where such activity could influence a tax determination or collection for taxpayers who may come within the Commission's jurisdiction.

5. Employees may not recommend or suggest specifically or by implication to a taxpayer any attorney, accountant, consultant, or firm thereof in connection with any official business which involves or may involve the Commission.

It is highly recommended that an employee discuss any outside employment or business activity with his or her supervisor before starting such activity.

The Commission will not assume any responsibility or liability for employees' outside employment. Specifically, the Commission will not provide workers' compensation coverage or any other benefit for injuries occurring from, or arising out of, such outside employment.

Acceptance of Gifts

In connection with his or her employment, an employee will not solicit or accept directly or indirectly any benefit from an outside source. Acceptance of such a benefit may be considered bribery, and can be cause for immediate dismissal as well as for civil

or criminal prosecution. Any unsolicited attempts to confer a benefit on an employee or an associate or relative of the employee for the purpose of influencing the employee's course of action in his or her duties may constitute bribery, and should be reported immediately to the executive director or the general counsel.

Where circumstances may make it uncomfortable to refuse, employees may occasionally accept food or drink of a nominal value. Employees may also accept unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, and the like, particularly when such items are made available to employees as potential customers rather than in regard to their status as Commission employees.

Engagements to Speak, Write, or Lecture

Public addresses and articles for publication dealing with the Commission's operations or policies must be cleared in advance with the executive director. An employee may not accept payment or compensation (sometimes referred to as an honorarium) for speaking engagements or writings performed as official duties. An employee may accept reimbursement of expenses for transportation, lodging, and meals in connection with a speaking engagement. An employee also may accept a plaque, certificate, award, or token or tokens of appreciation provided they are considered to be of nominal value and are substantially similar to items provided to other speakers or writers in such situations.

Confidentiality of Records and Information

All information regarding the nature and identity of taxpayers is confidential and should be safeguarded by employees. No disclosure to outside individuals or organizations may be made without the express consent of the executive director and consistent with the confidentiality laws of the member states. Because of the scope of our information-sharing agreements with member states, employees should be cautious about disclosing sales tax information to income tax agencies and vice-versa; information can generally be disclosed only for purposes of tax administration, even to member state tax agencies, and not as a matter of general interest. If an employee is unsure about which information should be disclosed to whom, he or she should consult the general counsel for guidance.

Employees should safeguard official documents or records in their custody; this includes audit workpapers as well as internal Commission documents. Employees should be particularly cautious about leaving such items unprotected in automobiles, or leaving them in public conveyances, restrooms, meeting rooms, or taxpayers' offices.

As a condition of employment, all Commission employees are required to sign a confidentiality statement.

Non-Harassment

The Commission is committed to providing and maintaining a work environment in which all employees are treated with dignity and respect. We prohibit and will not tolerate harassment of one employee by another employee, supervisor, or third party for any reason based on a "protected class" including, but not limited to: veteran status, uniformed servicemember status, national origin or ancestry, physical or mental disability, genetic information (including testing and characteristics), age (18 and over), sex (including pregnancy, childbirth or related medical conditions, breastfeeding and reproductive health decisions), race, color, religion, sexual orientation/preference, gender identity or expression, marital status, family responsibilities, national origin, matriculation (e.g., being enrolled in a college or university or in a business, nursing, professional, secretarial, technical or vocational school), political affiliation, genetic information (including family medical history), lawful use of tobacco products, unemployment status, or any other consideration protected by federal, state, or local law. Harassment of third parties by our employees is also prohibited.

The purpose of this policy is not to regulate the personal morality of employees. It is to ensure that in the workplace or when acting on behalf of the Commission, no employee harasses another for any reason or in any manner. The conduct prohibited by this policy includes conduct in any form including but not limited to e-mail, voice mail, online chats, internet use or history, text messages, pictures, images, writings, words, or gestures.

While it is not easy to define precisely what harassment is, it includes: slurs, epithets, threats, derogatory comments or visual depictions, unwelcome jokes, and teasing.

Any employee who believes that he or she has been harassed should report the situation immediately to one of the following members of management who have been designated to receive such complaints: the Commission's director of administration, general counsel, or deputy executive director. If an employee makes a report to any of these members of management and the manager either does not respond or does not respond in a manner the employee deems satisfactory or consistent with this policy, the employee is required to report the situation to one of the other members of management.

The Commission will investigate all such reports as confidentially as possible. Adverse action will not be taken against an employee because he or she, in good faith, reports or participates in the investigation of a violation of this policy. Violations of this policy are not permitted and may result in disciplinary action, up to and including discharge.

Sexual Harassment

Any type of sexual harassment is against Commission policy and may be unlawful. We firmly prohibit sexual harassment of any employee by another employee, supervisor, or third party. Harassment of third parties by our employees is also prohibited. The purpose of this policy is not to regulate the morality of employees. It is to ensure that in the workplace, or when acting on behalf of the Commission, no employee is subject to sexual harassment. While it is not easy to define precisely what sexual harassment is, it may include: unwelcome sexual advances, requests for sexual favors, or verbal or physical conduct of a sexual nature including, but not limited to, sexually-related drawings, pictures, jokes, teasing, e-mails, text messages, uninvited touching, or other sexually-related comments. The conduct prohibited by this policy includes conduct in any form including but not limited to e-mail, voice mail, online chats, internet use or history, text messages, pictures, images, writings, words, or gestures.

Sexual harassment of an employee will not be tolerated. Violations of this policy may result in disciplinary action, up to and including discharge. There will be no adverse action taken against employees who report violations of this policy in good faith or participate in the investigation of such violations.

Any employee who believes that he or she is a victim of sexual harassment should immediately report such actions in accordance with the following procedure. All complaints will be promptly and thoroughly investigated as confidentially as possible.

1. Any employee who believes that he or she is a victim of sexual harassment or has been retaliated against for complaining of sexual harassment, should report the situation immediately to one of the following members of management who have been designated to receive such complaints: the Commission's director of administration, general counsel, or deputy executive director. If an employee makes a report to any of these members of management and the manager either does not respond or does not respond in a manner the employee deems satisfactory or consistent with this policy, the employee is required to report the situation to one of the other members of management.
2. The Commission will investigate every reported incident immediately. Any employee, supervisor, or agent of the Commission who has been found to have violated this policy may be subject to appropriate disciplinary action, up to and including discharge.
3. The Commission will conduct all investigations in a discreet manner. We recognize that every investigation requires a determination based on all the facts in the matter. We also recognize the serious impact a false accusation can have. We trust that all employees will continue to act responsibly.
4. The reporting employee and any employee participating in any investigation under this policy have our assurance that no reprisals will be taken as a result of a sexual harassment complaint. It is our policy to encourage discussion of the matter, to help protect others from being subjected to similar inappropriate behavior.

Social Media

The Commission has policies that govern use of Commission computers and communications systems. The Commission may also have an interest in your electronic communications with co-workers, staff with member states, taxpayers, vendors, suppliers, and the general public on your own time. Inappropriate communications, even if made on your own time using your own resources, may be grounds for

discipline up to and including immediate termination. We encourage you to use good judgment when communicating via blogs, online chat rooms, networking internet sites, social internet sites, and other electronic and non-electronic forums (collectively “social media”). The following is a general and non-exhaustive list of guidelines you should keep in mind:

1. Make it clear that the views expressed in social media are yours alone. Do not purport to represent the views of the Commission in any fashion.
2. Do not disclose confidential or proprietary information regarding the Commission, your co-workers, our member states, taxpayers, or our vendors and suppliers. Use of copyrighted or trademarked information, trade secrets, or other sensitive information may subject you to legal action. If you have any doubt about whether it is proper to disclose information, please discuss it with one of the directors.
3. Do not use Commission logos, trademarks, web addresses, email addresses, or other symbols in social media. You may not use the Commission’s name or other identifying information to endorse, promote, denigrate, or otherwise comment on any product, opinion, cause, or person.
4. Be respectful of the privacy and dignity of your co-workers. Do not use or post photos of co-workers without their express consent.
5. Harassing or discriminatory comments, particularly if made on the basis of gender, race, religion, age, national origin, or other protected characteristic, may be deemed inappropriate even if the Commission’s name is not mentioned. If social media communications in any way may adversely affect your relationships at work or violate Commission policy, you may be subject to discipline up to and including immediate termination under various policies.
6. Ensure that engaging in social media does not interfere with your work commitments.
7. Social media and similar communications have the potential to reflect on both you and the Commission. We hope that you will show respect for our employees, member states, affiliates, and taxpayers.

Dress Policy

Whether or not your job responsibilities place you in direct contact with others outside of the Commission, you represent the Commission with your appearance as well as your actions. Therefore, employees are expected to maintain the highest standards of personal cleanliness and present a neat and professional appearance at all times. The Commission maintains a business casual environment. All employees should use discretion in wearing attire that is appropriate for the office and interaction with others outside of the office.

COMMISSION WORKING HOURS

Every employee is expected to work an 8 hour day. Generally, the 8 hour working day will be within the time frame of 8:30 - 5:00, which includes one-half hour for lunch. However, each employee may, with the approval of his or her supervisor, negotiate a different lunch, earlier arrival, or later departure as may be necessary to provide an 8 hour working day. Establishing an alternative work schedule is a privilege and not a right. Approval may be granted if adequate office staffing is maintained and there will not be an adverse impact upon the business of the Commission or other employees. Under an alternative work schedule for completing an 8 hour working day, employees should be present between 10:00 and 4:00.

Although work schedules other than a normal 5 day a week, 8 hour a day schedule are not encouraged, they may be allowed upon written approval by the executive director. When working in the field, audit staff will observe the taxpayer's working hours.

The executive director will establish the hours of operation of each Commission office and specify the circumstances when exceptions from such hours may be made.

COMPENSATORY TIME POLICY

1. Employees not eligible for overtime pay are compensated for the performance of their duties and responsibilities rather than hours worked. The Commission recognizes that its work can require staff to devote significant additional time to their duties beyond normal work time and therefore provides compensatory time for such employees within the terms of this policy.

2. Employees covered by the compensatory time policy are not guaranteed that they will receive equivalent hours off for any extra hours worked. And in no case may compensatory time be earned in excess of actual time spent working and traveling.
3. The executive director may establish additional terms, conditions, and limits for the earning, accumulation, and use of compensatory time by employees not eligible for overtime pay under federal, state, or local laws.
4. Under no circumstances will the Commission provide any monetary payment for compensatory time that has been earned but not taken.
5. The earning of compensatory time is subject to the approval of each employee's supervisor.
6. Compensatory time may be earned for time required for the accomplishment of the work of the Commission (including travel time when in travel status) in excess of eight hours per weekday, or occurring on weekends or holidays.
 - A. Eligible travel time is the necessary time required to travel from the business-related point of departure to the business-related point of arrival. If travel on Commission business is combined with personal travel, or if due solely to personal preference, an employee uses a longer mode of travel (such as traveling by automobile instead of flying), only the shortest reasonable time necessary for accomplishing the Commission travel will be eligible for earning compensatory time.
 - B. No compensatory time may be earned for attending social events such as those held in conjunction with conferences, meetings, seminars, or similar sessions.
 - C. Each supervisor, subject to the direction of the executive director, is responsible for determining whether or not an employee's work or travel time is required for the accomplishment of the work of the Commission.
7. Earned compensatory time may be used to take equivalent time off from work, subject to prior approval of an employee's supervisor.

8. At the end of a calendar year, no more than 40 hours of earned compensatory time may be carried over to the subsequent calendar year unless specifically approved in writing by the executive director.

9. No employee will be eligible to use his or her compensatory time once the employee has given, or has been given, notice of his or her termination of employment (including resignation or retirement) with the Commission unless permitted by the executive director. If the executive director permits the terminating employee to use his or her compensatory time after notice of termination, no accrual of leave will occur with respect to the days for which the use of compensatory time is allowed.

10. No payment will be provided to an employee upon the conclusion of the person's employment with the Commission for unused compensatory time, and an employee's last date of employment may not be extended through the use of compensatory time.

HOLIDAYS

The Commission normally observes the following holidays during the calendar year:

New Year's Day
Birthday of Martin Luther King, Jr.
Washington's Birthday (AKA Presidents' Day)
Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans Day
Thanksgiving Day
Friday after Thanksgiving
Christmas Day

With the exception of the Friday after Thanksgiving, this is the schedule of public holidays established for federal employees in 5 U.S.C. §6103 and the Commission will abide by the dates established by the Office of Personnel Management (www.opm.gov).

If one of the above holidays falls on Saturday, it is normally observed on the preceding Friday. If a holiday falls on Sunday, it is normally observed on the following Monday.

In addition to the above holidays, employees receive two floating holidays that may be taken at their discretion with their supervisor's approval. These floating holidays are accrued in January and must be used before the beginning of the following January, or they will be forfeited.

Full-time employees are eligible for paid holidays immediately upon hire.

Upon discharge, eligible employees are paid for accrued but unused floating holidays.

ANNUAL LEAVE

<i>Years of Service</i>	<i>Leave Accrual Rate</i>
0 – 5 years:	8 hours per month
6 - 10 years:	10 hours per month
11 - 15 years:	12 hours per month
16 - 20 years:	14 hours per month
21 + years:	16 hours per month

Accrual - Vacation time is accrued for each month of full employment according to the schedule above, except that the Commission will recognize previous governmental experience up to a maximum of five years in addition to Commission experience. Such recognition will be made part of the letter of employment given to each new employee at the time of hiring. Since the purpose of vacation is to provide a respite from work, employees are encouraged to use vacation in the same year in which it is accrued. No more than 320 hours of accrual may be carried over from one calendar year to another without the express written consent of the executive director. The accrual rate for employees working less than a 40 hour work week will be adjusted to account for this fact. Such adjustment will be reflected in the personnel records of the affected employees.

SICK LEAVE

Each employee is granted 10 hours of sick leave for each month of full employment regardless of length of service.

Reasons Sick Time May Be Used

Employees may use accrued sick and safe leave for absences resulting from any of the following:

- The employee's or eligible family member's physical or mental illness, injury, or medical condition;
- To obtain professional medical diagnosis or care or preventive medical care for the employee or eligible family member; or
- If the employee or eligible family member is a victim of stalking, domestic violence, or sexual abuse; provided that the absence is directly related to social or legal services pertaining to the stalking, domestic violence or sexual abuse for the purpose of:
 - Seeking medical attention for the employee or the employee's family member to treat or recover from physical or psychological injury or disability caused by the stalking, domestic violence, or sexual abuse;
 - Obtaining services for the employee or the employee's family member from a victim services organization;
 - Receiving psychological or other counseling services for the employee or the employee's family member;
 - Temporarily or permanently relocating;
 - Taking legal action, including preparing for or participating in any civil or criminal legal proceeding relating to the stalking, domestic violence, or sexual abuse incident; or
 - Taking other actions that could be reasonably determined to enhance the physical, psychological, or economic health or safety of the employee or the employee's family member or the safety of those who work or associate with the employee.

Eligible family members include the employee's: children (including stepchildren and foster children), grandchildren, parents, parents-in-law, stepparents, spouse, spouses of children, domestic partners, siblings and brothers- and sisters-in-law. A person with whom the employee shares or has shared, for at least the 12 preceding months, a mutual residence and with whom the employee maintains a committed relationship is also an eligible family member under this policy, as is a child who lives with an employee and for whom the employee permanently assumes and discharges parental responsibility.

Upon termination of employment you will not be paid for your unused sick leave for any reason. If you are re-employed within two years, your unused sick leave will be restored.

Accrual - No maximum accrual. Accrued sick leave will carry over from year to year.

OTHER LEAVE

Family and Medical Leave

We recognize that an employee may need to be absent from work for an extended period of time for family or medical reasons. The Commission complies with the Family and Medical Leave Act (FMLA) and similar provisions adopted by applicable jurisdictions. Although those laws sometimes have different names, the Commission refers to these types of leaves collectively as "FMLA Leave." The Commission is required to provide FMLA Leave to eligible employees for various reasons such as suffering from a serious health condition, providing care for a FMLA Leave qualified relative with a serious health condition, or pertaining to a serious injury or illness of a covered service member (qualifying exigency for military family leave). Employees must inform their supervisors of the need for FMLA Leave as soon as the need arises. Because rights and obligations may vary depending upon the reason for FMLA Leave, it is important to identify the purpose or reason for the leave. Employees are responsible for the submission of information that will allow the Commission to determine if the requested leave qualifies for FMLA Leave protection.

Documents relating to medical certifications, recertifications, or medical histories of employees or employees' family members will be maintained separately and treated

by the Commission as confidential medical records, except that in some legally recognized circumstances, the records (or information in them) may be disclosed to supervisors and managers, first aid and safety personnel, or government officials.

An employee who fraudulently obtains Family and Medical Leave from the Commission is not protected by FMLA Leave's job restoration or maintenance of health benefits provisions. In addition, the Commission will take all available appropriate disciplinary action against such employee due to such fraud.

The Commission takes its FMLA Leave obligations very seriously and will not interfere, restrain, or deny the exercise of any rights provided by applicable FMLA Leave laws. We will not terminate or discriminate against any individual for opposing any practice, or because of involvement in any proceeding related to FMLA Leave. If an employee believes that his or her FMLA Leave rights have been violated in any way, he or she should immediately report the matter to the Commission's director of administration, general counsel, or deputy executive director. If an employee makes a report to any of these members of management and the manager either does not respond or does not respond in a manner the employee deems satisfactory or consistent with this policy, the employee is required to report the situation to one of the other members of management.

Employees with questions regarding FMLA Leave should contact their supervisor for more information.

Jury Leave

The Commission encourages all employees to fulfill their civic responsibilities and to respond to jury service summons or subpoenas, attend court for prospective jury service, or serve as a juror. Under no circumstances will employees be terminated, threatened, coerced, or penalized because they request or take leave in accordance with this policy.

Employees should provide their supervisor with notice of any jury summons or subpoena within a reasonable amount of time after receipt and before their appearance is required. Verification from the court clerk of having served may be required.

Eligible full-time employees will receive their regular compensation during jury service, less any fee received from the court. For purposes of this policy, an employee is not considered eligible for compensation for any day of jury service in which, if not for jury service, the employee would not: (1) have earned regular wages from the Commission; or (2) worked more than half of a shift that extends into another day.

Any additional or other time off under this policy will be without pay, except that exempt employees will not incur any reduction in pay for a partial week's absence due to jury duty.

Employees will be entitled to leave of absence from duties without loss of pay or accrual of benefits for that amount of time necessary to comply with a subpoena by any court to serve as a witness, except in cases in which the employee or a member of his or her family is a party plaintiff or defendant in an action.

Military Leave

Any employee who is an active member of a reserve branch of the United States Armed Forces will be relieved from his or her civil duties upon request to serve under orders on training duty without loss of his or her regular compensation for a period not to exceed ten working days in any one calendar year, and any such absence will not be charged to leave. Absence in excess of this amount will be charged as annual leave or leave without pay.

Voting Leave

Employees are entitled to a maximum of two hours leave to vote in any local, state, or national election.

Bereavement Leave

Employees are entitled to a maximum of three days paid leave in any calendar year in the event of a death in the immediate family. Immediate family means — spouse or domestic partner; parents, children, brothers and sisters, and their spouses or domestic partners; grandparents, grandchildren, and their spouses or domestic partners; or parents, children, brothers and sisters, grandparents, and grandchildren of the employee's spouse or domestic partner.

Leave Without Pay

In exceptional circumstances, when an employee may need leave for which he or she has not accrued adequate time, or which does not fall into one of the above categories, an employee may arrange to take a leave of absence without pay. Such leave must be arranged and approved in advance by the executive director. When such leave does not extend beyond ten working days, the Commission will continue coverage of all benefits at no cost to the employee. If the leave continues beyond that period, the employee must make arrangements in advance to continue insurance and other coverage at his or her expense.

Maternity, Paternity, and Adoption Leave

Maternity, Paternity, and Adoption leave is defined as a combination of vacation, sick leave, and leave without pay as necessary to provide adequate time for a new parent to make those transitions associated with the birth or adoption of a new child. Employees will first utilize accumulated sick leave credits, then vacation credits; the rest will be recorded as authorized leave without pay. In order to provide for continuity in work load and prepare for the leave, employees who anticipate using maternity leave should notify the executive director of their plans as far in advance as may be feasible.

Inclement Weather

In each location, the supervisor will decide if offices are to be closed because of inclement weather and will assume the responsibility of notifying the employees. Employees who work at a location that is not a Commission office or Commission premises should contact their supervisor to determine whether their location should be closed because of inclement weather. Employees working from their home generally will not be entitled to this leave unless they are working away from their home office for Commission purposes. Employees reporting to work after an office closure has been announced will not be permitted to remain and work without the permission of their supervisor. When the office is closed, employees will still receive regular pay as if they had worked that day. Employees who had previously scheduled vacation or personal holidays for that day will be considered to have used those vacation or personal holidays. If possible, supervisors should make an attempt to notify the headquarters office of an inclement weather closure.

USAGE OF LEAVE

Requesting Leave

If the reason for leave is planned, employees should make a request, preferably in writing, for leave at least 10 days in advance, or as early as possible. The request must include a reason for the absence involved and the expected duration of the paid leave. If the paid leave is unforeseeable, employees must inform the Commission before the start of the shift in which the leave is being used. When the need for leave is because of emergency, employees must inform the Commission prior to the start of the next shift they are scheduled to work or within 24 hours of the onset of the emergency, whichever is sooner.

Employees must make a reasonable effort to schedule their leave in a way that does not disrupt the Commission's business operations. When the reason for leave is a non-emergency situation employees must consult with their supervisor about the date and time of their need for leave.

Leave Certification

The Commission may require employees who are out on leave for three or more consecutive days and seeking compensation to provide reasonable documentation supporting their request for leave, such as a:

- Signed document from a health care provider;
- Police report indicating that the employee or family member was a victim of stalking, domestic violence, or sexual abuse;
- Court order indicating the employee or employee's family member was the victim of stalking, domestic violence, or sexual abuse; or
- Signed statement from a victim and witness advocate or domestic violence counselor affirming that the employee is involved in a legal action relating to the stalking, domestic violence, or sexual abuse or sought services related to the health or safety of the employee or employee's family member.

Employees must provide the certification immediately upon return to work or within one business day after returning.

Employees are prohibited from using paid leave for improper purposes. The Commission may require more frequent certification from employees if there is a pattern of abuse of paid leave suspected.

Retaliation

The Commission will not retaliate or tolerate retaliation against any employee who seeks or obtains authorized leave or who makes a good faith complaint (including the filing of a lawsuit or cooperating in any investigation or prosecution) about a violation of applicable law, or who communicates with any person about such a violation. In addition, the Commission will not retaliate against any employee who informs another person about their rights under applicable law.

POLICY ON PART TIME EMPLOYMENT

When a person works for the Commission on a part-time basis, he or she will be eligible to accrue vacation and sick leave only under conditions established in a letter confirming terms of employment or a memo of understanding signed by both the employee and the executive director. Such accrual will normally be on a pro-rata basis for each month in which he or she works an average of 20 hours per week or for each year in which he or she works a total of at least 1,000 hours.

Thus, a person who works 20 hours each week will accrue vacation and sick leave at one-half the normal rate; and a person who works less than 20 hours a week for part of a year but more than 20 hours a week during another part of that year so that he or she works a total of 1,000 hours during the year will also accrue vacation and sick leave at one-half the normal rate. By the same token, a person who works 30 hours per week will accrue vacation and sick leave at three-fourths the normal rate.

In order to be eligible for health, life, long-term disability and travel insurance, a part-time employee must qualify under the Employer Shared Responsibility provisions of the Affordable Care Act or under conditions established in a letter confirming terms of employment or a memo of understanding signed by both the employee and the

executive director. The Commission pays the full premium cost of such insurance benefits for all employees who meet these requirements.

If an employee moves from a full-time to a part-time position for a specified period of time, the terms of that arrangement are to be delineated in a memo of understanding, signed by both the employee and the employee's immediate supervisor and forwarded to the headquarters office.

PAY POLICIES

The executive director is responsible for and is authorized to establish salary policies and to take such salary actions, consistent with the fiscal circumstances and policies of the Commission, as are necessary and proper in his or her judgment

Discussion of Wages

Employees are not obligated, but are permitted, to inquire about, disclose, compare, or discuss their wages or the wages of other employees. The Commission will not terminate, discipline, or otherwise discriminate against employees because they make such disclosures.

The Commission, however, prohibits employees who have regular access to other employees' wage information as part of their job responsibilities, such as a Human Resources representative or supervisor, from sharing such information, unless disclosure is in furtherance of or response to an investigation, action, or hearing, or the employer otherwise has a legal obligation to furnish the information.

INSURANCE

(N.B., THIS SECTION DESCRIBES THE INSURED BENEFITS MAINTAINED BY THE COMMISSION. WHILE THIS DESCRIPTION IS THOUGHT TO BE ACCURATE, EMPLOYEES SHOULD CONSULT THEIR ACTUAL CERTIFICATES OF PARTICIPATION AND OTHER GOVERNING DOCUMENTS TO DETERMINE THE PRECISE TERMS OF THE COVERAGE AFFORDED BY THE INURED BENEFITS OF THE COMMISSION. THE CERTIFICATES OF PARTICIPATION AND OTHER GOVERNING DOCUMENTS PREVAIL IN DETERMINING THE EXTENT OF COVERAGE AVAILABLE TO ANY EMPLOYEE.)

Health and Dental

Major medical and comprehensive dental care premiums are fully covered for both employees and their dependents. Further information on these coverages is available, upon request, from the headquarters office.

Life

Subject to the Commission's overall maximum of the permitted level of group insurance available to an employee, the Commission provides for each full-time employee an amount of insurance based upon the insured's annual compensation (rounded to the next higher multiple of \$1,000, if not already an exact multiple thereof); coverage also varies depending on the employee's age. Further information on this coverage is available, upon request, from the headquarters office.

Continuation of Coverage

If you terminate your employment with the Commission for any reason, you may be entitled to a continuation of medical and dental benefits under our group policy at your expense if you so choose. If you are eligible and wish to continue coverage under the group policy, you may do so by remitting each month the required monthly premium to the Commission prior to the date required by federal law. Failure to remit the required premiums on time will result in your losing insurance coverage. This premium provides you with either medical or medical and dental coverage provided in our group policy. You must also complete and submit the continuation form within the specified time limits applicable under federal law in order to ensure your right to coverage.

By law, it is **your** responsibility to notify us in the event of any change in your marital status (should one occur) so that we may offer continuation to your spouse. If a dependent child no longer meets the definition of "dependent" under the terms of the policy, you must so inform us so that we may offer him or her the coverage as well.

Your right to continue coverage will last no more than a maximum of 36 months following termination of employment and can be as short as 18 months. In any event, your continuation coverage ends the first time any of the following occur:

1. The applicable COBRA continuation coverage period (ranging between 18 and 36 months) expires;
2. The first day for which the covered person fails to make timely payment of the cost of COBRA continuation coverage;
3. The date upon which the Commission ceases to maintain any group health plan (including any successor plan);
4. The first date after the date of the election for COBRA continuation coverage upon which the covered person is covered (i.e., actually covered, rather than merely eligible to be covered) under any other group health plan (as an employee or otherwise) that is not maintained by the Commission and that does not contain any exclusion of or limitation with respect to any preexisting condition;
5. The date that the covered person is entitled to Medicare benefits under Title XVII of the Social Security Act;
6. In the case of a covered person who is disabled at the time of the termination of employment, the month that begins more than 30 days after the date of the final determination under Title II or XVI of the Social Security Act [42 U.S.C. §401 et seq. or §1381 et seq.], that the covered employee is no longer disabled; or
7. The date that the covered person's COBRA continuation coverage is terminated for cause, provided the COBRA continuation coverage is terminated for cause on the same basis that the group health plan (including any successor plan) of the Commission terminates for cause the coverage of similarly situated active employees.

Please note that your rights, as defined in the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, are limited to the right to purchase continuing coverage at the group rate; this does not entitle you to receive nor oblige the Commission to provide health or other insurance at our expense. For more complete understanding of your COBRA rights, you should contact the Commission's director of administration.

Worker's Compensation

Statutory benefits provided.

Unemployment Insurance

Provided for all employees.

Short Term Disability

The Multistate Tax Commission self-insures against an employee's short-term disability for a maximum period of 90 calendar days following the occurrence of the disability. Once the 90 days have passed, the employee may then be eligible for the long-term disability insurance benefit (assuming the condition of disability is covered by the long-term disability insurance benefit).

A "short-term disability" is any illness, accident, hospitalization or other medical problem which requires the employee to be absent from work for more than five consecutive work days. An employee must provide documentation from a certified physician describing the disability, any restrictions on the employee's duties, and an estimation of the expected duration of the disability. As soon as this condition is fulfilled, the disability is considered to have taken effect beginning on the first working day absent from work. The 90-day elimination period to the long-term disability insurance benefit is also counted from that point.

When a period of short-term disability commences, the employee will be paid for the period during which the disability continues in the following manner. The employee is first required to use (and be paid for at 100% of his or her normal rate of compensation) all earned compensatory time, accumulated sick leave, accrued and unused floating holidays, and accumulated annual leave. If use of these does not equal or exceed the 90 calendar days maximum period of short-term disability, the employee is paid 80% of his or her normal rate of compensation until the 90 calendar days maximum period is met.

An employee on short-term disability will accrue annual leave and sick leave for each period where the employee is using compensatory time, sick leave, floating holidays, and annual leave. No leave will accrue for any employee while on disability

who has exhausted all compensatory time, sick leave, floating holidays, and annual leave. An employee returning from disability will be entitled to 32 hours of rehabilitation leave. Rehabilitation leave is leave which may be used solely to further the recovery or rehabilitation of the returning employee, such as for appointments with physicians, therapists, nurse practitioners, diagnosticians, and the like who are involved with the returning employee's recovery or rehabilitation.

Once the 90 days have passed, an employee may be eligible for a benefit to be paid by the long-term disability insurance policy. After 90 days, any benefit for a condition of disability is governed by the terms of the long-term disability insurance policy. Further information on short-term disability is available, upon request, from the headquarters office.

Long-Term Disability Benefit

The Commission provides a long-term disability insurance policy for covered employees. Employees desiring to understand the precise terms of coverage for the long-term disability insurance policy should review the certificate of participation available, upon request, from the headquarters office.

Travel Insurance

All employees are covered by travel insurance which, in most cases, provides for \$200,000 of life insurance and smaller amounts for injury incurred while travelling on Commission business. This coverage is in addition to the basic life insurance provided for all employees. Coverage begins when you leave the office for business reasons, or when you leave your home if you are traveling on business (such as to an audit). It does not cover commuting to work, however.

SALARY DEDUCTION PROGRAMS

Deferred Compensation Plan

General Description. The Commission maintains a deferred compensation plan for its employees, as authorized under IRC §457. Under this plan, employees may have part of their basic salary saved on their behalf. Amounts so saved, plus the interest and other earnings on the amounts deferred, are not taxable to the employee until they are

actually distributed, generally upon retirement or termination of employment. The following rules apply to the deferred compensation plan.

1. Amounts Eligible For Deferral. There is a maximum amount of compensation that may be deferred by an employee who participates in the plan. Employees should consult with a tax or financial advisor regarding the maximum amount of compensation they may defer.

An employee may defer additional amounts in the last three years before normal retirement to make up for earlier years.

An additional contribution is allowed for those who reaches the age fifty 50 by the end of the plan year. However, one cannot use the 3 year “catch- up” deferral and the additional age 50 deferral at the same time. An employee should consult with a tax or financial advisor for further details on the additional deferral and contribution provisions.

2. Normal Retirement Age. Normal retirement age under this plan is 65.

3. Agreement to Defer. You can begin deferral in any month provided you have signed a deferral agreement before the first day of the month; new employees may begin deferral on the first day of employment provided the agreement is signed on or before the first day of employment. Normal deferral will be by salary reduction; your semi-monthly paycheck will be reduced by your deferral election.

4. Deferred Compensation Investments. All deferred compensation, including any amounts earned from investment, are held by a trustee for the benefit of the participant. The participant directs the investment choices. Participants should consult the governing documents, which are available upon request from the Commission’s headquarters office, for details on the terms and conditions of the plan.

5. Distribution of Funds. You may receive your deferred compensation plus accrued earnings either upon your separation from service with the Commission or in the event of an unforeseen emergency. The distribution can be in a lump-sum or in the form of an annuity. It must commence not later than April 1 of the year following the year of the participant’s retirement or attainment of the age 70 ½, whichever is later. In the event of your death, distribution will be made to your beneficiary. If the beneficiary

is a spouse, he or she will have the choice of a life annuity or a lump-sum distribution; a beneficiary other than a spouse will have the choice of a lump-sum distribution or a distribution over a period not to exceed fifteen years.

You may receive part or all of your deferred compensation while employed at the Commission in the event of an unforeseen emergency. Requests for emergency distributions will be evaluated on a case-by-case basis by the executive director, under the following ground rules (as established in IRS Regulations).

- a. The emergency must result from circumstances beyond your control. (e.g., purchasing a house or sending a child to college would not qualify).
- b. The amount of the distribution must be reasonably related to the need caused by the emergency.
- c. The distribution may not be made to the extent that the need could be covered by insurance or other compensation, cessation of deferrals, or liquidation of other assets. In other words, emergency distributions are to be a last resort.

Before receiving any portion of your deferred compensation, it is recommended that you consult with a tax or financial advisor concerning the impact or consequences of receiving a distribution.

Social Security

The Commission does not currently participate in the Social Security system. As a result, the Commission does not withhold social security taxes from the compensation paid to its employees, nor does the Commission make social security contributions on employees' behalf. The Commission's non-participation in the Social Security System affects the Social Security benefits available to employees. For employees not covered by the Commission's retirement plan, the Commission and the employee will be subject to the Social Security tax. This would most likely occur in the case of part-time employees or interns.

Employees will be subject to a 1.45% deduction from their monthly salary in order to meet federal guidelines that mandate this contribution for the medicare payroll tax. The Commission will contribute an equal amount.

TRANSPORTATION

In order to encourage the use of public transportation, the Commission makes available a monthly transit benefit to those who commute to work via public transportation.

RETIREMENT PROGRAM

The Commission provides a defined contribution plan for eligible employees. The full text of the retirement plan is available, upon request, from the headquarters office. A short summary follows below. **The actual terms of the plan prevail in the case of any variation or conflict of this summary with the actual provisions of the plan.**

Eligible Employee

Any person who is classified as a permanent employee of the Commission by virtue of customarily working as an employee for more than five months per year and at least 20 hours per week and who is receiving remuneration for personal services rendered to the Commission or would be receiving such remuneration except for an approved absence or a condition of disability. Certain other individuals may be treated as permanent employees when they work for an organization related to the Commission or are classified as leased employees within the meaning of IRC §414(n) or (o). Persons who wish complete information on these latter circumstances should inquire of the executive director. Any person who performs services for the Commission solely as an independent contractor generally will not be considered to be an employee.

Contributions

Each month the Commission will contribute to the plan an amount equal to 12.4% of the total compensation paid to all participants during that month. Participants may not elect to make voluntary contributions to the plan. Compensation is generally defined in the plan to include an employee's regular and usual cash remuneration paid for services rendered to the Commission which is reflected in the participant's W-2, any cash payments received in lieu of a regular increase in compensation, and contributions made on a pre-tax basis under the Commission's deferred compensation plan.

Compensation does not include employer paid insurance premiums, allowances for moving and relocation expense, or other payments.

Investments

Each participant may direct the investment of his or her participant's account to any one or more of the investment options made available under the plan.

Normal Retirement Date

The first day of the month coincident with or next following a participant's 65th birthday.

Vesting Period

One year of continuous employment or attainment of normal retirement age.

Disability Contributions

Non-highly Compensated Employees Employed Prior to July 1, 1986: Upon the occurrence of a condition of disability the Commission will continue to make allocations to the participant's defined contribution plan account of certain eligible employees, at the rate of 12.4% of monthly compensation. Compensation is measured for these purposes as the rate of compensation that was paid immediately before the eligible employee became disabled. The plan defines what constitutes a disability for purposes of this benefit. Such allocations will continue to be made until the eligible employee who is covered by this benefit either returns to full-time employment with the Commission, receives early or disability retirement as defined in the plan, or reaches normal retirement age. Employees eligible for this limited benefit must have been employed full-time by the Commission as of July 1, 1986, and must not be a highly compensated employee within the meaning of applicable provisions of the Internal Revenue Code and the regulations thereunder, which have been incorporated into the Plan.

In-Service Death Benefit

Upon the death of an active participant, the participant's account will be assigned to his beneficiary.

Payment of Defined Contribution Plan Monies Upon Termination

When your employment with the Commission is terminated (for whatever reason) and you are vested, your participant account will be available to you. The distribution of the account will be made in a manner and at a time requested by the vested participant.

The payment options available to you create several issues involving taxes and financial planning. It is your responsibility to seek outside professional advice regarding how you may elect to receive your payment, because the Commission is unable to act as your adviser.

ALTERNATIVE WORK LOCATION

Assigned Regular Work Location Is Not at a Commission Office or Commission Premises

1. The Commission determines in its discretion those positions where it is appropriate for its employees to work at a location that is not a Commission office or Commission premises.
2. The Commission also determines in its discretion those employees approved to work at a location that is not a Commission office or Commission premises.
3. Arrangements regarding employees working at a location that is not a Commission office or Commission premises will be included within a position description or the terms and conditions of employment.
4. The position description or terms and conditions of employment will specify the work expectations and other requirements for the employee.

5. Supervisors should be able to track and evaluate employee performance and work progress for employees working at a location that is not a Commission office or Commission premises.
6. When an employee works at a location that is not a Commission office or Commission premises, it must be for the benefit of the Commission; otherwise, approval to work at a location that is not a Commission office or Commission premises must be obtained from the employee's supervisor, director, and the executive director.
7. Employees whose job requires regular travel should be located within 75 miles of a primary airport as designated by the FAA's National Plan of Integrated Airport Systems (NPIAS).
8. The Commission retains the right to terminate the arrangement for an employee to work at a location that is not a Commission office or Commission premises.
9. The Commission also retains the right to assign an employee who is currently working at a location that is not a Commission office or Commission premises to work at a location that is a Commission office or Commission premises or at another location.
10. An employee working at a location that is not a Commission office or Commission premises is required to follow the same expectations, requirements, and rules regarding employment, performance, and conduct as employees working at a Commission office or Commission premises.
11. Employees working at a location that is not a Commission office or Commission premises are responsible for being aware of and complying with requirements concerning the confidentiality of records and information.

Optional Work Not Performed at a Commission Office or Commission Premises

1. Employees may work away from their assigned regular work location. Such arrangements must be approved by the employee's supervisor.
2. Approval for an employee to work away from their assigned regular work location is voluntary on part of the Commission to approve – this a privilege and not a right.

3. Working away from the assigned regular work location must not adversely impact the business of the Commission or other employees.
4. An employee working away from their assigned regular work location is required to follow the same expectations, requirements, and rules regarding employment, performance, and conduct as employees working at a Commission office or Commission premises.
5. Employees working away from their assigned regular work location are responsible for being aware of and complying with requirements concerning the confidentiality of records and information.

ACCEPTABLE USE OF COMPUTERS & COMMUNICATIONS SYSTEMS

1. Commission computers and communications systems must be used only for business purposes. Incidental personal use is allowed if it: (a) uses only a trivial amount of resources that would otherwise be used for business purposes; (b) does not interfere with employee productivity; and (c) does not preempt any business activity. Employees in possession of Commission computers and communications systems equipment are responsible for maintaining proper care of that equipment. Employees must timely report issues with Commission computers, communications systems equipment, programs, and resources.
2. The Commission uses access controls and other security measures to protect the confidentiality, integrity, and availability of the information handled by computers and communications systems. In keeping with these objectives, management has the authority to: (1) restrict or revoke any user's privileges; (2) inspect, copy, remove, or otherwise alter any information, program, or other system resource that may undermine these objectives; and (3) take any other steps deemed necessary to manage and protect the agency's computers and communication systems. This authority may be exercised with or without notice to the involved users. The Commission disclaims any responsibility for loss or damage to information or software that results from its efforts to meet these security objectives.
3. The Commission issues computer accounts, user IDs, network passwords, voicemail box personal identification numbers, credit card numbers, and other access

codes to allow employees to use both the computers and communication systems of the agency and the systems of authorized third parties. These access codes are granted for use only by the person to whom they were originally issued. Use of these codes by any other person is prohibited and constitutes a serious violation of Commission policies.

4. Persons who are not employees, contractors, or consultants must not be granted a user ID or otherwise be allowed to use Commission computers or communications systems without prior approval from a director.

5. Games may not be stored or used on Commission computers and communications systems equipment.

6. Users must not read, modify, delete, or copy a file belonging to another user without first getting permission from that person or the appropriate division director. Unless general user access is clearly provided to shared files, the actual ability to read, modify, delete, or copy a file belonging to another user does not imply permission to do any of those things.

7. When an individual leaves Commission employment, all Commission computers and communication systems privileges will be promptly terminated.

8. Commission information systems users must immediately notify the network administrator of any questionable use or unauthorized changes to computerized production information.

9. Employees must never loan others a Commission computer, Commission communications systems equipment, or any other Commission equipment or device containing confidential information. The network administrator is responsible for ensuring that all confidential information is removed and unrecoverable from redeployed or surplus technology assets.

SAFETY IN THE WORKPLACE

Each Employee's Responsibility

Safety can only be achieved through teamwork. Each employee, supervisor, and manager must practice safety awareness by thinking defensively, anticipating unsafe situations, and reporting unsafe conditions immediately.

Please observe the following precautions:

1. Notify one of the directors of any emergency situation. If you are injured or become sick at work, no matter how slightly, you must inform your supervisor or one of the directors immediately.
2. The use of alcoholic beverages or illegal substances during working hours will not be tolerated. The possession of alcoholic beverages or illegal substances on Commission premises is forbidden.
3. Use, adjust, and repair machines and equipment only if you are trained and qualified.
4. Know the proper lifting procedures. Get help when lifting or pushing heavy objects.
5. Understand your job fully and follow instructions. If you are not sure of the safe procedure, don't guess; ask your supervisor or one of the directors.
6. Know the locations, contents, and use of first aid and firefighting equipment.

A violation of a safety precaution is in itself an unsafe act. A violation may lead to disciplinary action, up to and including discharge.

Workplace Violence

Violence by an employee or anyone else against an employee, supervisor, or member of management will not be tolerated. The purpose of this policy is to minimize the potential risk of personal injuries to employees at work and to reduce the possibility

of damage to Commission property in the event someone, for whatever reason, may be unhappy with a Commission decision or action by an employee or member of management.

If you receive or overhear any threatening communications from an employee or outside third party, report it to your supervisor or one of the directors at once. Do not engage in either physical or verbal confrontation with a potentially violent individual. If you encounter an individual who is threatening immediate harm to an employee or visitor to our premises, contact an emergency agency (such as 911) immediately.

All reports of work-related threats will be kept confidential to the extent possible, investigated, and documented. Employees are expected to report and participate in an investigation of any suspected or actual cases of workplace violence and will not be subjected to disciplinary consequences for such reports or cooperation.

Violations of this policy, including your failure to report or fully cooperate in the organization's investigation, may result in disciplinary action, up to and including discharge.

Substance Abuse

The Commission has vital interests in ensuring a safe, healthy, and efficient working environment for our employees, their co-workers, and those we serve. The unlawful or improper presence or use of controlled substances or alcohol in the workplace presents a danger to everyone. For these reasons, we have established as a condition of employment and continued employment with the Commission the following substance abuse policy.

It is a violation of our drug-free workplace policy to use, possess, sell, trade, or offer for sale illegal drugs at any time. "Illegal" drugs include all drugs that are prohibited to use or possess under any federal, state, or local law. Marijuana, including medical marijuana, remains illegal under federal law, even where its use has been approved by certain states for recreational or medical use. Accordingly, the Commission prohibits the use of marijuana by its work force, and further reserves the right to take adverse action based on positive test results as permitted by law. Additionally, the Commission will take adverse action where the employee is impaired at work due to the use of medical marijuana or if marijuana or marijuana products are

brought to work, on-site, or in Commission-provided vehicles. The Commission will not, however, refuse to hire or employ an individual simply because he or she has a medical marijuana card.

The proper use of medication currently prescribed by your physician is not prohibited; however, we do prohibit the misuse of prescribed medication. Employees' drug use may affect their job performance, such as by causing dizziness or drowsiness. It is the employee's responsibility to determine from his or her physician whether a prescribed drug may impair safe job performance and to notify a supervisor of any job restrictions that should be observed as a result.

Our policy also prohibits the use, possession, sale, trade, or offer for sale of alcohol during work hours or while on our premises. Employees also must not come to work or come onto our premises with alcohol in their systems. On occasion, the Commission may authorize the consumption of alcoholic beverages at Commission-sponsored or approved events. Employees who choose to consume alcohol at these events are expected to act professionally at all times and refrain from becoming intoxicated or impaired.

Your employment or continued employment with us is conditioned upon your full compliance with the foregoing substance abuse policy. Any violation of this policy may result in disciplinary action, up to and including discharge. Furthermore, any employee who violates this policy who is subject to discharge, may be permitted in lieu of discharge, at our sole discretion, to participate in and successfully complete an appropriate treatment, counseling, or rehabilitation program as recommended by a substance abuse professional as a condition of continued employment and in accordance with applicable federal, state, and local laws.

Consistent with its fair employment policy, the Commission maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts and alcoholics, and those having a medical history reflecting treatment for substance abuse conditions. We encourage employees to seek assistance before their substance or alcohol use renders them unable to perform their essential job functions or jeopardizes the health and safety of themselves or others. We will attempt to assist our employees through referrals to rehabilitation, appropriate leaves of absence, and other measures consistent with our policies and applicable federal, state, or local laws.

The Commission further reserves the right to take any and all appropriate and lawful actions necessary to enforce this substance abuse policy including, but not limited to, the inspection of Commission premises or other suspected areas of concealment, as well as an employee's personal property, when we have reasonable suspicion to believe that the employee has violated this substance abuse policy.

TRAVEL AND PER DIEM

Travel of all Commission employees must be approved in advance by the executive director; however, travel by audit staff necessary in the normal course of completing an audit may be approved by the auditor's supervisor or the joint Audit Program director. The Commission will reimburse employees for required Commission business travel.

Transportation

Trips of more than 500 miles will normally be made by commercial air transportation, but rail or bus transportation may be substituted provided it does not exceed the lowest available airfare for the same trip. Travel by personal automobile may be authorized, but trips of more than 500 miles will be reimbursed at the lowest commercial airfare offered at the time of the trip. Employees should try to obtain the lowest airfare offered at the time of the trip, but the Commission realizes that constraints required by the airlines in the form of advance purchase or other requirements may preclude the use of certain bargain airfares.

The mileage allowance for the use of a personal automobile is the amount permitted as a business deduction on a federal personal income tax return; standard mileage rate information is available at the IRS website. Taxi and limousine fares, toll charges, parking fees, and public transportation charges are authorized as reasonable and necessary. Rental cars may be used when alternative forms of transportation are not available or are more expensive. Rental cars also may be used to allow employees to more efficiently complete Commission duties. The Commission has corporate credit cards for Budget and Avis cars, but employees may use other companies when rates are competitive. In renting cars, employees should decline all optional insurance coverage offered. Any traffic or parking citations incurred are the personal responsibility of the employee. The Commission may require insurance coverage by the employee in the statutory minimum amount specified in each state in which the employee is a resident

and may require written proof of insurance prior to reimbursement for mileage costs incurred.

Reimbursement will include mileage to and from an airport. Employees should utilize the most cost efficient means of transportation to and from an airport taking into account expenses such as tolls, parking, and mileage when using a personal automobile and the cost of using other forms of transportation (e.g., taxi, shared ride service, public transportation). When a personal automobile is used, the reimbursement rate will be the amount permitted as a business deduction on a federal personal income tax return; standard mileage rate information is available at the IRS website. The maximum mileage allowable for reimbursement will be 75 miles one-way, 150 miles round-trip. Employees' work time incurred travelling to and from the airport must be reasonable. Exemptions to these limitations may be granted, with supervisor approval, if it can be demonstrated that the trip's overall reimbursement costs would be less under a different alternative or that an alternative transportation method used was for the convenience and benefit of the Commission.

Employees are expected to use the nearest primary airport as designated by the FAA's National Plan of Integrated Airport Systems (NPIAS). Exemptions may be granted, with supervisor approval, if the costs relating to using a non-primary airport or an airport that is not the primary airport nearest to the employee's assigned regular work location are less than those of the nearest primary airport.

(NOTE: The maximum mileage allowable for reimbursement of 75 miles one-way, 150 miles round-trip is applicable employees hired on or after October 1, 2016, or employees who decide to move or relocate after this date. Current employees should follow these requirements where possible. However, employees who were hired under different circumstances than those set forth herein may continue to have the arrangements currently in effect continue until otherwise notified by the Commission.)

Lodging

Employees are expected to obtain government rates where possible. Lodging will be reimbursed at actual cost or \$16.00 per day, at the choice of the employee.

Meals

The Commission uses the federal meals and incidental expenses (M&IE) rate for business- related travel. When lodging is obtained at a location having a different M&IE rate than the M&IE rate for the location of the work activities, employees should use the M&IE rate applicable for the location of the work activities unless prior approval was granted to use the M&IE rate for the location where the lodging was obtained. Employees are permitted to claim reimbursement for meals and incidental expenses according to the applicable M&IE rate based upon the following:

- 25% of the daily rate is allocable to breakfast.
- 25% of the daily rate is allocable to lunch.
- 50% of the daily rate is allocable to dinner.
- When an employee leaves on business-related travel before 7:00 A.M. local time, he or she may claim breakfast.
- When an employee leaves on business-related travel before noon local time, he or she may claim lunch.
- When an employee leaves on business-related travel before 6:00 P.M. local time, he or she may claim dinner.
- When an employee returns from business-related travel after 7:00 A.M. local time, he or she may claim breakfast.
- When an employee returns from business-related travel after noon local time, he or she may claim lunch.
- When an employee returns from business-related travel after 6:00 P.M. local time, he or she may claim dinner.
- The same concepts for claiming meals and incidental expenses will apply when an employee does not leave or return on business-related travel but instead travels from location-to-location on business-related travel.

When attending conferences or other meetings at which meals are included in a registration fee, reimbursements will be lowered to reflect that fact.

EDUCATIONAL COSTS

The Commission encourages employees to take advantage of relevant professional education opportunities where available. Subject to budgetary constraints, the Commission will attempt to provide reimbursement for tuition or fees for the successful completion of programs which maintain or improve skills needed in the

performance of job-related duties. Employees who wish to apply for reimbursement should submit a description of the proposed course well in advance to the executive director along with an explanation of why the course would be helpful.

Once approved and upon successful completion of the course or program, the Commission will pay tuition or fees. Generally, costs such as books, materials, commuting and the like, are the responsibility of the employee, although the Commission may pay travel costs for attendance at national seminars or training courses. Because the budget for this area is relatively limited, employees should recognize that approval of reimbursement is not automatic, and that not all requests, no matter how worthwhile, can be accommodated.

POLICY CONCERNING REFERENCES AND RECOMMENDATIONS

Definitions

“REFERENCE:” The term “reference” means information concerning a person’s employment with the Multistate Tax Commission. Such information is acquired and developed in the course of the Commission’s business and is subject to regulation by the Commission.

“RECOMMENDATION:” The term “recommendation” means a judgment by an individual that another individual may perform effectively in a prospective job.

The Commission provides references through the executive director or persons specifically designated for that purpose by the executive director.

Individuals provide recommendations as individuals.

References

References provided by Commission employees will be limited to strictly factual and verifiable information. Items that may be disclosed include: dates of employment, positions held, job duties, salary, the dates or number of discretionary salary increases received (but not the number of increases potentially available), and factual reasons for leaving employment of the Commission if such reasons are known and are not a matter of either dispute or judgment.

In the course of providing references, Commission employees will not evaluate the job performance of current or former employees or disclose information from performance evaluations or non-verifiable information of any type concerning a person's employment with the Commission. Matters of dispute, the record of any disciplinary action, the denial of a discretionary salary increase, and the reasons for that denial will not be disclosed in providing references.

Care should be taken in answering reference questions that indirectly ask for evaluations of past job performance. For example, opinions concerning whether or not an employee would be rehired by the Commission or the type of staff training an employee might need to perform more effectively at the Commission constitute evaluations and are not factual information. Such opinions on these or similar items will not be provided as a part of a reference.

When references are provided, it should be noted that the Commission's policy limiting the content of such references should not reflect adversely on the employee who is the subject of the reference.

Recommendations

Except for reference information that cannot be disclosed, nothing in this policy prevents an employee of the Commission, as an individual, from recommending or nominating another employee for a prospective position or from otherwise voluntarily helping a fellow employee secure employment. Stating in a recommendation that you have worked at the Commission with the person being recommended and you believe the person would serve effectively in a prospective position is not a violation of this policy. Offering comments evaluating the job performance of the person at the Commission is a violation of this policy.

These recommendations are an individual responsibility and should be communicated in that manner. In the unlikely event that disputes arise out of a recommendation, the Commission is not obligated to defend any employees who become involved in such disputes. As letters from individuals, recommendations should be written on personal, not Commission, stationery.

Negative Opinions Concerning Prospective Employment

Offering an opinion that a current or past employee would not serve effectively in a prospective position is not a recommendation, and the Commission will not defend persons who offer such opinions.

PROVISIONS OF MULTISTATE TAX COMPACT AND COMMISSION BYLAWS

The Multistate Tax Compact includes the following specific provisions relevant to personnel practices:

Article VI. The Commission

Organization and Management

1. (g) Irrespective of the civil service, personnel or other merit system laws of any party State, the Executive Director shall appoint or discharge such personnel as may be necessary for the performance of the functions of the Commission and shall fix their duties and compensation. The Commission bylaws shall provide for personnel policies and programs.
1. (h) The Commission may borrow, accept or contract for the services of personnel from any State, the United States, or any other governmental entity.

The Commission bylaws include the following provisions:

3. (g) . . . The Executive Director shall be in general administrative charge of the affairs of the Commission. Subject to any directions given by the Commission and within its policies, he shall hire, promote, supervise, discharge and fix the duties of the members of the Commission staff. . . .
3. (h) The personnel policies of the Commission shall be determined by the Executive Committee and implemented by the Executive Director. . . .

IMPLEMENTATION OF PERSONNEL POLICIES

The executive director is responsible for implementing and interpreting the personnel policies of the Commission. He or she may also delegate personnel decisions and functions to other persons employed by the Commission. He or she may specify, consistent with Commission policies, more detailed personnel policies and practices than those contained in this handbook. The executive director may also specify such practices and procedures and make such decisions as are necessary to effectively manage circumstances not addressed by this handbook or existing policies of the Commission.

ACKNOWLEDGEMENT AND RECEIPT

I acknowledge that I have received and read a copy of the Personnel Handbook. I understand that the Handbook sets forth the terms and conditions of my employment with the Commission as well as the duties, responsibilities and obligations of employment with the Commission. I agree to abide by and be bound by the rules, policies and standards set forth in the Personnel Handbook.

I also acknowledge that, except where required otherwise by applicable state law, my employment with the Commission is at-will, meaning that it is not for a specified period of time and that the employment relationship may be terminated at any time for any reason, with or without cause or notice, by me or the Commission.

I further acknowledge that the Commission reserves the right to revise, delete and add to the provisions of the employee handbook and state supplement, but that all such revisions, deletions or additions must be in writing. No oral statements or representations can change the provisions of the handbook or supplement.

I have read and understand the above statements.

Employee Signature

Print Name

Date

[TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE]