



**2012**

**SALARY & BENEFIT**

**RESOLUTION NO. 3655**

**Effective January 1, 2012**

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## **RESOLUTION NO. 3655**

**A RESOLUTION** of the Commission of the Port of Seattle Establishing Jobs, Pay Grades, Salaries, Allowances and Adjustments for Port Employees not represented by a labor union; Authorizing and Establishing Conditions in Connection with the Following Benefits: Social Security, Industrial Insurance, Unemployment Compensation, Military Leave; Retirement; Compensated Leave, Including Civic Duty, Bereavement Leave, Holidays, Paid Time Off/Extended Illness Leave, Shared Leave, and Awarded Time; Insurance Benefits, Including Medical, Dental, Life and Long-Term Disability; and Authorizing this Resolution to be Effective on January 1, 2012 and Repealing all Prior Resolutions Dealing with the Same Subject, Including Resolution No. 3647

**BE IT RESOLVED** by the Port Commission of the Port of Seattle as follows:

### **I. DEFINITIONS**

Except as otherwise provided, the following definitions apply to this Resolution:

**Chief Executive Officer:** An Employee who is appointed by the Commission and who is subject to the terms and conditions of this Resolution. However, any terms, conditions, adjustments to pay or salary range for the Chief Executive Officer adopted in open session by the Commissioners shall prevail over any relevant conflicting or inconsistent terms and conditions in this Resolution. Such agreement shall become effective without an amendment to this Resolution.

**Commissioner:** An individual who is elected for a 4-year term and may be re-elected for subsequent 4-year terms and is eligible for benefits as provided in the relevant provisions of Section VIII.C.4. This definition includes a Commissioner who may be appointed mid-term due to an unanticipated vacancy.

**DRS-retired Employee:** An Employee who is receiving a pension from any retirement plan administered by the State of Washington Department of Retirement Systems (DRS) and who is eligible for benefits as provided in the relevant provisions of Sections VIII.B. and VIII.C. Refer to the DRS web site or brochures for specific information about any limitations on working after retirement.

**Eligible Employee:** An employee as defined below who is eligible for benefits as provided in Sections VIII.B. and VIII.C. Eligible Employees can be: (a) Full-Time Employees, (b) Part-Time Employees who work at least 21 hours per week, (c) Probationary Employees, and (d) Limited Duration Employees.

**Emergency Hire Employee:** An Employee who is hired for no more than 3 months. Time spent as an Emergency Hire does not count toward probationary period, PTO accrual or 401(a) plan eligibility.

**Employee:** An individual who performs personal services for the Port, and receives a paycheck from the Port payroll system with employment taxes withheld; a common-law employee. Employees of temporary agencies or independent contractors are not Employees.

**Exempt Employee:** An Employee who is employed in a job that is not eligible for overtime pay per the provisions of the Fair Labor Standards Act (FLSA) and the Washington Minimum Wage Act (WMWA)

**Full-Time Employee:** An Employee who is regularly scheduled for 75 or 80 hours of work per bi-weekly pay period.

**Ineligible Employee:** Ineligible Employees are: (a) Employees who work less than 21 hours per week indefinitely, (b) On-Call Employees, (c) Seasonal Employees, (d) Emergency Hire Employees, and (e) Interns. Ineligible Employees are provided with only the benefits described in Section VIII.B. if the position in which they are placed does not meet the State of Washington Public Employees' Retirement Systems (PERS) eligibility criteria. If the position does meet the PERS eligibility requirements, then the employee is provided with the benefits described in Sections VIII. B. and VIII.C.1.

**Intern:** A temporary Employee who is hired in accordance with the Intern Program Guidelines, is considered a student per the program guidelines and is performing duties in accordance with the student's course of study.

**Limited Duration Employee:** An Employee who is hired for more than 90 days in a job with a planned end date.

**Non-Exempt Employee:** An Employee who is employed in a job that is eligible for overtime pay per the provisions of the Fair Labor Standards Act (FLSA) and the Washington Minimum Wage Act (WMWA)

**Non-represented Employee:** An Employee in an Exempt or Non-exempt Position not represented by a labor union.

**On-Call Employee:** An Employee who does not have a regular work schedule and whose work hours can vary from week to week indefinitely.

**Part-Time Employee:** An Employee who is regularly scheduled to work at least 21 hours per week indefinitely, but less hours than a Full-Time Employee.

**Probationary Employee:** A newly hired or rehired Employee who has not yet successfully completed the six-month probationary period and is expected to establish a consistent, acceptable level of performance and behavior that is sufficient to retain their employment.

**Probationary Period:** The period of time from the day a newly hired Employee begins work at the Port of Seattle through the end of the sixth month of employment.

**Represented Employee:** An Employee in an Exempt or Non-exempt job that is represented by a labor union.

**Seasonal Employee:** An Employee who is hired for a season not to exceed 6 months.

**Temporary Assignment:** An assignment for a Full-Time or Part-Time Employee that is generally expected to last no longer than six months. A Temporary Assignment may only be extended one time for a maximum of six additional months with the approval of HRD Management.

**Veterans Fellow:** An Employee who is hired and receives benefits in accordance with the Veterans Fellowship Program guidelines.

## **II. RETIREMENT SYSTEM ELIGIBILITY**

Determination of whether a position is “ineligible” or “eligible” to participate in a retirement plan administered by the State of Washington Department of Retirement Systems (DRS) must be made by Human Resources and Development before a temporary position may be filled. Employment status of Port positions must be in conformance with Washington State retirement laws.

The work schedule for an Employee in an ineligible position must not exceed the limit established at the inception of the job in order to preserve the position’s retirement plan status. Under unusual conditions and with appropriate documentation, Human Resources and Development management may authorize an extension to the termination date which would change the position’s retirement plan status.

If at any time an Employee becomes eligible for retirement benefits according to the applicable laws contained in the Revised Code of Washington (RCW), he or she must become a member of the State of Washington Department of Retirement Systems (DRS).

## **III. ESTABLISHING JOBS, PAY GRADES, AND SALARY RATES AND RANGES**

**The following pay grades and salary ranges for all jobs of the Port of Seattle are hereby established:**

A. Salary Ranges: All non-represented jobs shall be evaluated and graded according to their relative skill requirements, responsibilities, and other factors as explained in Section IV. Each job will have a salary range that corresponds to its grade. Grades and salary ranges for 2012 will be as follows:

**PORT OF SEATTLE  
GRADED SALARY RANGE STRUCTURE  
2% Range Adjustment Effective January 1, 2012**

Grade	Hourly			Annually		
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
42	\$86.96	\$108.70	\$130.43	\$169,572	\$211,965	\$254,339
41	\$82.45	\$103.07	\$123.68	\$160,778	\$200,987	\$241,176
40	\$78.13	\$97.66	\$117.19	\$152,354	\$190,437	\$228,521
39	\$74.03	\$92.54	\$111.05	\$144,359	\$180,453	\$216,548
38	\$70.12	\$87.64	\$105.17	\$136,734	\$170,898	\$205,082
37	\$66.37	\$82.96	\$99.55	\$129,422	\$161,772	\$194,123
36	\$62.85	\$78.56	\$94.27	\$122,558	\$153,192	\$183,827
35	\$59.46	\$74.32	\$89.19	\$115,947	\$144,924	\$173,921
34	\$56.23	\$70.28	\$84.34	\$109,649	\$137,046	\$164,463
33	\$53.18	\$66.47	\$79.76	\$103,701	\$129,617	\$155,532
32	\$50.24	\$62.80	\$75.35	\$97,968	\$122,460	\$146,933
31	\$47.48	\$59.35	\$71.22	\$92,586	\$115,733	\$138,879
30	\$44.81	\$56.01	\$67.21	\$87,380	\$109,220	\$131,060
29	\$42.30	\$52.87	\$63.44	\$82,485	\$103,097	\$123,708
28	\$39.91	\$49.88	\$59.86	\$77,825	\$97,266	\$116,727
27	\$37.61	\$47.01	\$56.41	\$73,340	\$91,670	\$110,000
26	\$35.44	\$44.29	\$53.15	\$69,108	\$86,366	\$103,643
25	\$33.36	\$41.70	\$50.04	\$65,052	\$81,315	\$97,578
24	\$31.38	\$39.22	\$47.07	\$61,191	\$76,479	\$91,787
23	\$29.50	\$36.87	\$44.24	\$57,525	\$71,897	\$86,268
22	\$27.71	\$34.63	\$41.56	\$54,035	\$67,529	\$81,042
21	\$25.98	\$32.47	\$38.96	\$50,661	\$63,317	\$75,972
20	\$24.84	\$31.05	\$37.26	\$48,438	\$60,548	\$72,657
19	\$23.78	\$29.72	\$35.66	\$46,371	\$57,954	\$69,537
18	\$22.76	\$28.44	\$34.13	\$44,382	\$55,458	\$66,554
17	\$21.81	\$27.26	\$32.71	\$42,530	\$53,157	\$63,785
16	\$20.87	\$26.09	\$31.30	\$40,697	\$50,876	\$61,035
15	\$19.97	\$24.96	\$29.96	\$38,942	\$48,672	\$58,422
14	\$19.15	\$23.93	\$28.72	\$37,343	\$46,664	\$56,004
13	\$18.37	\$22.97	\$27.56	\$35,822	\$44,792	\$53,742
12	\$17.60	\$22.00	\$26.39	\$34,320	\$42,900	\$51,461
11	\$16.88	\$21.10	\$25.32	\$32,916	\$41,145	\$49,374
10	\$16.18	\$20.22	\$24.26	\$31,551	\$39,429	\$47,307
9	\$15.53	\$19.42	\$23.30	\$30,284	\$37,869	\$45,435
8	\$14.91	\$18.64	\$22.37	\$29,075	\$36,348	\$43,622
7	\$14.33	\$17.91	\$21.49	\$27,944	\$34,925	\$41,906
6	\$13.72	\$17.15	\$20.58	\$26,754	\$33,443	\$40,131
5	\$13.19	\$16.49	\$19.78	\$25,721	\$32,156	\$38,571
4	\$12.69	\$15.86	\$19.03	\$24,746	\$30,927	\$37,109
3	\$12.21	\$15.26	\$18.32	\$23,810	\$29,757	\$35,724
2	\$11.71	\$14.64	\$17.57	\$22,835	\$28,548	\$34,262
1	\$11.27	\$14.09	\$16.91	\$21,977	\$27,476	\$32,975

B. Amending Authorized Jobs, Pay Grades, and Salary Ranges: Salary ranges may be amended by ordinary motion approved by the Commission at any regular or special meeting when the changes are the result of provisions contained in this Resolution. Exhibit A may be amended by Human Resources and Development Management when the changes are the result of provisions contained in this Resolution (e.g., job evaluations).

C. Salary Rates, Ranges, and Allowances for Non-evaluated Jobs: Salary rates, ranges, and a provision for a special allowance have been developed for non-evaluated positions:

1. High School, College, Graduate or International Intern Positions: Salary rates and employment conditions for students or foreign trainees employed under special work study or foreign exchange programs shall be determined by Human Resources and Development staff based primarily upon the prevailing rates of pay and other conditions established by the program's sponsors. Compensation for international interns may be disbursed directly for housing subsistence, etc., for administrative convenience.

2. Chief of Police, Fire Chief, Deputy Chief of Police, Assistant Fire Chief: These jobs are not evaluated, and ranges are established to facilitate appropriate salary administration for Employees in these jobs.

3. Veterans Fellow Positions: These jobs are not evaluated, and ranges are established to facilitate appropriate salary administration based on the work performed and in accordance with the Veterans Fellowship Program guidelines.

#### **IV. ESTABLISHMENT AND ADMINISTRATION OF JOB EVALUATION SYSTEM**

It is the policy of the Commission to pay Port Employees based on salary levels within an appropriate geographic market. It is also the policy of the Commission to establish a job evaluation system that evaluates the mental, physical and social requirements, work environment and accountability of each position. The job evaluation system shall be administered by Human Resources and Development Management under the supervision of the Chief Executive Officer. Salary levels and the results of the job evaluation system shall be considered in determining the appropriate grade for each job. It shall also be used to determine the exempt and non-exempt status of each job according to the criteria of the Federal Fair Labor Standards Act (FLSA).

Each job authorized in Exhibit A has been evaluated via the job evaluation system, except those noted in Section III.C., and each evaluated job has been assigned a grade related to the salary range structure set forth in Section III.A. Human Resources and Development staff shall, on an on-going basis, evaluate new jobs and reevaluate existing jobs, taking into account any change in mental, physical or social requirements, etc., or changes to salary levels within the appropriate geographic market, which could result in placement in a different salary grade and range. The Director of Human Resources and Development, under the supervision of the Chief Executive Officer, shall have the final approval authority for all job evaluations and title changes except for that of the Chief Executive Officer. This authority shall include re-evaluation of existing jobs and establishment and evaluation of new jobs.

## **V. FILLING VACANT POSITIONS AND TRANSFERRING POSITIONS AND/OR EMPLOYEES**

A. Authorized Positions: The Chief Executive Officer is hereby authorized to recruit and fill authorized positions (except that of Chief Executive Officer) up to the full-time-equivalent number of positions authorized and to set salaries within the salary grade ranges as outlined below. Total Port non-represented positions shall not exceed the total of numbers authorized in the budget, except the Chief Executive Officer is authorized to fill additional positions, provided that funding is available in the Commission-approved budget. Also, prior to termination or retirement of Employees where overlap is clearly essential for effective continuity, the Chief Executive Officer may authorize filling an extra position to provide for a transition period. To promote organizational effectiveness, the Chief Executive Officer may authorize transfers of positions and/or Employees from one work unit to another. This includes reallocating additional resources, up to one Full Time Equivalent, to the Commission Office. The Chief Executive Officer may carry out reorganization of functions, work units, and staff assignments. The Chief Executive Officer may authorize non-competitive placements in selected circumstances.

B. Selection Criteria: Selections of appointees for new hires, transfers, or promotions shall, to the extent feasible, conform to current job evaluation criteria and appropriate competencies for each authorized job; however, in the paramount interest of developing a strong personnel base, Human Resources and Development Management shall ensure that consideration be given to equivalent education, experience, special abilities or job knowledge in lieu of that provided in position specifications.

C. Internal Internships: Upon mutual agreement and in coordination with Human Resources and Development Staff, managers may work together to authorize and coordinate transfers of Employees for the purposes of cross training, development, and the fulfillment of organization goals. In such instances, the Employee's same benefits and FLSA status are typically maintained during the temporary internship and their pay is administered as if there was no change to their grade. Internships are designed to be a minimum of 6 months in length and last no more than one year.

## **VI. ESTABLISHMENT AND ADMINISTRATION OF SALARIES, ALLOWANCES, AND ADJUSTMENTS**

The Commission hereby authorizes the following salary guidelines:

A. New Hires: Though salaries shall normally be based on skill, knowledge and experience and set between the minimum and midpoint of the salary range for hires, under special conditions and with appropriate documentation, Human Resources and Development Management may authorize a salary above midpoint of the salary range for appointees or hires possessing exceptional qualifications or experience, or for internal/external equity reasons.

B. Pay for the Chief Executive Officer: Pay and performance evaluation for the Chief Executive Officer shall be approved by the Commission members in public session. The Commission members shall have discretion in determining pay and/or the salary range for the Chief Executive Officer. The Chief Executive Officer shall be entitled to the use of a dedicated Port vehicle.

C. Pay for Performance and Special Adjustment Administration: The pay for performance program shall be administered under Port Policy HR-21, Salary Administration. The pay for performance amount shall be established by the budget process and administered according to a plan approved by the Chief Executive Officer and implemented by Human Resources and Development Management, subject to the following provisions:

1. Human Resources and Development staff shall collect and analyze salary survey data. If survey findings indicate the Port salary ranges or rates are not in proper alignment with appropriate markets, Human Resources and Development will, subject to approval by the Chief Executive Officer, adjust ranges or recommend adjustments to rates to align them with the appropriate market.
2. Eligible Employees whose salary ranges are established in Exhibit A shall be eligible for pay for performance increases according to the Pay for Performance program guidelines.
3. The Chief Executive Officer, or the Director of Human Resources and Development under the supervision of the Chief Executive Officer, may approve special salary adjustments for reasons deemed appropriate. Special adjustments provide flexibility in ensuring appropriate compensation in unusual situations and circumstances that are not otherwise addressed in Port salary administration policies and procedures.

D. Promotional Increases: Promotional increases may be awarded when an Employee's salary grade and the accompanying pay range increase due to job re-evaluation or a competitive hiring process. Promotional increases, if any, should take into account salary and performance comparisons with other Employees in the same work group and the extent to which the Employee is prepared to perform the higher-level duties. Promotional increases will be based on the promotional guidelines included in the Pay for Performance program that are in effect at the time the Employee is promoted.

Under special conditions and with appropriate documentation, Human Resources and Development management may authorize a promotional increase outside these guidelines for Employees possessing exceptional qualifications or experience, or for internal/external equity reasons.

E. Six-month Increases: Employees are eligible for a performance-based increase following six-months of satisfactory work performance in the same job with a higher salary grade and range. Six-month increases will be made based on the six-month increase guidelines included in the Pay for Performance program that are in effect at the time the Employee completes six-months in their new job, or that were in effect at the time the Employee started their new job, whichever is higher.

F. Completion of Probation Increases: Employees who have shown satisfactory work performance during their probationary period (the first six months of continuous employment as a new hire or a rehire in an authorized, eligible position) are eligible for a performance-based probationary increase. Probationary increases will be made based on the probationary increase guidelines included in the Pay for Performance program that are in effect

at the time the Employee completes their probationary period or that were in effect at the time the Employee started their probationary period, whichever is higher. An Employee on an approved leave of absence in excess of two weeks during their first six months of employment will have their probationary period extended by the amount of time in excess of two weeks.

G. Administering Salary Increases or Allowances for Positions Which Fall Outside the Ranges: Employees whose salaries fall below the minimum of the salary range for their job shall have their salary automatically increased to the new minimum of the salary range. Employees whose salaries exceed the maximum of the range for their position will have their salary adjusted to the maximum of the range in accordance with Port Policy HR-21, Salary Administration Policy.

H. Temporary Assignments: In coordination with Human Resources and Development staff and by mutual agreement with Employees, managers may request that staff temporarily perform responsibilities that are at a higher level to help meet business needs. Such assignments often provide intensive development of an Employee's skills and abilities.

In addition to the developmental opportunity afforded, Employees may be awarded temporary pay increases if the Temporary Assignment will be at least 30 days in duration. The amount of the increase will be determined by Human Resources and Development staff to ensure consistency across the Port. If the temporary pay increase is awarded, the increase will be processed after the Employee has been performing the assignment for 30 days, and will be retroactive to the day the assignment began. A Temporary Assignment request should be submitted only for Employees who are actually performing the higher level work. These assignments are typically due to a vacancy, extended absence of another Employee, or are project-related. The pay adjustments are not intended for employees who are in a learning or training capacity.

Temporary Assignment pay increases may not take an Employee's pay to a level that exceeds the maximum of their current range.

Temporary Assignments are generally expected to last no longer than six months and approval from Human Resources and Development Management is required to extend their duration beyond six months. Temporary Assignments are limited to a maximum of 12 months of duration. Temporary Assignments are requested in writing and must have Department Director authorization.

I. Foreign Language Premium: The Port of Seattle shall provide a foreign language premium in the amount of \$20 per hour for translation services rendered. Payment shall be made to eligible Employees who are fluent in foreign language(s) and dialect(s) spoken by those with whom the Port does business. Such payment shall be made in those cases where Employees directly assist the Port with translation services and where the Employee's normal duties do not require foreign language proficiency.

J. Payment for Relocation Costs: Human Resources and Development Management shall be responsible for procedures which allow payment for relocation costs for exempt Employees in regional positions who are assigned to a new location, and new exempt Employees who are required to relocate to accept Port employment.

K. Interns: High School, College and Graduate interns are hired to learn and perform a specific set of responsibilities for a specified period of time. As such, interns are not eligible for pay for performance or other types of pay increases during their internship.

## VII. ADMINISTRATION OF PAY PRACTICES

A. Conversion of Salary Rates: To convert hourly salaries to annual salaries, multiply the hourly rate by 1950 hours (for a 75 hour pay period) or 2080 hours (for an 80 hour pay period).

B. Authorized Flextime and Alternative Work Arrangements for Full-Time Employees: Normal full-time work schedules are made up of either 75 or 80-hour bi-weekly pay periods and follow the normal Port work schedule of 8:00 a.m. to 4:30 p.m. Flextime and Alternative Work Arrangements may be authorized in accordance with Port Policy HR-15, Flextime and Alternative Work Arrangements Policy. Paid time off, extended illness, bereavement leave, holiday pay, etc., will be determined by the Employee's schedule for that specific day.

C. Extra Compensation: The following terminology shall be used in this section and Section VIII.B.5., Holidays. These definitions apply to overtime determinations only and in no way alter the defined Port payroll week that begins at 12:01 a.m. Sunday and ends at midnight Saturday.

An Employee's work schedule shall consist of their normal daily and weekly work schedule during a two-week pay period. A full-time Employee's work schedule is either 75 or 80-hours each bi-weekly pay period.

A full-time Employee's work week shall consist of the number of hours necessary for the Employee to work during each week of the bi-weekly pay period so that their total hours for the pay period equal either 75 or 80.

An Employee's work day shall consist of the number of hours necessary for the Employee to work each day during a bi-weekly pay period so that their total hours for the pay period equals 75 or 80. Full-time Employees typically work between 7.5 and 10 hours each day.

1. **Overtime**: Full-time and Part time Employees whose jobs are classified as Non-exempt shall receive overtime compensation at the rate of one and one-half times their straight-time hourly rate of pay for hours worked in excess of their regularly scheduled work week (maximum of 40 hours) within the Port payroll week (Sunday through Saturday). Overtime should be pre-authorized by the Employee's supervisor or manager. Employees who work unauthorized overtime may be subject to disciplinary action.

Port designated holiday hours will be counted as "hours worked" for purposes of calculating overtime in the event the Employee does not work on the holiday. Paid Time Off, Extended Illness or any other type of paid leave will not be counted as "hours worked" for the purposes of calculating overtime.

Employees will receive compensation at the overtime rate -- in addition to holiday pay or another day off within the current pay period -- for all hours worked, when required, on a holiday (as defined by Section VIII.B.5., Holidays), regardless of the number of hours actually worked in the holiday work week. Please see the following examples:

Example #1 – Holiday (Monday) is on the Employee’s regularly scheduled work day, they take the day off and then work an extra day later in the week.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	7.5	7.5	7.5	7.5	7.5	7.5
	Holiday	Regular	Regular	Regular	Regular	Overtime

Example #2 – Holiday (Monday) is on the Employee’s regularly scheduled work day, they work on the holiday and take another day off during the week.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
7.5	7.5	7.5	7.5	7.5		
Regular	Overtime	Regular	Regular	Holiday		

Example #3 – Holiday (Monday) is on the Employee’s regularly scheduled work day, they work on the holiday and do not take another day off during the week.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
7.5	7.5	7.5	7.5	7.5		
Regular	Overtime and Holiday	Regular	Regular	Regular		

In no case shall overtime compensation be duplicated. Overtime pay will be based on the rate the Employee would have received, including any shift differential, if the need for overtime had not become evident. This will apply to time worked either before or after a regularly scheduled shift.

2. **Shift Differential:** All non-exempt Employees shall receive a shift differential of 7.5% over their regular salary when required to work Swing Shift and 10% over their regular salary when required to work Graveyard Shift.

Swing Shift shall be a regularly scheduled work shift which ends between 10:30 p.m. and 2:00 a.m.; Graveyard Shift shall be a regularly scheduled work shift which starts before 2:00 a.m. and ends later than 2:00 a.m.

If management has approved attendance at a meeting or training session conducted during the day shift that is compensable to the Employee, the

Employee's shift differential will be paid for the time they spend at the meeting or training session.

Non-exempt Employees shall receive Shift Differential pay when using PTO, EI, and/or Holiday pay in lieu of time worked. Cashed out PTO, EI, or Holiday pay in addition to time worked (when no holiday day off is taken) are paid at the Employee's base rate.

Overtime pay will be based on the rate the Employee would have received, including any shift differential, if the need for overtime had not become evident. This will apply to time worked either before or after a regularly scheduled shift.

3. **ICT Stand-by Pay:** Some Employees in the Information and Communication Technology (ICT) Department are required to be available by pager or phone or available to come to work during the evening, on a weekend, or on a holiday to solve a problem. Non-exempt ICT Employees will be compensated at a rate of \$2.50 per hour for all required stand-by time. In addition, they will be compensated at their regular overtime rate for time worked solving problems via telephone or remote connection (in quarter-hour increments) or for time worked in person at a Port location (with a two hour minimum).

D. Payroll: Employees shall be paid on Friday on a bi-weekly basis. Employees are required to complete a Direct Deposit Authorization Form upon hire and to keep such information current so that electronic paycheck deposits can be made automatically to the Employee's designated financial institution. The Port shall have the right and obligation per RCW 49.48.200 to recover any amounts paid in error.

## VIII. ADMINISTRATION OF BENEFIT PROGRAM

A. Authorization to Amend Benefit Program: The Chief Executive Officer is authorized to amend benefits as necessary to comply with any changes in statutory requirements.

B. Basic Benefits Provided for Non-represented Employees (except as noted) beginning on date of employment:

1. **Social Security (FICA) Insurance:** All Non-represented Employees are covered by law under the Federal Insurance Contribution Act (FICA). Employee and employer contributions and the wage base shall be the amounts designated by law. The Police and Fire Department non-evaluated, non-represented management staff is covered under the Police and Fire Department FICA alternative plans.
2. **Industrial Insurance or Other Duty Disability Benefits:** All Port Employees except Law Enforcement Officers' and Fire Fighters' (LEOFF), Plan One Firefighters are covered by the Port under its self-insured industrial insurance plan, which provides the same coverage as the State Workers' Compensation Act. Certain other supplemental coverage for duty disability conditions only may be provided to protect the Port from contingent liability (i.e., Longshore and Harbor Workers' Act); to meet requirements of law; and/or to maintain competitive protection levels for certain Employees or classification of Employees. For example, use of accrued extended illness leave as a supplement to Workers' Compensation is provided as established in Port Policy HR-5, Leave Procedure.
3. **Unemployment Compensation:** All Port Employees residing in Washington State are covered for unemployment compensation benefits under the Washington State Employment Security Act. Unemployment compensation coverage shall be provided for Employees residing in other states to the extent that coverage is available and that Port Employees are eligible.
4. **Military Leave:** With appropriate military orders, Employees called for annual active duty training periods in the military (including weekend reserve drills for Employees who normally work weekends) shall be allowed up to twenty-one (21) working days per Federal fiscal year (October through September) of military leave as provided in and limited by RCW 38.40.060.

Employees on swing or graveyard shifts shall receive Paid Administrative Leave (in lieu of working) for their shift immediately preceding the start of military leave. If the Employee's next scheduled Port of Seattle work shift starts less than 12 hours after the end of military leave, the Employee shall receive Paid Administrative Leave (in lieu of working) for the number of hours required to provide the Employee with a 12-hour break. For example, if military leave ends at 4:00 p.m. and the

Employee's work shift begins at 10:00 p.m., the Employee may receive Paid Administrative Leave in lieu of working from 10:00 p.m. to 4:00 a.m.

Compensation during the period of such a leave shall not exceed that which would be required to cover the number of hours regularly scheduled. For absences that exceed twenty-one (21) working days, Employees may use Paid Time Off (PTO) in accordance with the provisions of the addendum to Port Policy, HR-5, Leave. Time off without pay shall be allowed at the Employee's request.

The Commission may authorize additional temporary military leave benefits in response to mobilization call-ups of military personnel (e.g., providing additional pay to make up the difference between the Employee's military base pay and their normal compensation from the Port).

5. **Holidays:** (This section is effective from January 1, 2012 through December 31, 2012.) These ten holidays shall be observed according to the conditions outlined herein. Holiday hours will be paid at the Employee's current hourly rate of pay. When Non-Exempt Employees are required to work on a holiday, overtime pay (in addition to holiday pay or another day off within the pay period) shall apply within the limits and conditions of this section and those listed in Section VII.C.1., Overtime.

Normal Date of Observance for Monday Through Friday Schedule	U.S. Staff Holidays
Monday, January 2, 2012	New Year's Holiday 2012 Observed
Monday, January 16	Martin Luther King, Jr. Day
Monday, February 20	President's Day
Monday, May 28	Memorial Day
Wednesday, July 4	Independence Day
Monday, September 3	Labor Day
Thursday, November 22	Thanksgiving Day
Friday, November 23	Native American Heritage Day
Monday, December 24	Port Designated Floater
Tuesday, December 25	Christmas

Employees working outside of the United States may observe, upon approval by Human Resources and Development Management, the traditional holidays of the country in which they are working in lieu of the holidays identified above.

- a. **Ineligible Employees:** Unless hired and actively working at least 30 calendar days prior to a holiday, Ineligible Employees (which includes, but is not limited to, High School, College and Graduate Interns and On-Call Employees) are not eligible for pay on holidays not worked. Compensation will be on a pro-rata basis as defined in Section VIII.B.5.b (4) and up to a full-time schedule.

Ineligible Employees shall, if required to work on a holiday, be paid at the overtime rate of pay in addition to holiday pay, if applicable.

- b. Eligible Employees: Holidays for Eligible Employees shall be handled as follows:
- (1) **Employees on a Monday through Friday Work Schedule**: When a holiday falls on a Sunday, the following Monday will be considered the holiday. When a holiday falls on Saturday, the preceding Friday will be considered the holiday.
  - (2) **Employees Working in a Seven Day Operation**: When the actual holiday falls on a Saturday or Sunday, the actual holiday will be considered “the official holiday” for those Employees scheduled to work that day, not the designated holiday date on the preceding Friday or following Monday.
  - (3) **Full-Time Employees**: If the holiday cannot be scheduled as a day off, any other day within the pay period may be scheduled as a day off. Voluntary Paid Time Off day may not be taken until the holiday has been taken. The holiday hours paid shall be based on the Employee’s normal work schedule and will not exceed one regular work day.

Non-Exempt Employees shall receive overtime compensation for the number of hours they are required to work in addition to holiday pay at their regular rate of pay.

Days off in lieu of holidays shall not be carried over into other pay periods.

If the holiday falls on a Non-Exempt Employee’s day off and another day off within the holiday pay period cannot be scheduled, the employee will receive a straight-time pay cash-out of the holiday based on the Employee’s normal schedule.

If a day off within the holiday pay period cannot be scheduled, Exempt Employees will receive straight-time pay up to their full-time schedule and may take an “in lieu of holiday” day off within three months of the holiday that was worked.

- (4) **Part-Time Employees**: Part-Time Employees may receive compensation for the holidays on a pro rata basis of a full-time schedule; i.e., a 22.5 -hour Employee may receive pay for 60% of the holiday hours provided, or 4.5 hours per

holiday. When the number of hours worked varies each week, an average based on the most recent four-week period or a proportionate number of hours based on a predetermined schedule is used to determine the holiday pay.

Part-Time Employees, either exempt or non-exempt, who receive paid holiday hours on a pro-rata basis, may take off one of their regularly scheduled work days and either make up the hours shortfall through PTO or work a partial day.

The number of hours worked by a part-time exempt Employee when added to any pro-rated holiday hours may not exceed the number of regularly scheduled hours for a regular pay period.

If the holiday cannot be scheduled as a day off, any other day within the pay period may be scheduled as a day off. Voluntary Paid Time Off day may not be taken until the holiday has been taken. The holiday hours paid shall be based on the Employee's normal work schedule and will not exceed one regular work day.

Days off in lieu of holidays shall not be carried over into other pay periods.

If the holiday falls on a non-exempt Employee's day off and another day off within the holiday pay period cannot be scheduled, the Employee will receive a straight-time pay cash-out of the holiday based on the Employee's normal schedule.

If a day off within the holiday pay period cannot be scheduled, Exempt Employees will receive straight-time pay up to their full-time schedule and may take an "awarded time" day off within three months of the holiday that was worked.

- (5) **Terminating Employees:** A terminating Employee whose normal last day on the payroll is a Port-designated holiday, shall receive the holiday pay if the Employee worked a full shift or used an equivalent amount of PTO the work day prior to the holiday.
- (6) **Employees on Approved Leaves:** Employees on unpaid leave of absence or on disability leave which constitutes inactive status such as but not limited to LEOFF Plan One disability leave, long-term disability leave, and duty-disability leave (workers' compensation), are not eligible

for holiday pay. However, to the extent that extended illness supplements are being paid during the holiday week and for a day or more immediately preceding or following the holiday, pro rata holiday pay does apply.

Eligible and DRS-retired Employees authorized to return to work from an approved leave without pay on the next scheduled work shift after a holiday(s) shall receive pay for the holiday(s) within limits stated in this Resolution.

Eligible and DRS-retired Employees who begin an authorized leave without pay on the next scheduled work shift after a holiday(s) shall receive pay for the holiday(s) within limits stated in this Resolution.

C. Benefits Provided Eligible and DRS-retired Employees:

1. **Retirement:** Employees (other than DRS-retired Employees receiving a pension from any State of Washington DRS pension plan) will become members of the Washington Public Employees' Retirement System (PERS) from date of employment if they are hired in an eligible position and are eligible for membership as defined in RCW 41.40. Fire fighter and Police management personnel, if eligible under RCW 41.26, become members of the Washington Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF). Service credit and pension eligibility are determined by the regulations governing the PERS plan elected by the employee.

Eligible Employees hired in otherwise eligible positions under RCW 41.40, who are excluded from membership in PERS because of non-citizen, nonresident status, may be provided from date of employment with an individual pension or annuity arrangement which will provide benefits similar to those provided under PERS, Plan Two. The Port Auditor is authorized to execute any and all documents and to take any and all action necessary to implement such an arrangement.

2. **Compensated Leave:** See Port Policy HR-5, Leave Procedure and the addendum to Port Policy HR-5, Leave for provisions covering all forms of paid and unpaid leave.

a. Civic Duty Leave:

- (1) **Jury Duty:** An Eligible or DRS-retired Employee who serves on jury duty shall receive full regular compensation less any compensation (excluding mileage and meals paid by the court) received for such service during the period of leave.

(2) **Subpoenaed Witness Leave:** When an Eligible or DRS-retired Employee is subpoenaed as a witness under circumstances which are determined by Human Resources and Development Management to be related to or involve the Port, the same pay conditions listed for jury duty shall apply.

b. **Extended Illness (EI) Leave:** Eligible and DRS-retired Employees shall receive Extended Illness leave accruals as follows:

Eligible and DRS-retired Employees shall accrue EI leave at the rate of 0.02308 hour per straight-time hour paid. The accruals shall commence from the date of employment and shall not exceed the equivalent of 6 work days per year. EI leave shall be used only as permitted by the HR-5 Leave Procedure and HR-5 Leave Addendum.

Exempt Employees who work less than their regularly scheduled hours in a pay period shall use EI for situations that are consistent with the provisions of this section.

Upon termination or retirement immediately following five complete years of active employment in a continuous period of employment with the Port of Seattle, qualified Employees shall be compensated for 50% of their unused EI leave at the rate of pay at termination.

In the case of an Employee's death, a lump sum payment equivalent to 50% of unused EI leave at the rate of pay at the time of the Employee's death shall be paid to the Employee's heir or estate, as appropriate, provided the Employee had completed five complete years of active employment in a continuous period of employment with the Port of Seattle.

d. **Bereavement Leave:** Bereavement Leave shall only be used as permitted by Port Policy HR-5, Leave Procedure. Such leave shall not result in compensation for more than the number of hours in any normal workweek.

e. **Paid Time Off (PTO):**

(1) **Scheduling of PTO:** At any time after the successful completion of the six-month probationary period, Eligible and DRS-retired Employees may request and use PTO in accordance with Port Policy, HR-5 Leave Procedure and the addendum to Port Policy, HR-5 Leave.

Exempt Employees who work less than their regularly scheduled hours in a pay period shall use PTO for

situations that are consistent with the provisions of this section.

(2) Limits on Accumulating PTO:

- (a) Employees Hired Before 12/20/98: PTO accumulation shall be limited to 2,000 hours effective January 1, 1999. The limit will decrease by 100 hours each successive January until January 2014, when it will decrease from 600 to 480 hours.

The limit for 2012 is 700 hours. Balances over the new limit will be cashed out at a 100% rate during the first pay period of the payroll year. Accruals over the limit will be cashed out at 100% quarterly.

- (b) Employees Hired On or After 12/20/98: PTO accumulation shall be limited to 480 hours. Accruals will cease when the limit is reached and will resume only when the balance is below 480 hours.

(3) Rates of Accrual: Eligible and DRS-retired Employees shall receive PTO accruals based upon a pro rata share of a full-time work schedule. PTO is earned as follows:

- (a) 19.6 Days PTO: Based on the first day of employment from the first full month to and including the thirty-sixth full month of continuous employment, Eligible and DRS-retired Employees shall accrue PTO at the rate of .07538 hours per straight-time hour paid (.07538 x 1950 annual hours = 147.0 hours; .07538 x 2080 annual hours = 156.8 hours).

- (b) 24.6 Days PTO: From the thirty-seventh full month to and including the eighty-fourth full month of continuous employment, Eligible and DRS-retired Employees shall accrue PTO at the rate of .09462 hours per straight-time hour paid (.09462 x 1950 annual hours = 184.5 hours; .09462 x 2080 annual hours = 196.8 hours).

- (c) 27.1 Days PTO: From the eighty-fifth full month to and including the one-hundred thirty-second full month of continuous employment, Eligible and DRS-retired Employees shall accrue PTO at the rate of .10423 hours per straight-time hour paid (.10423

x 1950 annual hours = 203.3 hours; .10423 x 2080 annual hours = 216.8 hours).

- (d) 29.6 Days PTO: After completion of eleven years of continuous employment starting with the one hundred thirty-third month, Eligible and DRS-retired Employees shall accrue PTO at the rate of .11385 hours straight-time hour paid (.11385 X 1950 annual hours = 222.0 hours; .11385 X 2080 annual hours = 236.8 hours).
- (4) Cash Out Option: Employees may cash out PTO time under procedures detailed in Port Policy HR-5, Leave Procedure.
- (5) Payment for Accrued PTO at Termination: Upon termination, Eligible and DRS-retired Employees shall receive compensation at 100% value in lieu of unused accrued PTO. Paid time off may be cashed out, used as service time after the last day worked, or taken in a combination of cash and service time at the current rate of pay. A Probationary Employee who terminates active employment before satisfactorily completing the probationary period is ineligible to receive compensation for accrued PTO.
- (6) Payment for Accrued PTO upon Death: In the case of an Employee's death, a lump sum payment for payable amounts of unused PTO shall be paid to the Employee's heir or estate, as appropriate, provided the Employee had satisfied the probationary period immediately preceding death.
- f. Awarded Time: The awarding of time to Exempt Employees is at management's discretion within the guidelines provided in Port Policy HR-5, Leave Procedure. Awarded time is not convertible to cash and is not awarded on an hour-for-hour basis. -Awarded Time may not be taken after the last day actually worked.
- g. Shared Leave: On a voluntary basis and in accordance with procedures outlined in Port Policy HR-5, Leave Procedure, Employees may donate accrued PTO and EI hours to benefit other Employees who are suffering from an extraordinary or severe illness, injury, impairment, or physical or mental condition which has caused, or is likely to cause, the Employee to take leave without pay or terminate his or her employment. Donated leave is not "earned" by the recipient and therefore does not earn the Employee service credits for pension calculations. Employees must exhaust all accrued leave before shared leave can be used.

h. The Family Care Act (FCA) of 2002: The FCA gives Employees in the State of Washington the right to use Extended Illness or Paid Time Off to care for an ill child or a seriously ill family member. FCA Leave cannot be used on an unpaid basis. Procedures are outlined in the addendum to the Port Policy HR-5, Leave.

3. **Family and Medical Leave Act (FMLA) of 1993**: The FMLA gives eligible Employees the right to take paid or unpaid leave for a period of up to 12 workweeks in any 12 months for certain family and medical reasons.

Additional information about eligibility requirements and leave procedures are outlined in the addendum to Port Policy, HR-5, Leaves.

4. **Insurance Benefits**: Coverages listed in Sections a., b., d., e. and f. below apply to Eligible and DRS-retired Employees as defined in Section I. For purposes of medical and dental insurance benefits as detailed in a., b., and f. below, Port Commissioners may elect to be included in the definition of Eligible Employee or they may elect reimbursement by the Port for their medical and dental insurance premiums at a cost not to exceed that provided for Port Employees.

For purposes of life insurance benefits as detailed in Life Insurance, Port Commissioners are included in the definition of Eligible Employee. For purposes of optional Employee-paid accident insurance, Port Commissioners are included in the definition of Eligible Employee.

Employees may be required to pay all or a portion of the insurance premiums. Employees are responsible for notifying the Port by an approved enrollment method of their eligible dependents. Any extra costs associated with a lack of notification shall be the Employee's responsibility.

The Port retains the right to modify or terminate insurance benefits and/or to modify the cost charged to Employees or dependents for such coverage.

- a. Medical Insurance for Employees or Commissioners: On the first of the month following date of hire or concurrent with date of hire if employment begins on the first of a month. Eligible and DRS-retired Employees and Commissioners shall be eligible for medical coverage in such amounts and in such manner as the Port has established with organizations selected to provide or administer such benefits. There shall be a choice of at least two medical/health insurance plans from which Employees as well as Commissioners who so elect must choose via approved methods if they desire coverage.

Port Commissioners who so elect shall receive these benefits on the first of the month following one calendar month as a Port Commissioner.

- b. Medical Insurance for Dependents of Employees or Commissioners: On the first of the month following date of hire or concurrent with date of hire if employment begins on the first of a month, dependents of Eligible and DRS-retired Employees, and Commissioners shall have medical coverage in such amounts and in such manner as the Port has established with organizations selected to provide or administer such benefits.

Port Commissioners who so elect shall receive these benefits for their dependents on the first of the month following one calendar month as a Port Commissioner.

The eligibility and other conditions of coverage are established between the Port and the organizations selected to provide such benefits. Coverage for dependents shall be provided by the same medical insurance plan which the Employee or Commissioner has chosen. Employee premium costs shall be by payroll deduction.

In no case shall the Port be responsible for more than two regular adult premiums (Employee and spouse or domestic partner) for an Employee's family unit.

- c. Medical Insurance Premium Reimbursement for Port Commissioners: Port Commissioners may elect reimbursement by the Port for medical insurance premiums for themselves and for eligible dependents after one full calendar month as a Commissioner. Reimbursement may not exceed the maximum premium for the most costly plan provided by the Port for Employees with similar family member coverage.
- d. Life Insurance: On the first of the month following date of hire or concurrent with date of hire if employment begins on the first of a month, Eligible and DRS-retired Employees and their eligible dependents shall receive life insurance benefits in such amounts and in such manner as are provided in contracts with organizations selected by the Port to provide such benefits.
- e. Long-Term Disability Insurance: On the first of the month following date of hire or concurrent with date of hire if employment begins on the first of a month, Eligible and DRS-retired Employees shall be covered for long-term disability insurance in such amounts and in such manner as the Port has established with organizations providing or administering such benefits.
- f. Dental Insurance: Eligible and DRS-retired Employees shall have dental coverage in such amounts and in such manner as the Port has established with organizations providing or administering such benefits. Port Commissioners may have a one-time opportunity to

elect to enroll themselves and their eligible dependents in the Port's group dental plan after one calendar month as a Port Commissioner and shall remain on the group dental plan until the Commissioner no longer acts as a Port Commissioner. The eligibility and other conditions of coverage are established with the organization selected by the Port to provide such benefits.

Employees as well as Commissioners who so elect must choose via approved methods if they desire coverage.

- g. Dental Insurance Premium Reimbursement for Port Commissioners: Port Commissioners may elect reimbursement by the Port for their dental insurance premiums and for the premiums of their eligible dependents after one full calendar month as a Commissioner. Reimbursement may not exceed the maximum premium for the most costly plan provided by the Port for Employees with similar family member coverage.

## **IX. ADMINISTRATION OF SPECIAL PROGRAMS**

The Chief Executive Officer is authorized to establish and implement Voluntary Separation, Furlough, or other similar programs deemed necessary to benefit the financial health of the Port and amend benefits provided for in the Salary and Benefit Resolution as necessary to execute the provisions of these programs. The Commission shall be notified of any amendments to benefits prior to implementation of any special program not currently provided for in the Salary and Benefit Resolution.

## **X. ADMINISTRATION OF RETIREE MEDICAL AND RETIREE LIFE BENEFIT PROGRAMS**

- A. Authorization to Amend Retiree Medical and Retiree Life Benefit Programs: The Port is authorized to amend the benefits in this section as necessary to comply with any changes in statutory regulations, to require retirees to contribute all or a portion of the premium, and to amend or terminate governing contracts at any time for any reason.
- B. Eligibility Requirements for Retiree Medical Benefits: A retiree is eligible for retiree medical benefits subject to insurance contract provisions and upon payment of 100% of the associated premiums if the following requirements are satisfied:
  - 1. Has at least five (5) consecutive years of credited service in a non-represented position with the Port of Seattle immediately preceding retirement and is eligible to begin receiving a pension, based in part upon Port of Seattle employment, within one month following departure from the Port.
  - 2. Completes and submits an enrollment form, if any, for the desired retiree benefit plan within 31 days of his/her retirement date.
  - 3. Retirees who are 65 years of age or more must have coverage under Medicare Parts A and B to be eligible for enrollment in a retiree medical plan.

- C. Eligibility Requirements for Commissioners for Retiree Medical Benefits: A Port of Seattle Commissioner is eligible for retiree medical benefits subject to insurance contract provisions and upon payment of 100% of the associated premiums if the Commissioner has at least five (5) consecutive years of service with the Port of Seattle immediately preceding termination of Port employment, and employment history equivalent to that which would be necessary to retire under one of the retirement systems listed in Section X.B.1. The Commissioner must also satisfy the eligibility requirements in Sections X.B.2 and X.B.3.
- D. Eligibility Requirements for Dependents for Retiree Medical Benefits: Dependents of retirees and Commissioners are eligible for enrollment in a retiree medical plan, subject to insurance contract provisions, if the retiree and dependent(s) enroll on a timely basis. Spouse and domestic partners are eligible to continue coverage should they be pre-deceased by the retiree.
- E. Eligibility Requirements for Retiree Life Insurance: A retiree or commissioner is eligible for enrollment in the retiree life insurance plan if the eligibility requirements listed in Section X.B. are satisfied.

**XI. EFFECTIVE DATE**

**THIS RESOLUTION** shall be effective January 1, 2012 through December 31, 2012. The Chief Executive Officer is authorized to take necessary action to make all terms, provisions, and conditions contained herein effective as of January 1, 2012. Notwithstanding the foregoing, the Port reserves the right to amend or terminate any Employee welfare benefit plan and/or salary practice.

The intent of this resolution is to administer pay and benefits in accordance with State and Federal law. Should any part of this resolution require a change to pay or benefit administration practices by reason of any existing or subsequently enacted legislation such change(s) will be incorporated without the need to amend this Resolution.

**BE IT FURTHER RESOLVED** that all prior resolutions dealing with these subject matters, including but not limited to Resolution No.3647, are hereby repealed.

**ADOPTED** by the Port Commission of the Port of Seattle this \_\_\_\_\_, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

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 Port Commission