

LEBANESE AMERICAN UNIVERSITY

PERSONNEL POLICY

BENEFIT SECTION

Approved by the Board of Trustees on June 6 & 7, 2003

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Scope:

Fringe Benefits and end of service indemnity specified in this section apply to all employees working on full time basis.

The University has two major categories of employees; Faculty whose contracts are subject to the provisions of the Lebanese Obligations and Contracts Law and Staff whose contracts are subject to the provisions of the Lebanese Labor Law and National Social Security Law.

Because of the applicable rules under which these two groups are hired and because of the nature of their duties, their compensation and conditions of work are not always identical, as specified below.

Full-Time employees of LAU having fulfilled the length of service criteria (if any) under each benefit are eligible to receive or participate in the fringe benefits outlined in the following sections. For these purposes, Full-Time employees are defined as those teaching a full course load, those employed by the University 40 or more hours per week on an annual basis, or a combination of the two that is defined as full time at the time of employment.

Coverage under the various fringe benefits covered by group insurance plans shall be based on the terms of the specific policies and agreements issued by the insurance companies involved. The coverage is subject to change as conditions warrant and the University assumes no liability for the failure of any such insurance company to pay specific claims.

Article I - Salary Classification System

The University applies a job classification and salary grading system coupled with clear job descriptions to each job position, which intend to reflect the employees' rank and position at LAU. In implementing the job classification system, the University takes into consideration the employees' education, work experience, position, etc...

Wages of all employees are indexed to the US Dollar. Said wages shall not be less than the legal minimum wage set by the Lebanese Government.

Payment for overtime work performed by staff shall be compensated in accordance with the Lebanese Labor Law.

Wages and salaries are determined in accordance with a grading system and a salary range set by the University. Each job is classified under the said schedule and a salary range is established for each classification.

The salary range corresponding to the different grades and ranks are issued annually by the University in a master list.

Article II - Leaves & Holidays

A. Annual Leave:

Full-time staff who have completed one year of service shall be eligible to a paid annual leave based on their rank and seniority as per applicable procedures.

Staff are entitled to annual leave in accordance with the provisions of the Lebanese Labor Law pursuant to the following guidelines.

1. For staff of salary grades XII to XVI: Twenty working days plus a maximum of fifteen days of unused annual leave accumulated from previous year(s).
2. For staff of salary grades VII to XI: Fifteen working days and one additional day per year for each year over three years of service; for up to five additional days per year for a maximum of twenty working days per year. In addition, a maximum of ten days of unused annual leave accumulated from previous year(s) may be used.
3. For staff of salary grades I to VI: Fourteen calendar days (Ten working days if they work regularly five days per week or twelve working days if they work regularly 6 days per week) with one additional working day per year for each year over five years service for up to five additional working days per year or a maximum of fifteen working days per year after ten years service (18 working days for those working six days per week). In addition, a maximum of five days of unused annual leave accumulated from previous year(s) may be used.
4. All accumulated and unused annual leaves beyond the specified maxima are forfeited.
5. Part time staff working more than one year of uninterrupted service are allowed to take annual leave on a pro-rata basis as per the provisions of the Lebanese Labor Law.

The annual leave dates shall be approved by the University according to work requirements, but taking into consideration the wishes of the staff concerned. The University's decision regarding annual leave dates, however, shall be final.

The University expects every staff to take his/her annual leave when scheduled.

In exceptional cases where a staff works part of his/her annual leave at the University's request, the employee's remuneration for such work shall be at the regular rate plus the vacation pay. No staff shall be asked to work more than half of the annual leave period to which he/she is entitled.

In case of termination for any reason whatsoever, a staff with more than one year's service shall be paid for approved accrued annual leave days accumulating up to the date of his/her termination in that year.

The University shall not terminate any staff during an approved leave, nor give the notice of termination during such a leave.

B. Holidays:

The University shall observe the holidays considered official by the Lebanese Government for the private sector.

Staff working on a holiday shall be given compensatory time off. If this cannot be arranged they shall be paid for the day worked (in addition to regular pay for the holiday) at their regular hourly rate.

C. Special Leaves:

LAU will be guided by the principles specified in the Lebanese Labor Law with regards to bereavement and maternity leaves.

i. Bereavement Leave

- A compassionate leave of absence with full pay of three days shall be granted to staff who are bereaved by the loss of their father, mother, brother, sister, spouse, child and two days for in-laws, uncles, aunts, grandchildren, child's spouse and grandfathers or grandmothers.
- Special consideration shall be given to additional compassionate leave on the death of the spouse or child of the staff.

ii. Maternity Leave

- All Full-Time female employees shall be entitled to seven weeks maternity leave with full pay. In the case of faculty, one semester grace period shall be granted for promotion purposes.
- Maternity leave shall be granted upon presentation of a physician's certificate giving the approximate date of delivery.
- Maternity leave shall not affect any entitlement to annual leave and both may be taken sequentially if work requirements permit.

iii. Paternity Leave

- All Full-Time male employees shall be entitled to two days paternity leave with full pay.
- Paternity leave shall not affect any entitlement to annual leave.

iv. Sick Leave:

- A staff unable to report to work due to sudden sickness will be eligible for up to three consecutive days without a medical report.
- The employee should ensure that the supervisor is informed of the sick leave as soon as possible and the supervisor must in turn notify the Human Resources Department of such absence.

- The staff whose sickness is confirmed by a medical report shall be entitled to sick leave and pay in accordance with the following schedule:

Employee's Length of Service	Sick Leave and Pay Entitlement
a) 3 months to 2 years	15 days at full pay & 15 days at half pay
b) 2 years to 4 years	1 month at full pay & 1 month at half pay
c) 4 years to 6 years	1½ months at full pay & 1½ months at half pay
d) 6 years to 12 years	2 months at full pay & 2 months at half pay
e) 12 years and above	2 ½ months at full pay & 2 ½ months at half pay

- Holidays and weekends falling within sick leave period are considered as part of the sick leave entitlement.
- The University reserves the right to ask for a medical report by a University designated physician.
- The staff may be deprived of the sick leave and pay entitlement if the employee fails to comply with the requirements specified herein above.
- In the event that the sick leave taken by a staff, in accordance with this Section, exceeds one month in any calendar year, the University may reduce their annual leave consistent with the provisions of the Lebanese Labor Law, provided that such leave shall not in any case be reduced to less than eight calendar days.
- The University shall not terminate any staff during their sick leave, nor give them notice of termination during said leave, if the employee is still in the probation period as specified by the Lebanese Labor Law.
- In the event of discharge on medical grounds due to sickness, as defined in this article, the date of discharge shall normally be the date on which the entitlements to paid sick leave and vacations are exhausted.
- Staff cannot claim sick leave during an approved annual leave.

Article III - Insurance

A. Group Medical Insurance Policy:

All Full-Time employees and their dependents (spouse and children) are entitled to benefit from Group Medical Insurance coverage on a voluntary basis. The terms and provisions of the Group Medical Insurance Policy will be communicated by the Human Resources Department to the University community at the beginning of each academic year.

Faculty coverage in the Group Medical Insurance Policy is designed to meet medical expenses in accordance with the terms of the insurance policy and shall be for up to 60 days for each disability beyond which they shall start benefiting from the Long Term Disablement Insurance Policy.

Staff are covered by the Medical & Maternity Branch of the Lebanese National Social Security Fund (NSSF). The University provides supplemental insurance coverage to the NSSF for staff and full coverage for faculty. The cost of the Group Medical Insurance Policy is shared by the University and the insured with the University paying 75% of the premiums and the insured paying 25%.

Staff who elect to purchase full insurance coverage through the University may be entitled to do so provided the University pays 75% of the co-NSSF premium they are entitled to.

B. Life and Long Term Disablement Insurance Policies:

LAU shall carry a Group Life and Long Term Disablement Insurance Policy covering all Full-Time employee in grades XI & above.

The Long Term Disability caused by sickness or accident provides (after a 60 calendar day waiting period) 75% of the basic salary up to age 65.

The Group Life Insurance Policy provides twice the annual salary in case of death up to age 70.

C. Unemployment Insurance Policy:

US Nationals are governed, for purposes of unemployment insurance by the provisions of the American Social Security act and applicable IRC sections.

D. Fringe Benefits after Retirement or Death:

1. The medical benefits shall continue to Full-Time employees and their dependents after retirement, provided the employee has served LAU for more than ten continuous years.
2. The medical benefits for immediate dependents shall continue after the death of a Full-Time employee and until a time said employee would have attained age 65, provided the employee's continuous service at LAU was for more than ten years.
No benefit shall continue even if the deceased employee would not have attained the age 65 if the dependent child:
 - a. completes undergraduate education;
 - b. attains age 22 and is not studying;
 - c. marries; or
 - d. is employed.

Premiums for insurance benefits post retirement or death shall be paid by the University and the retired employee or the dependents of the deceased employee on the rate of 50% from each party.

Employees in Grade XV and above who retire prior to completion of ten years of service may be given a special consideration as to applicability of the continuity of the insurance benefits and all other post retirement benefits, provided such exceptional treatment is approved by the Board of Trustees.

E. Worker's Compensation:

All full-time employees are covered for any accident befalling them while on duty for the University by an insurance policy carried by the University in accordance with the rules and regulations of the Worker's Compensation Law in Lebanon.

Full-time employees of the University shall draw Worker's Compensation in lieu of their regular salary for such time as they are absent from their work because of any accident befalling them while on duty. Whereas faculty and staff in grades XI and above are entitled to continue on full salary, staff in salary grades VII to X may only continue at full salary based upon approval by the Executive Committee of the Board of Trustees in which case payments from Worker's Compensation insurance shall be turned over to the University by the staff.

All staff who suffer from a disability caused by an accident occurring during the course of, or arising out of assigned work are covered by an insurance policy carried by the University in accordance with the Lebanese Laws and Decrees.

F. Family Allowance:

A family allowance is payable by the National Social Security Fund once a month to all eligible staff in accordance with the provisions of the Lebanese Social Security Law.

G. Relief contribution for a deceased employee.:

As a contribution to the funeral expenses for an employee who dies while still working at LAU, the University shall contribute an amount equivalent to two months salary provided that such contribution is not less than US \$2000 and does not exceed US \$8000. This contribution shall be dispensed to employee's spouse and children. If the employee is not married, the post mortem pay shall be given to their legal heirs.

Article IV A- Educational Aid to Dependents

Dependents of full time employees (spouse, children, and adopted children) are entitled to educational benefits up to three dependants, for a period not to exceed 13 school years each. Only a deceased dependent may be replaced by another dependent.

The starting date for eligibility shall commence when the dependent attains age 5 or is placed in KG 2 (12 eme) by his/her school, whichever comes first. If a dependent attains age 5 before the end of March of the academic year, he/she shall be considered eligible for full academic year benefits.

Educational benefits shall terminate upon the expiration of the 13 years of eligibility, notwithstanding the school grade attained by the concerned dependent at that time.

Educational benefits received by a spouse of an employee from his/her place of employment shall be deducted from the educational benefits specified above. In the case of staff in Grade VI and below, the mandatory amounts stipulated in the Lebanese Labor Law shall not be deducted.

Disbursements of Educational Benefits:

- a. For full-time faculty and staff in salary grades VII and above, all actual tuition fees shall be reimbursed and the fees paid must not exceed the highest fees of schools in Lebanon.
- b. For full-time staff in Grades I through VI, the actual reimbursable fees for each of the three dependents must not exceed an amount approved by the Executive Committee of the Board of Trustees upon recommendation by the President's Cabinet and the University Executive Council.

This benefit applies to employees in Grades I through V, only after they have completed three years of full time employment with LAU. In the first three years, and for the particular grades, the employee shall receive educational benefits as defined by the President's Cabinet, and approved by the Board, provided the specified amount meets or exceeds the mandatory amount stipulated by the Lebanese Law.

- c. If a full-time employee is deceased while still employed and the continuous service at LAU was less than ten years, the educational aid to each of the eligible dependents shall continue for the academic year during which the employee's death occurred.

Article IV B: Educational and Other Allowance for University Personnel:

As an incentive to complete their first bachelor degree, University Personnel who have completed at least one year of service are entitled to take one undergraduate course each semester (not tutorial) free of charge. Only one additional undergraduate course may be taken but the hours must fall outside the working schedule and the non-teaching employee must pay for the course.

Non-teaching employees may be allowed to take an undergraduate course related to their field of work. This course shall be charged to the Department/Division upon the recommendation of the supervisor and the approval of the Administration.

Office hours lost in class attendance shall be made up under all circumstances.

Make-up hours shall have to be arranged with the Division Chair or the immediate supervisor.

The whole package must be approved by the Vice President for Human Resources and University Services, prior to registration.

University Personnel seeking a bachelor's degree may take only one undergraduate course each summer session outside their working hours but must pay for the courses.

A non-teaching employee, who earns a University degree through utilizing Article IV B, is required to serve the University for a period of at least one year after earning an AAS degree, or for at least

two years after earning a BA/BS degree. Those who do not serve for the above period have to reimburse the University the full tuition fees for the program taken.

Article V – Travel Benefit for Full-Time Faculty

Faculty members who are not citizens of Lebanon and/or who do not ordinarily live in Lebanon shall normally be given round trip travel reimbursement for themselves and their legal dependents (spouse and children under 18 years of age), such reimbursement to be specifically provided in their contracts. The University will provide such personnel return air travel to their country of origin every three years. An economy return ticket will be provided for those individuals whose contracts are not renewed or are terminated. And this is for direct round trip air passage, economy or tourist class including a baggage allowance of 10% of the price of their tickets for their first flight to Beirut and their final return flight to their home upon termination. Should the full contract not be fulfilled by the faculty, an amount proportionate to the time spent of the total round trip expenses will be reimbursable.

Article VI – Retirement Plan and Indemnity Provision

The purpose of this Retirement Plan is to encourage LAU personnel to build and continue their careers at the Lebanese American University. The retirement needs of University Personnel are met in two ways. As shown in Section A & B below, full-time employees are entitled to protection through similar indemnity reserve or severance pay plans. The University notes that it observes for both classes of employees their right to get one month pay for each year's work at LAU and 1 & ½ for each year over 20 years of service at LAU. In addition an approved pension plan is in effect for certain LAU staff specified hereunder.

A. Participation

Classes of personnel eligible to participate in the private pension plan are as follows:

- Members of the Faculty and administrative officers who are U.S. nationals, or permanent resident, and who qualify for retirement benefits under the United States Social Security Act, members of the Limited Tenure.
- U.S. citizen, or permanent resident, non-tenured faculty will be directly entitled to the University's Pension Plan upon their employment. They will become eligible to ex-gratia provision in lieu of indemnity from the University once they are tenured.
- Lebanese faculty and all other non-U.S. citizen, or permanent resident, faculty will be entitled to ex-gratia in lieu of indemnity by the University upon their employment. This category of faculty members will become eligible to the University's Pension Plan once they become tenured.
- U.S. citizen, or permanent residents, staff members at the Director Level (Grade XI) and above are entitled to the University's Pension Plan upon employment.
- Lebanese and all non-U.S. citizen, or permanent residents, staff members at the Director Level (Grade XI) and above will become eligible to the University's Pension Plan after 5 years of the employment date.
- Faculty assigned to non-academic directorship follow the eligibility rules of their administrative positions and not their faculty ranks.

B. Contributions

The date of eligibility to the pension plan benefit shall be used as the baseline for computing the University contribution in 5-year intervals as follows:

- a. 5% for 5 years from date of eligibility;
- b. 7.5% for the second five years; and
- c. 10% for all years of service above ten years from the date of eligibility.

Only continuous uninterrupted employment shall be counted in calculating years of service, including approved unpaid leave time provided that the employee pays for his/her share of the pension premium for that period.

The University share in the Pension Plan is to be applied only on the basic monthly salary, plus the administrative duty percentages specified in Faculty contracts.

All types of extra compensation agreed upon in special terms in faculty contracts are to be indemnified upon the termination of the administrative duty at the conclusion of each administrative assignment.

This special indemnity is calculated on the basis of the additional percentage of the last monthly salary multiplied by the years of service.

Article VII – Retirement Plan and Indemnity Provision

The University observes the mandates of the Lebanese Laws with respect to retirement age as previously detailed in this Policy.

Upon recommendation of the President and by special vote of the Board of Trustees extensions of service beyond retirement age may be made for definite periods not to exceed one year each, but no such extensions shall postpone retirement beyond the end of the academic year in which age 70 is attained.

Any contributions by the University into the approved Pension/Retirement Program and the U.S. Social Security program is expressly acknowledged by persons eligible under these plans to stand in lieu of any end of service indemnity to which they might be entitled.

Article VIII – Campus Housing

Limited campus housing is available, with priority given to faculty members who are foreign nationals.

The apartments and rooms are available at a price less than off-campus housing. When campus housing is not available, the University shall pay new comers for an off-campus apartment the amount of rent exceeding twenty five percent (25%) of his/her annual salary, up to a maximum of ten percent (10%) of the contract per year and applicable for the first two years of service at LAU.

Article IX – Campus Entertainment and Recreation

Accessibility:

All University personnel and their dependents are encouraged to use the recreational facilities of the University at the time regularly scheduled for such activities.

Article X – Continuous Service Recognition

The University gives official recognition to staff's continuous service and contribution through the presentation of appropriate service emblems and special awards.

This program covers all University Personnel, regardless of job or grade, who have at least completed ten years of service and contributed to the stability and continuity of the University's operations.

Article XI – General Provision

The University shall provide the proper procedures to implement this Policy effectively.

The University reserves the right to amend any provision in this Policy provided vested rights are protected.

Exceptions to policy related to salary, working conditions, or fringe benefits, to meet special circumstances, may be made by the Executive Committee of the Board of Trustees upon recommendation of the President.