

Employee Manual
Libertarian National Committee, Inc.
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The Libertarian Party

What the Party Stands For

Libertarians believe that every person should be allowed to plan his/her own future, that individuals have the right to deal with their own problems. This can be done individually or by working with others in a peaceful and honest way. Libertarians reject the initiation of force by anyone, including government.

Today our government uses force, or the threat of force, to achieve most of its goals. Repeated failures by our government have shown us that this is not a practical approach. Libertarians believe that this use of force is immoral. Libertarians seek a world in which voluntary cooperation replaces force in human relationships.

Libertarians believe that being free and independent is a great way to live. Libertarians want a system which encourages all people to choose what they want from life; that lets them live, love, work, play, and dream their own way.

The Libertarian way is a caring, people-centered approach to politics. Because each individual is unique, Libertarians want a system which respects the individual and encourages us to discover the best within ourselves and develop our full potential.

The Libertarian way is a logically consistent approach to politics based on the moral principle of self-ownership. Each individual has the right to control his/her own body, actions, speech, and property. Government's only role is to help individuals defend themselves against force and fraud.

The Libertarian Party is for all who don't want to push other people around, and who don't want to be pushed around themselves. "Live and let live" is the Libertarian way.

The Libertarian Party opposes all interference by government in areas of voluntary and contractual relations between individuals. People should not be forced to sacrifice their lives and property for the benefit of others. They should be left free by government to deal with one another as free traders, and the resultant economic system, the only one compatible with the protection of individual rights, is the free market.

Reference Material

Several documents that provide more information about the Libertarian Party are available at LP.org, the Party's website. The following may be of particular interest:

- Platform of the Libertarian Party (available at www.lp.org/platform)
- Bylaws of the Libertarian Party (available at www.lp.org/bylaws-and-convention-rules/)
- Policy Manual of the Libertarian National Committee (available at www.lp.org/Inc-meeting-archives)
- Information about the history of the Libertarian Party (available at lpedia.org/Main_Page)
- Issues and Positions: The Libertarian Party on Today's Issues (available at www.lp.org/issues)

Organizational Relationships and Roles

Overview

The Libertarian Party (LP) is governed by the Libertarian National Committee, Inc. (LNC). The Chair of the LNC is chief executive officer of the LP.

The Chair supervises the Executive Director, who is the chief operating officer of the National Headquarters (LPHQ), which comprises the Executive Director and the other employees of the LNC.

The management staff of LPHQ consists of the Executive Director and three direct reports: Political Director, Communications Director, and Operations Director.

This section summarizes the authority, responsibilities, and activities of the Chair, the Executive Director, and LPHQ. Details may be found in the LNC Policy Manual, which is currently available on LP.org at www.lp.org/lnc-meeting-archives. It is the responsibility of each employee to understand the relevant parts of the Policy Manual, and to act in accordance with the Policy Manual.

Chair of the LNC

With respect to LPHQ, the Chair:

- Defines the authority of LPHQ management.
- Appoints the Executive Director with the advice and consent of the LNC.
- Provides advice and consent to the Executive Director on the hiring and termination of National Headquarters personnel.
- Approves all contracts in excess of \$7,500.
- Ensures the adequacy of the services provided by LPHQ.

Executive Director

The Executive Director is the chief operating officer of the Party. He/she serves at the pleasure of the Chair, but may be removed from the position by a majority vote of the Libertarian National Committee. He/she works with the Chair and the Executive Committee of the LNC to develop policies, plans, programs, and projects for LP operations, financial performance, growth, communications, and political action.

The Executive Director oversees the activities of LPHQ in support of the LNC and the LP. His/her responsibilities and authority include establishing the organizational structure of the LPHQ staff, establishing LPHQ personnel policies and operating procedures, planning and budgeting, evaluating LPHQ personnel, and ensuring that LPHQ activities comply with applicable laws and regulations.

National Headquarters

LPHQ provides full-time, professional support for the LNC and the political activities of the LP.

LPHQ has these areas of responsibility:

- Record keeping (e.g., maintaining the membership/contributor data base)
- Member services (e.g., answering questions, handling complaints)
- Development activities (e.g., direct mail prospecting, fund raising)
- LNC and affiliate party services (e.g., reports to state affiliates; state, local, and campus organizing)
- External communications (e.g., news releases, public testimony)
- Political action (e.g., ballot access, candidate recruitment)

General Conditions of Employment

At-will Relationship

The LNC does not guarantee or promise permanent employment. Decisions about employment are solely those of the Executive Director, with the advice and consent of the Chair of the LNC. All employment relationships are at-will; that is, the employee or the LNC may terminate the relationship at any time for any lawful reason.

Employment Law

It is the policy of the LNC to comply in good faith with all laws, regulations, and ordinances that apply to the LNC's employment practices, including the Americans with Disabilities Act and the Family Medical Leave Act. The Executive Director is responsible for ensuring such compliance.

As a matter of principle, the LNC does not discriminate upon the basis of superficial characteristics such as race, sex, national origin, disability, age, marital status, religion, sexual orientation, etc.

Conflicts of Interest

Each employee must promptly disclose to the Executive Director any situations in which such person's own economic or other interests, or duties to others, might conflict with the interests of the Party in the discharge of his/her duties. Any such disclosure shall be made at the earliest opportune moment, prior to the discharge of such duties, and clearly set forth the details of the conflict of interest.

Except as otherwise authorized in the Policy Manual, an employee may not:

- Transact business with the LP or LNC unless the transaction is fair and equitable to the LP or LNC.
- Be a member or alternate of the LNC. (An employee will be terminated immediately upon his/her election to the LNC.)
- Register as a delegate to a convention of the National Party.
- Endorse, support, work for, contribute money to, use his/her title on behalf of, or work as a volunteer, employee, or contractor to aid (1) any candidate for public office prior to nomination or (2) any candidate for Party office.

Non-disclosure of Information

An employee may not use information gained in the discharge of LNC duties to the disadvantage of the LP or LNC.

Further, every employee must enter into a written agreement not to use, disclose, or divulge to others any trade secrets, confidential information, or other proprietary data of the LNC at any time during or after employment by the LNC. The same agreement requires terminating employees to return to the LNC all documents and property of the LNC, and bars them from keeping copies, notes, or abstracts of information belonging to the LNC.

Use of Facilities and Property

An employee may occasionally use LNC facilities or property for personal projects (e.g., typing a term paper for a child), so long as the use takes place on the employee's time and does not otherwise interfere with the employee's performance of his/her job.

An employee may not use LNC facilities or property on behalf of any other organization or for the conduct of a business. These restrictions extend to use of LNC telephones and Internet access via LNC computers.

Smoking

LPHQ is a non-smoking office. Employees who wish to smoke outside the LPHQ office must do so on their own time and in accordance with all relevant property regulations.

Harassment and Offensive Behavior

Employees are expected to treat other people with professional respect, thoughtful consideration, and fundamental decency. In particular, employees are prohibited from engaging in harassment and other forms of offensive behavior.

To prevent such inappropriate behavior, the following standards must be observed:

- All collective deprecation, whether alluding to sex, race, color, national origin, disability, age, religion, or any other protected category, must be avoided.
- Sexual harassment, like other forms of harassment, is prohibited. Sexual harassment includes unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature when: (1) submission to the conduct is made either implicitly or explicitly a condition of employment; (2) submission to or rejection of the conduct is used as the basis for an employment decision affecting the harassed employee; or (3) the harassment has the purpose or effect of

unreasonably interfering with the employee's work performance or creating an environment that is intimidating, hostile or offensive to the employee.

- Any behavior, whether verbal or physical, that clearly offends a reasonable person – libertarian or not – must be avoided.

You must exercise your own good judgment to avoid any conduct that may be perceived by others as harassment. The following conduct could constitute harassment:

- unwanted physical contact
- racial or sexual
- epithets
- derogatory slurs
- off-color jokes
- sexual innuendoes
- unwelcome comments about a person's body
- propositions
- leering
- unwanted prying into a person's private life
- graphic discussions about sexual matters
- suggestive behavior, sounds, gestures or objects
- threats
- derogatory posters, pictures, cartoons or drawings

As a rule of thumb, if you think it might be offensive, it probably is.

Any violation of this policy should be brought to the attention to the appropriate authority as soon as possible. (The appropriate authority is the LNC Chair if the violation involves behavior by the Executive Director; otherwise, the appropriate authority is the Executive Director.) In response to every complaint, the appropriate authority will act promptly to investigate the matter, and will protect the individual's confidentiality to the extent possible. The appropriate authority will take corrective and preventative actions where necessary. The appropriate authority will not retaliate against any individual who in good faith brings a complaint to the attention of the appropriate authority or participates in an investigation regarding a complaint.

Any employee who violates this policy is subject to discipline, up to and including discharge.

Timekeeping, Working Hours, and Attendance

Pay Period and Payday

Each bi-weekly pay period begins on a Friday and ends on a Thursday. Employees are paid on the Wednesday following the end of the pay period.

Time Sheets

Time sheets via the online time clock system must be completed by the end of the last day of the pay period.

If you will be away from the office because of a planned absence, you may put in the appropriate time off request (sick/vacation) via the online time card system to be approved by the Operations Director.

If you are unable to enter your time information into the online system because of an unplanned absence, your supervisor can complete and approve this for you. You will be asked to review and countersign the time sheet when you return to work.

Workweek, Workday, and Office Hours

The workweek runs from Monday through Friday.

The standard workweek for salaried (non-hourly) employees is forty hours. Salaried employees will not earn extra compensation for hours worked in excess of the standard workweek. Extra time worked by salaried employees will be considered during performance appraisal and salary reviews.

Individual employees work schedules and work locations will be determined by the Executive Director, and are subject to change with minimal notice. Employees may request non-standard work schedules and/or locations, which will require Executive Director approval. All employees that have not established an alternative work schedule and location will work according to the standards as established in the Employee Manual.

The standard workday is from 8:45 a.m. until 5:15 p.m., with a half-hour lunch break. All employees are expected to conform to their established work schedules at their established work locations. Unreliable attendance may lead to disciplinary action and/or termination.

Office Closure Periods

LNC retains the right to declare office closure periods. During these office closure periods, all employees may use vacation time earned, or elect to be unpaid during that closure period. LNC will make all good efforts to provide timely notice of such periods.

Notification of Lateness and Absences

Employees must follow these procedures for lateness or absences for personal reasons (other than vacation):

- Notify your immediate supervisor as soon as you can if you will be absent because of illness or family emergency (e.g., a relative is ill, schools are closed, day care is unavailable).
- Notify your immediate supervisor as soon as you can if you expect to arrive more than 15 minutes late.
- Send a memo to the staff if you leave early or be absent for more than 30 minutes during the day.
- Send a memo to the staff if you plan to be late or absent on a subsequent day other than for vacation (see below).
- If you will be out of the office on business, send a memo to the staff stating when you will be gone, where you will be, and how you may be contacted.

Making Up Personal Lateness and Absences

Lateness or absence during the day for personal reasons should be made up on that day. If you cannot make up all of the time on the same day, your supervisor may authorize you to make it up during the same workweek.

Because of these flexible arrangements – and to encourage good attendance practices necessary to the conduct of business – for salaried employees, an absence from work for one or more full days for personal reasons other than sickness or disability, which the employee does not make up during the same pay period, may result in a proportional deduction from the employee's pay. Such a deduction, if any, shall be made at the discretion of the Executive Director, subject to approval by the Chair.

Overtime Pay

Hourly employees will earn overtime based upon total hours worked within a single pay period. An hourly employee earns overtime pay for hours worked in excess of 40 in a workweek. The

normal rate for overtime pay is one and one-half times the employee's hourly rate of pay. Overtime worked on a holiday observed by LPHQ is paid at twice the employee's hourly rate of pay.

The employee's supervisor must authorize all overtime work in advance.

Compensatory Time

A salaried employee may be granted compensatory time off for extraordinary efforts requiring very long workweeks over an extended period of time. Each grant of compensatory time must be approved in advance by the Executive Director, and may not exceed 24 hours in any case.

Hourly employees are paid for overtime and are therefore ineligible for compensatory time.

Scheduling Vacation Time

Vacation time should be scheduled in advance. The Executive Director must approve salaried employees' vacation schedules. The Operations Director must approve hourly employees' vacation schedules.

When your vacation has been approved, send a memo to the staff stating when you will be gone.

Leave Without Pay and Leave of Absence

The Executive Director will consider requests for leave without pay and leave of absence, but approval is unlikely because of the difficulty of covering for absences in addition to those caused by the use of personal time.

In any case, leave without pay cannot be granted while the employee still has unused paid leave available and additional paid leave will not accumulate during any period where unpaid leave is taken.

Employment, Performance, and Personnel Records

Eligibility for Employment

Under the Immigration Reform and Control Act of 1986, as amended, and the Immigration and Nationality Act, the LNC may hire only U.S. citizen, nationals of the U.S., and aliens authorized to work in the U.S. Accordingly, LPHQ must verify the identity and employment eligibility of anyone to be hired.

Hiring Decisions

The Chair of the LNC appoints the Executive Director, with the advice and consent of the LNC. The Executive Director approves the hiring of other LNC employees, with the advice and consent of the Chair.

Job Descriptions

Every employee of the LNC has a written job description. It is understood – and stated in every job description – that every employee may be assigned duties other than those specifically listed in the description. Job descriptions serve two purposes:

To ensure that each employee understands the scope of his/her duties.

To help the LNC establish salaries that are competitive with those being paid elsewhere for similar work.

Staff Classifications

Management and professional positions are salaried. Salaried employees are expected to work a minimum of 40 hours a week, and as long as necessary to get the job done. They do not receive overtime pay for hours worked in excess of 40, though they may occasionally be granted compensatory time off, as discussed in the section on “Timekeeping, Working Hours, and Attendance.”

Employees who mainly provide administrative, secretarial, or clerical support are considered hourly employees. An hourly employee’s nominal annual salary is divided by 2,080 (40 hours/week x 52 weeks) to determine an hourly rate of pay. Hourly employees are eligible for overtime pay, as discussed in the section on “Timekeeping, Working Hours, and Attendance.”

Performance Appraisals

The following applies to all employees who report directly or indirectly to the Executive Director.

The office of the LNC shall promote a positive work environment by establishing clear standards for work performance.

Annual reviews shall be conducted during the fourth quarter of each year for all employees using procedures and guidelines developed by the Employment Policy and Compensation Committee.

If an employee's job-related behavior does not meet expected and communicated performance standards, a process of progressive discipline shall be employed, using procedures and guidelines developed by the Employment Policy and Compensation Committee.

An employee's performance may also be appraised formally in special circumstances (e.g., to document exceptional performance that merits a promotion or an out-of-cycle pay increase).

Discipline and Termination

An employee may be disciplined or terminated for any breach of the policies in this Employee Manual or the LNC Policy Manual, for unacceptable performance, for misconduct on the job, for private conduct that brings notoriety to the LNC or LP, or for any other lawful reason. Misconduct on the job may include, for example, insubordination, gross profanity, inappropriate displays of affection, or antagonistic behavior toward another employee.

Discipline may be progressive, and may fall short of termination, but serious breaches of policy or misconduct (on or off the job) may result in immediate termination.

Progressive discipline usually involves these steps:

The employee's supervisor informally counsels the employee about the problem(s) of performance or conduct. (The supervisor may keep notes, but these are not placed in the employee's file.)

If the employee does not correct the problem(s), the supervisor notifies the Executive Director, counsels the employee, and documents the counseling in a memorandum for the employee (with copies to the Executive Director and the employee's file). The memorandum spells out the problem(s) of performance and conduct and the corrective action(s) expected of the employee.

If the employee's performance or conduct remains unacceptable, the employee is terminated, with the approval of the Executive Director and advice and consent of the Chair of the LNC. The amount of notice given to the employee, if any, depends upon the nature and severity of the problem(s) leading to the dismissal.

Progressive discipline may be abandoned in favor of immediate dismissal at any time if an employee fails to make an effort to improve his/her performance or conduct, if the employee's performance or conduct becomes markedly worse, or if the employee becomes abusive or threatening to others.

Nothing said above negates or modifies the LNC's right to terminate any employee at any time for any lawful reason.

Access to Personnel Files

An employee may see his/her file in the presence of the Operations Director or the Executive Director. An employee may, at his/her request, have copies of any and all items in his/her file.

Other persons authorized to see an employee's file are the employee's immediate supervisor, the Executive Director, and the Chair of the LNC.

Only the employee's immediate supervisor or the Executive Director may add anything to the employee's file. Nothing will be added to an employee's file without notifying the employee. The employee will be given a copy of each item that is added to the file.

References for Current and Former Employees

A current employee may need verification of his/her length of employment and salary in order to obtain credit, borrow money, or finance a major purchase. In each instance, the employee should either (1) give the necessary form to the Operations Director or (2) give the Operations Director a memo authorizing disclosure of the information when called by a specific lender or financial institution.

A terminating employee will be asked to authorize the release of information to prospective employers. The form for that purpose (see "Forms" section) offers these options:

May release the dates of employment, job title, and last salary, or LPHQ may release any information contained in the employee's personnel file.

May be authorized to release a letter of recommendation approved by the employee and the Executive Director.

Specified persons may be authorized to discuss the employee's employment record and performance.

If the terminating employee does not execute the form, LPHQ will release only the dates of employment and job title.

“Whistleblower” Protection Policy

Employees are expected to report suspected violations of LNC policies to the appropriate authority as soon as possible. In response to such reports, the appropriate authority will act promptly to investigate the matter, and will protect the individual’s confidentiality to the extent possible, consistent with the need to conduct an adequate investigation. The appropriate authority will not retaliate against any individual who in good faith reports a suspected violation to the attention of the appropriate authority or participates in an investigation regarding a suspected violation.

Availability of EPCC to Assist Employees

The Employment Policy and Compensation Committee (EPCC) of the LNC is available to employees to discuss on a confidential basis the working environment at LPHQ or observed violations of the LNC Policy Manual.

Salaries and Benefits

Salary Policy

The LNC strives to pay salaries that are in line with those offered for similar work in relevant national, regional, and local labor markets. This means that the LNC strives to pay generally competitive salaries; it does not necessarily mean that the LNC will make a counter-offer to a specific employee who has been offered employment elsewhere.

Salary Reviews

Salaries are reviewed as follows:

In February-March for employees whose performance was appraised in October-November of the preceding year. (By February-March the LNC will have approved a budget for the current calendar year.)

One month after an appraisal for an employee whose performance was appraised at another time of the year.

In any event, salary increases depend upon individual performance and the salary budget approved by the LNC. Increases are not automatic, are not linked to the cost of living, and cannot be guaranteed.

Benefits – General

The following sub-sections describe employer-discretionary benefits currently available to full-time employees of the LNC. Other, non-discretionary benefits are provided as required by law (e.g., taxes and premiums for Social Security, unemployment benefits, and workers' compensation insurance). The LNC may, at any time and without notice, modify or withdraw any or all of the discretionary benefits.

Vacation Time

Vacation time is earned leave that is at the discretion of the employee regarding the use to which that time is utilized.

Utilization of vacation time is subject to prior approval by the Executive Director. The Executive Director may restrict the time periods during which employees may utilize their earned vacation time in order to ensure that all necessary functions of the LPHQ are adequately executed.

Total accrual of unused vacation time cannot exceed 150% of the annual rate of accrual at any time. Once the total accrued unused vacation time reaches this maximum, no further vacation time will be earned or accrued, until the employee uses accrued vacation time.

LNC retains the right to purchase unused accrued vacation time from the employee, at the sole discretion of both the Executive Director and the Chair, with the consent of the employee.

Sick Time

Sick time is earned leave that is provided as a contingency for the employee in cases of the inability of the employee to fulfill their duties due to minor illnesses, injuries, and other health issues.

Sick time is intended for minor circumstances. Sick time cannot be used in cases where the employee is eligible for any disability compensation. During periods for which the employee is eligible for disability, the LNC will have no responsibility to pay the employee, or to accrue any leave in any form.

Sick time requires no approval by the employee for utilization, but the LNC reserves the right to require reasonable proof of illness upon request. Misuse or misrepresentation of sick time may result in disciplinary action and/or termination.

Total accrual of unused sick time cannot exceed 16 days, or 128 hours. Once the total accrued unused sick time reaches this maximum, no further sick time will be earned or accrued, until the employee uses accrued sick time.

The employee will not be eligible for any compensation for unused sick time upon resignation or termination.

Sick time shall accrue at the rate of 64 hours (8 days) per calendar year. The amount of sick time accrued per pay period will be calculated as a proportion of the number of days in the pay period to the number of days in a calendar year.

LNC SICK TIME/VACATION TIME POLICY FOR FULL-TIME EMPLOYEES

SICK LEAVE

64.00 HOURS PER YEAR

128.00 MAXIMUM HOURS ALLOWED

2.46 HOURS ACCRUED PER BI-WEEKLY PAYCHECK

VACATION – FIRST YEAR OF EMPLOYMENT

80.00 HOURS PER YEAR

120.00 MAXIMUM HOURS ALLOWED

3.08 HOURS ACCRUED PER BI-WEEKLY PAYCHECK

VACATION – SECOND YEAR OF EMPLOYMENT

120.00 HOURS PER YEAR

180.00 MAXIMUM HOURS ALLOWED

4.62 HOURS ACCRUED PER BI-WEEKLY PAYCHECK

VACATION – THIRD YEAR OF EMPLOYMENT

160.00 HOURS PER YEAR

240.00 MAXIMUM HOURS ALLOWED

6.15 HOURS ACCRUED PER BI-WEEKLY PAYCHECK

NOTE: Sick Time and Vacation Time are available only for full-time employees. Part-time staff are considered temporary employees and are not eligible for Sick Time and Vacation Time.

Holidays and Early Closing Days

- New Year's Day
- Martin Luther King Jr. Day (third Monday in January)
- President's Day (third Monday in February)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Columbus Day (second Monday in October)
- Veterans Day (November 11)
- Thanksgiving Day (fourth Thursday in November)
- Christmas Day (December 25)

If a fixed holiday (e.g., New Year's Day) falls on a Saturday, it is observed on the Friday before; if it falls on a Sunday, it is observed on the Monday after.

LPHQ closes at 3:00 p.m. on Thanksgiving eve, Christmas eve, and New Year's eve. Employees who are at work at closing time are given two hours of paid time off.

Other Paid Time Off

A full-time employee may be granted an absence of up to ten workdays annually for military reserve training. (Holidays that may fall within the period of training are not counted against the ten days.) If the employee's military pay is less than his/her LNC pay, the LNC will reimburse the difference if the lower military pay is documented by a government wage statement. The amount reimbursed by the LNC will be treated as taxable income to the employee.

A full-time employee may be granted unlimited, paid leave for time spent serving on a jury or appearing in court in response to a subpoena or other legal process. Such leave is not granted if the employee is a party to the legal situation or a prospective beneficiary of it.

Medical Insurance Credit and Coverage

The LNC makes medical insurance coverage available to its full-time employees. All salaried positions are considered to be full-time positions. Hourly employees whose established work schedule is forty hours per week will be considered a full-time employee. Hourly employees whose established work schedule is less than 40 hours will be considered part-time employees, and will not be eligible for medical insurance provided by the LNC. Qualifying employees may elect one of three levels of coverage – employee only, employee plus one dependent, employee plus family – or the employee may decline coverage.

401(k) Retirement Savings Plan

Introduction

The 401(k) plan is named after the section of the federal tax code, Section 401(k), that allows an employee to direct a part of his/her pay to a personal account in a savings plan sponsored by the LNC. A participating employee does not pay federal or state income taxes on the part of his/her pay that is directed to a 401(k) account.

Enrollment is open to all full-time employees after 90 days of employment who are at least 21 years of age. Enrollment forms are available from the LNC plan administrator (the LNC Operations Director) who can answer questions you may have about the LNC plan after you have read this section in this Employee Manual.

Contributions and Vesting

If you are eligible for the LNC 401(k) plan, you may contribute 1% to 15% of your pay, up to the legal limit, which is tied to the rate of inflation and adjusted annually. LNC contributes ½% for every 1% that you contribute, up to a maximum LNC contribution of 3% of your pay.

Your contributions, made through a salary-reduction agreement with LNC, are always fully “vested,” that is, owned by you. LNC contributions are fully vested after you have been employed by the LNC for one year.

Direct Investing

You decide how to invest the contributions you make to the plan and that the LNC makes on your behalf. The LNC plan administrator has a current list of the available investment options,

which include a money market fund, a bond fund, several types of stock funds, and a balanced fund that invests in stocks and bonds.

You decide how to allocate the contributions among the available options, but you must allocate at least 10% of your contributions to each option you select. Allocations above 10% may be made in increments of 5%. As an example, you may allocate 10% to fund A, 15% to fund B, 35% to fund C, and 40% to fund D.

You may change your allocation of future contributions daily by phoning FLASH. You may also transfer your assets from one fund to another daily, also through FLASH. The LNC plan administrator will give you a personal identification number (PIN) for use with FLASH when you have enrolled with the plan.

Please contact the LNC plan administrator if you want to change the percentage of your pay that you contribute to the plan, or if you want to suspend your contributions to the plan.

Monitoring Investments

You may phone FLASH at any time to obtain your account balances.

The Washington Pension Center will send you detailed statements of your account every three months, with information about your contributions and the performance of your investments.

Access to Investments

You may receive the money that has accumulated in your retirement plan, without paying a tax penalty, when you leave the LNC at age 59 ½ or older. Because you will not have paid income taxes on the money that went into your account, the money you draw out will be taxed as ordinary income. You may take your accumulation as a lump-sum payment or as an annuity, payable over a fixed period of years.

If you leave the LNC before you reach age 59 ½, you may leave your money in the plan if you accumulated more than \$5,000 or transfer the assets to another tax-deferred investment (e.g., an Individual Retirement Account or a retirement savings plan with your next employer). If you draw directly on your accumulation before you reach age 59 ½, you may incur tax penalties.

Your designated beneficiary will be entitled to your account balance if you die before you begin to draw on your accumulation.

You may not borrow from your retirement account.