

U.S. Department of Energy
REIMBURSEMENT AUTHORIZATION

Project:

Operations and Research

Location:

Oak Ridge, Tennessee

Contractor: Lockheed Martin Energy Research Corporation

Contract No.

DE-AC05-96OR22464

Date of Contract:

January 1, 1996

The following modification to the Advance Understanding on Personnel Costs (Appendix A) is approved as an allowable cost, effective October 1, 1997.

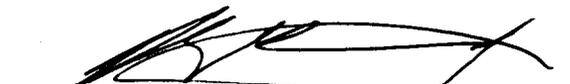
This RA incorporates changes agreed upon in discussion between the contractor and the government for incorporation into the contract, effective October 1, 1997. Pages are provided which replace pages in the Appendix A, effective October 1, 1997. The contractor has a period of 60 days to transition completely the changes resulting from the revised RA.

Pages 4-3 should be removed and replaced with the attached. The following highlights the changes incorporated by this RA:

Page	Paragraph	Description
4-3	4.4.1b	Updates the Vacation Payment provision to provide for employee transfers within Lockheed Martin Corporation.



Approved for the U.S. Department of Energy by:


E. G. Cumesty, Assistant Manager for Laboratories

Date:

2/27/98

I. Contractor: LMER

Subject: Revision of how vacation benefits are handled for employees transferring between Lockheed-Martin corporate entities.

II. Analysis of Contractor's Request and Recommendation of Industrial Personnel Group:

This revision is identical to a recent change (RA#48) made in the Appendix "A" to the LMES contract. When an LMER employee transfers to another company within Lockheed-Martin Corporation, the contractor is authorized to transfer funds to the new organization to cover the liability and/or to make payment directly to the employee. The cost of this action will not exceed the cost that would be incurred by the contractor if the employee had voluntarily quit.

III. Recommend Approval/Date: J. Christopher Hill 2/2/98
(Industrial Relations Specialist)

Concur/Date: William A. Frey 2-19-98
(Team Leader, Industrial Personnel Group)

Approve/Date: [Signature] 2/27/98
(Assistant Manager for Laboratories)

4.3 Short Term Disability Pay for Salaried Employees (Cont.)

Salary continuation for short term disabilities will be on a per disability basis. Ordinarily, salary payments during short term disabilities will be made at the employee's adjusted rate. Any "loss-of-earnings" payments received, such as Workmen's Compensation Benefits in cases of occupational disability, will offset the continued payments of salary.

4.4 Vacations

The cost of salaried employee vacations taken in accordance with the established vacation plan is allowable.

Company Service on 1/1/96	Vesting Schedule	Eligibility	Banking Maximums*
Employees ≥ to 15 years	Upon attainment of actual service	6 mos. CSC - 40 hrs.	None
	Upon attainment of actual service	1 yr. CSC - 80 hrs.	None
Employees < 15 years	Vest vacation for next CY on 12/31 of previous CY. CSC requirements in eligibility table can be met anytime in the CY in which the vacation is taken.	2-4 yrs. CSC - 80 hrs	None
		5-9 yrs. CSC - 120 hrs. 10-19 yrs. CSC - 160 hrs. 20-24 yrs. CSC - 200 hrs. 30+ - 240 hrs. **	1 wk./yr. - max. 240 hrs 2 wks./yr. - max. 240 hrs. 2 wks./yr. - max. 240 hrs. 2 wks./yr. - max. 240 hrs.
New Hires after 1/1/96	Same as above	6 mos. CSC - 40 hrs. 1 yr. CSC - 80 hrs. 2-4 yrs. CSC - 80 hrs. 5-9 yrs. CSC - 120 hrs. 10-19 yrs. CSC - 160 hrs. 20+ CSC - 200 hrs.	Same as above.
New Hires after 1/1/96	Vacation accrued monthly	Same eligibility as employees with <15 years service	None
			None
			None 1 wk./yr. - max. 200 hrs. 2 wks./yr. - max. 200 hrs. 2 wks./yr. - max. 200 hrs. 2 wks./yr. - max. 200 hrs.

*Core vacation is the 80 hours per year of vacation entitlement that all eligible employees are strongly encouraged to use. Core vacation may not be banked.

**EMEF employees located at Portsmouth Site on January 1, 1991, and who at that date had 15 or more years of service, will be entitled to 240 hours vacation for 25 years of service.

4.4.1 Vacation Payments

a. An hourly employee who is deprived of a vacation at the end of the year due to a short term disability, through management action, or because of unusual working conditions may receive payment for such vacation in addition to regular pay. A salaried employee similarly deprived of a vacation will receive equivalent time off in the following year unless payment for the vacation is authorized by the contractor.

b. An individual may be paid for unused vacation at the time of termination. When an employee transfers to another company within Lockheed Martin Corporation, the contractor is authorized to transfer funds to the new organization to cover the liability and/or to make payment directly to the employee. The cost of this action will not exceed the cost that would be incurred by the contractor if the employee had voluntarily quit.