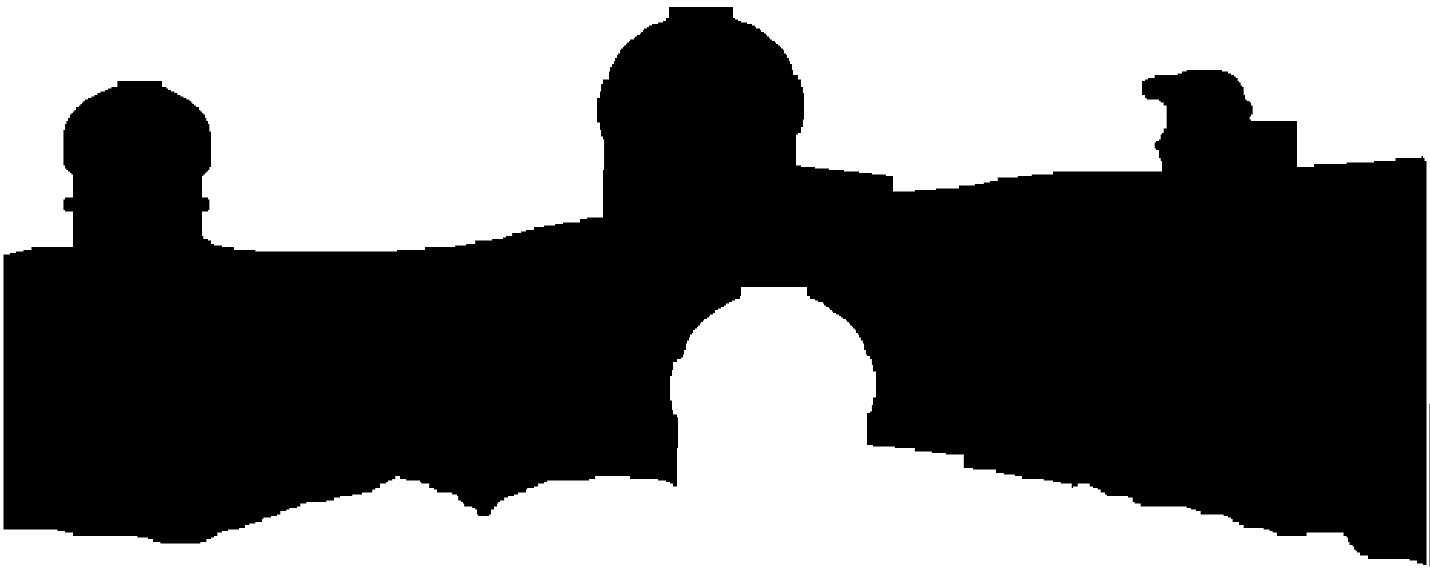
GEMINI
8-M Telescopes
Project

PG-PM-G0016

Commuting and Relocation Policy for Gemini South



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Purpose.

This Policy is designed to apply solely to commuting and relocation of Gemini Project employees to Chile to perform integration, commissioning and operations activities related to Gemini South. A separate policy will govern compensation related to commuting and relocation to Gemini South.

This Policy is established to govern commuting and relocation compensation payable to AURA employees while engaged in work on behalf of the Gemini 8M Telescopes Project during the Construction Phase of the project. It applies to newly-appointed Employees, as well as current Employees, appointed to positions with the Gemini Project at the Gemini Directorate in Chile or Gemini South, or whose duty station is changed permanently or temporarily to the Gemini Directorate in Chile, Gemini South.

A. Definitions.

Commuting Employee. A "Commuting Employee" is an Employee whose temporary work assignment at Gemini South is governed by the Commuting Procedures.

Commuting Procedures. The "Commuting Procedures" are the procedures set forth in Section D, below.

Construction Phase. The "Construction Phase" includes all phases of the Gemini Project involved in design, construction, integration and commissioning of Gemini Project telescopes, through the date of handover of the Gemini Project telescopes to the scientific operations staff who will operate them.

Director. The "Director" is the Gemini Director.

Employee. An "Employee" is: (1) an individual who is newly-appointed to, or an individual who has received a written offer of, Gemini Project employment; or (2) an employee serving under a Gemini Project appointment. "Newly-appointed" refers to the first appointment to the Gemini Project or an appointment following a break in Gemini Project service of at least 90 days.

Gemini Directorate. The "Gemini Directorate" is the office of the Directorate for the Gemini Project and Observatory. The Gemini Directorate is located in Tucson Arizona, as of June 1, 1996, but may be located at other locations from time to time in the future.

Gemini North. "Gemini North" refers to the Gemini Project observatory located on the summit of Mauna Kea, Hawaii, together with all related facilities in Hawaii County.

Gemini Project. The "Gemini Project" is the operating unit of AURA that manages the construction, commissioning and operation of the Gemini Telescopes (Gemini North and Gemini South).

Gemini South. "Gemini South" refers to the Gemini Project observatory located on the summit of Cerro Pachon in Chile, together with all related facilities in Chile.

Policy. This "Policy" includes the policies and procedures set forth in this "Commuting and Relocation Policy."

Point of Origin. The "Point of Origin" is any area where the Employee resided at the time of hire by the Gemini Project.

Relocating Employee. A "Relocating Employee" is an Employee whose temporary work assignment at Gemini South is governed by the Relocation Procedures.

Relocation Procedures. The "Relocation Procedures" are the procedures set forth in Section E, below.

Service Agreement. A "Service Agreement" is a written agreement between the Gemini Project and an Employee under which the Employee agrees to a specified period of employment at the Gemini Directorate in Chile or Gemini South locations in return for payment of a relocation premium.

Termination for Cause. An employee is "terminated for cause" if employment at AURA is involuntarily terminated by AURA as a result of inappropriate conduct, misconduct, or unacceptable work performance. See AURA Policies and Procedures Manual, Section B, Article XXIV.

B. Application of the Policy.

1. Choice of Procedure.

In order to recruit and retain the staff required for construction, commissioning and operation of the Gemini telescopes, the Director has the discretion to invoke these procedures where, in his or her discretion, they are necessary to provide adequate commuting and relocation related compensation to the Employees. When the Director has determined that this Policy governs commuting and/or relocation of any Employee, the Employee will be compensated under the provisions of the Relocation Procedures or the Commuting Procedures, as follows:

<u>Commuting Procedures.</u> If the assignment to work at the Gemini sites in Chile, Gemini South, is for a period of less than 12 months, the Employee is compensated under the Commuting Procedures.

<u>Relocation Procedures</u>. If the assignment to work at the Gemini sites in Chile, Gemini South, as specified in the Service Agreement, is for a period of 12 months or more, the Employee is compensated under the Relocation Procedures.

2. Tax Implications.

Many of the premiums, payments, reimbursements and allowances provided by this Policy are or may be subject to taxation by the United States and State taxing authorities. The amounts specified in this Policy, however, are designated on a pre-tax basis, without consideration given to any potential tax impact. As a result, the actual amounts received by Employees after appropriate tax has been withheld may be lower than the amounts specified in this Policy. Each Employee should consult with an appropriate tax specialist, accountant or attorney to determine the impact of federal and state tax law and regulations as to his or her individual circumstances.

C. Commuting Procedures.

1. Procedure.

Commuting Employees are entitled to the following benefits during any period for which the Director has determined that the Commuting Procedures apply:

- Travel Reimbursement
- Per Diem
- Shipping of Personal Effects
- Transportation for dependents

Each is described individually below.

2. Travel Reimbursement.

Except as provided in paragraph D.3, below, the Gemini Project will reimburse all actual and reasonable expenses incurred by Commuting Employees in traveling to and from the Gemini sites in Chile, as provided in the AURA Policies and Procedures Manual, Section B, Article XVIII, Sections A and B.

3. Per Diem.

a. Benefit.

Commuting Employees are entitled to a per diem for each day that they are involved in travel on behalf of the Gemini Project. The per diem amount is designed to reimburse such Employees for meals and incidental expenses, and constitutes a reasonable estimate of the actual amount expended by the Employees for such purposes. As a result, this per diem benefit replaces the provisions of AURA Policies and Procedures Manual, Section B, Article XVIII, Sections A and B, regarding "actual and reasonable expenditures".

The Gemini per diem amount to be paid for meals and incidental expenses shall not exceed the U.S. Government rate and is established for Gemini at a maximum of $90 for La Serena, adjusted as follows:

- For the initial 30 days, cumulative, on travel status at Gemini South: 100% of the Gemini per diem rate;
- For the succeeding 90 days, cumulative, on travel status at Gemini South: 65% of the Gemini per diem rate; and
- After 120 days, cumulative, on travel status at Gemini South: 55% of the Gemini per diem rate.

b. Per Diem Rates.

The per diem rate will be amended from time to time in proportion with U.S. Government per their rate changes.

4. Shipping Of Personal Effects.

a. Benefit.

Commuting Employees commuting to Gemini South are entitled to receive a one time shipment (including packing) by air freight of 500 net pounds of personal effects to. In addition, Commuting Employees commuting to Gemini South are entitled to receive a one time return shipment of such personal effects to Other Locations, Tucson, Arizona, the Gemini Directorate or the employee's Point of Origin, at the discretion of the Employee. Return shipment, as provided in the preceding sentence, only applies if it occurs within 90 days after the date of termination of the Commuting Employee's temporary assignment at Gemini South, as appropriate. In all cases, the shipment will be provided by AURA.

b. Repayment.

If the Commuting Employee resigns for reasons within his or her control or is terminated for cause by the Gemini Project within 12 months, or the period of the temporary assignment, whichever is less, after the date of shipment of the personal effects to Gemini, as appropriate, the Employee is not entitled to receive the benefit of return shipment of personal effects, as provided in the preceding paragraph.

c. Transportation for Dependents

At the discretion of the Gemini Director, round trip transportation may be provided for dependents.

D. Relocation Procedures.

1. Procedure.

Relocating Employees are entitled to the following benefits, as provided in this Section E, during any relocation for which the Relocation Procedures apply:

- Travel Reimbursement
- Shipping of Personal Effects
- Relocation Premium
- Cost of Living Allowance
- Mobility Allowance

Each is described individually below.

2. Travel Reimbursement.

[This needs to be adjusted for current AURA policies for travel to Chile.]

Except as specifically provided otherwise in this Section E, the Gemini Project will reimburse all actual and reasonable expenses incurred by Relocating Employees and their families in traveling to Chile. Except as specifically provided otherwise in this Section E, the Gemini Project will reimburse all actual and reasonable expenses incurred by Relocating Employees and their families in traveling from Chile to Tucson, Arizona, the Gemini Directorate, Gemni North, Hawaii or the employee's Point of Origin, at the discretion of the Employee, upon completion of the Relocating Employee's assigned temporary duty at such location. Reimbursement of return expenses, as provided in the preceding sentence, only applies if the return travel occurs within 90 days after the date of termination of the Relocating Employee's temporary assignment at Gemini. All such reimbursement is as provided in the AURA Policies and Procedures Manual, Section B, Article XVIII, paragraphs D.1.a - D.1.c. except reimbursable relocation expenses include the cost of a rental car for up to 30 days to provide local transportation at Gemini South or until the employee's vehicle is acquired, whichever occurs first.

3. Shipping of Personal Effects.

a. Benefit.

Employees relocating to Gemini South are entitled to receive a one time shipment by AURA of personal effects to Gemini South, as appropriate, and/or storage of personal effects during the period of relocation. The repayment provisions and the maximum benefit defined in b. and c. shall apply to the total of payments for shipment and storage. Employees relocating to Gemini South are also entitled to receive a one time return shipment by AURA of personal effects to the Gemini Directorate, Gemini North, Hawaii or the employee's Point of Origin, at the discretion of the Employee. Such return shipment only applies if it occurs within 90 days after the date of termination of the Relocating Employee's temporary assignment at Gemini. All such shipment is as provided in the AURA Policies and Procedures Manual, Section B, Article XVIII, paragraphs D.1.d and D.1.e, and Sections D.2 through D.4. In all cases, the Relocating Employee is responsible for payment of all insurance cost over and above the shipping or storage company's contract insurance liability limits.

b. Repayment.

If the Relocating Employee resigns for reasons within his or her control or is terminated for cause by the Gemini Project within 12 months after the date of transfer to Gemini, the Employee shall repay to the Gemini Project all amounts paid by the Gemini Project for shipment of personal effects under this Section E.3 within 60 days after such resignation or termination.

c. Maximum.

Notwithstanding any provision of paragraph E.3.a, above, to the contrary, the amount payable by AURA in accordance with paragraph E.3.a for the shipment of personal effects shall not exceed the limits stated in AURA Policies and Procedures Manual, Section B, Article XVIII, paragraph D.1.d., and the amount payable by AURA in accordance with this Section E.3 for the return shipment of personal effects shall not exceed the limits stated in AURA Policies and Procedures Manual, Section B. Article XVIII, paragraph D.1.d.

4. Relocation Premium.

a. Benefit.

i. At the Director’s discretion, a relocation premium may be paid to Employees who must relocate to the Gemini sites in Chile. This premium is not to be viewed as a benefit to which Employees with similar duties and qualifications are entitled.
ii. A relocation premium is paid as a lump sum and calculated as a percentage of the Employee's annual rate of basic pay (i.e., the rate of pay set by administrative determination for the position, exclusive of additional pay of any kind and other benefits or pay adjustments provided by this Policy). The premium shall not exceed 25% of the Employee’s annual basic pay. The premium is not considered part of the rate of basic pay for any purpose and is separate from any relocation and moving expenses that may be paid.

b. Application of Premium.

In determining the appropriateness of a relocation premium, the following factors, as they apply to each individual case, may be considered:

i. The unusually high or unique qualifications of the Employee or the special needs of the Gemini Project for his or her services that make it essential to hire or retain the Employee and that, in the absence of a relocation premium, the Employee may not accept employment with, or may leave, the Gemini Project;
ii. The extent to which the departure of the Employee would affect the ability of the Gemini Project to carry out an activity or perform a function essential to its mission;
iii. The current and expected performance level of the Employee, as well as the salary that has been offered to the Employee;

iv. The success of recent efforts to recruit candidates with qualifications similar to those of the Employee for positions similar to that of the Employee;
v. The availability in the labor market of candidates for employment who, with minimal training, could perform the full range of duties and responsibilities assigned to the Employee; and
vi. Recent turnover in similar positions.

c. Additional Requirements.

i. Service Agreement. Before a relocation premium may be paid, the Employee shall enter into a Service Agreement that states the amount of the premium and requires completion of a specified period of employment of 12 months or more with the Gemini Project. A copy of the signed Service Agreement will be retained in the Employee's Personnel File.
ii. New Residence. Before a relocation premium may be paid, the Employee must provide acceptable evidence of disposition of the Employee's existing residence, and acquisition of a residence (e.g., a letter from AURA Services, Chile acknowledging allocation of an AURA house, rental agreement or purchase contact) in the area of the work assignment at the Gemini Directorate in Chile or Gemini South.

d. Repayment.

i. If an Employee fails to complete the period of service established under a Service Agreement, the Employee shall repay the relocation premium on a *pro rata* basis. The amount to be repaid is determined by multiplying the premium amount by the proportion that the number of months of service completed bears to the period of service required under the Service Agreement. In making this calculation, a month is considered to be 30 days, and partial months are not considered. Any repayment shall be made within 60 days after the date of termination of employment with the Gemini Project.
ii. All or a portion of a required repayment may be waived at the discretion of the Director, but only if the Director determines that recovery would be against equity, good conscience, or the Gemini Project's interest.

5. Cost of Living Allowance.

a. Benefit.

i. All Employees relocating to Chile will receive a Cost of Living Allowance in an amount to be determined by AURA for all its operations in Chile. This cost of Cost of Living Allowance will is determined by the following formula:

Cost of Living Allowance = Base Salary X Index

where Base Salary is the employee's basic pay, which excludes any adjustments specified in this Policy, and the Index is a value to be determined by the Director from time to time.

ii. The Cost of Living Allowance commences upon the Employee's arrival at the Gemini site in Chile. It ceases upon the earlier of: (a) the departure of the Employee from Chile, as appropriate; (b) completion of the Employee's assignment in Chile
iii. The Cost of Living Allowance is annualized, payable in equal amounts in each pay period, but is subject to cancellation at any pay period. Although it is paid along with basic pay of the Employee, the allowance is not considered part of basic pay for any purpose.

b. Index.

The Indices for Gemini South will be reviewed periodically, and reported annually, as provided in paragraph E.7.b, below.

6. Mobility Allowance.

a. Benefit.

i. At the discretion of the Director, a mobility allowance may be paid to Employees relocating to Gemini South who represent a valuable resource to the Gemini Project, and whose continued employment with AURA may cause unnecessary hardship to the Employee. The circumstances to be considered in granting a mobility allowance are described in more detail in paragraph E.6.b, below.
ii. A mobility allowance is calculated as a percentage of the Employee's annual rate of basic pay (i.e., the rate of pay set by administrative determination for the position, exclusive of additional pay of any kind and other benefits or pay adjustments provided by this Policy). The allowance shall not exceed 15% of the midpoint of paygrade 52. The allowance is not considered part of the rate of basic pay for any purpose and is separate from any cost of living allowance that may be paid.
iii. Except as provided otherwise in paragraph E.6.a(ii), above, the amount of the mobility allowance is at the discretion of the Director. A mobility allowance may be paid as long as the conditions on which the original determination was made continue to exist. However, the mobility allowance is limited to 24 months. A mobility allowance is paid in equal increments at the completion of each 6 months of the period of employment specified in a Service Agreement. Any balance due to the Employee is paid at the completion of the period of employment specified in a Service Agreement.

b. Application of Mobility Allowance.

In determining the appropriateness of a mobility allowance, the following factors, as they apply to each individual case, may be considered:

i. The unusually high or unique qualifications of the Employee or the special needs of the Gemini Project for his or her services that make it essential to retain the Employee;
ii. The extent to which the departure of the Employee would affect the ability of the Gemini Project to carry out an activity or perform a function essential to its mission;

iii. The current and expected performance level of the Employee, as well as the salary that has been offered to the Employee; and
iv. The circumstances that have resulted in the hardship to the Employee, and the likelihood that failure to alleviate the hardship would cause the Employee to leave the Gemini Project.

c. Reduction.

The Director, at his or her discretion, may reduce or terminate a mobility allowance at any time it is determined that:

i. A lesser amount (or none at all) is sufficient to alleviate the hardship to the Employee; or
ii. The Director determines that circumstances have changed, so that it is unnecessary or inappropriate to continue payment at the level originally approved (or at all).

Except as provided by the grievance procedure of the AURA Policies & Procedures Manual, the reduction or termination of a mobility allowance may not be disputed or appealed by the Employee.

7. Guidelines; Reports.

a. Guidelines.

i. Annual Relocation Procedure Guidelines. The Director will establish and report Relocation Procedure guidelines, which will be used to determine of the amount of Relocation Premiums and Mobility Allowances, on an annual basis, as provided in paragraph E.7.b, below.
ii. Guidelines for Key Personnel. The Relocation Premiums and Mobility Allowances for Gemini Project "Key Personnel," as defined in the Gemini Project Cooperative Agreement between AURA and the National Science Foundation, shall be determined by the President of AURA.

b. Annual Report.

On or before the beginning of each Gemini Project reporting year (the calendar year), the Director will provide a report to the President of AURA regarding the status of this Policy and its application. This report will include:

i. The value of the Cost of Living Indices to be used in the next reporting year, along with evidence supporting such value;
ii. A copy of the Relocation Procedure guidelines to be used in the next reporting year;
iii. A record of payments made to individuals under the Relocation Procedures in the ending reporting year;
iv. A copy of each Service Agreement placed during the ending reporting year; and
v. A description of any deviations from the Relocation Procedure guidelines during the ending reporting year, along with supporting commentary.

Matt Mountain
Gemini Director

1998 Policy Guidelines for Relocations to Gemini South, Chile

These guidelines spell out the payments expected to be made, as a percentage of base salary, under the discretionary elements of the Policy, i.e. the Relocation Premium (not to exceed 25% of base salary) and the Mobility Allowance (not to exceed 15% of base salary), as well as the maximum amounts that may be paid to any one employee under the Policy.

1. *Relocation Premium*

a. House rented

Base Salary	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000
1 in Household	13%	9%	7%	5%	4%
2	18%	12%	9%	7%	7%
3	22%	15%	11%	9%	9%
4 or more	25%	18%	13%	11%	11%

b. House sold

This level of Relocation Premium will normally only be paid for relocations of 24 months or more.

Base Salary	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000
1 in Household	21%	17%	15%	14%	13%
2	25%	21%	18%	16%	15%
3	25%	24%	20%	18%	18%
4 or more	25%	25%	23%	20%	21%

c. Maximum.

In no case shall a Relocation Premium exceed $25,000.

2. *Mobility Allowance*

Base Salary	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000
	15%	15%	13%	10%	8.6%

a. Maximum.

In no case shall the Mobility Allowance exceed $25,000 per year.