

## **CELL PHONE STIPEND POLICY**

### **Eligibility Requirements**

Employees who hold positions that include the need for a cell phone may receive a stipend as additional compensation for using their personally-owned cell phones for business-related purposes. An employee is eligible for a stipend if at least one of the following criteria is met:

- The job function of the employee requires considerable time outside of his/her assigned office or work area and it is important to the company that they are accessible during those times;
- The job function of the employee requires him/her to be accessible outside of scheduled or normal working hours;
- The employee is designated as a “first responder” to emergencies on Company property.

### **Stipend Plan**

If an employee meets the eligibility requirements for a cell phone, as outlined above, a Stipend may be requested using the Cell Phone Stipend Agreement form. The request may be made any time during the fiscal year.

Once approved, the Stipend amount will be added to the employee’s regular pay. As per IRS guidelines, any amount added for equipment or service will be identified as a non-taxable fringe benefit.

This Stipend does not constitute an increase to base pay, and will not be included in the calculation of percentage increases to base pay due to annual raises, job upgrades, bonuses, benefits based on a percentage of salary, etc.

The Stipend will be paid at a flat rate of \$35.00 per month even if your monthly costs exceed that amount. A new request form must be submitted and approved by the President/CEO, Executive Vice President or Vice President of Operations if the Stipend amount needs to be changed because of documented business purposes.

### **Employee Rights & Responsibilities**

The employee is responsible for purchasing a cell phone and establishing a service contract with the provider of his/her choice. The contract is in the name of the employee, who is solely responsible for all payments to the service provider. The employee purchases service and equipment; determines plan choices, service levels, calling areas, service and features; and accepts termination clauses and payment terms.

Because the cell phone is owned by the employee, the employee may use the phone for both business and personal purposes, as needed. The employee may, at his or her own expense, add extra services or equipment features, as desired. If there are problems with service, the employee is responsible for working directly with the carrier for resolution. Paket does not accept any liability for claims, charges or disputes between the service provider and the employee.

An employee receiving a Stipend must be able to show, if requested by their Supervisor, a copy of the monthly access plan charges and business-related use to determine if the stipend reimbursement is appropriate.

Use of the cell phone in any manner in violation of any of Paket’s policies or procedures or contrary to local, state, or federal laws will constitute misuse, and will result in immediate termination of the stipend and may be subject to disciplinary action.

Cell phones covered by this policy are used in part to conduct Company business and/or to create, receive, send, or store Company data. As a result, information contained on devices covered by this policy are also subject to Federal and State data maintenance and protection laws as well as all Paket policies and procedures, including

those pertaining to data security, acceptable computing use, and email. An employee receiving a Company stipend must comply with Federal, State, and Paket Corporation Policies and assist the Company in providing access to information about or contained on the cell phone covered by this policy in response to requests for such data or information by third parties as required by Federal and/or State law.

### **Oversight, Approval, & Funding**

Individual departments and department heads are responsible for identifying employees who hold positions that include the need for a cell phone. Each department is strongly encouraged to review whether a cell phone<sup>1.3.20</sup> is necessary, and to select alternative means of communication; for example, mobile radios - when such alternatives would provide adequate and less costly service to the Company.

The department head is responsible for overseeing employee cell phone needs and assessing each employee continued need of a cell phone for business purposes. The Stipend will be reviewed annually with Human Resources during which it will be determined if existing stipends should be continued as-is, changed or discontinued.

### **Cancellation**

The Stipend Agreement will be immediately cancelled if an employee receiving a cell phone stipend terminates employment with the Company, violates any of the Company policies, becomes ineligible under the requirements above or violates any of the terms of the Cell Phone Stipend Agreement.

Any such stipend may also be cancelled for unsatisfactory job performance or if an employee changes job position. In case of a change in job positions, the new Supervisor must approve eligibility and forwarded to the HR Department.

The Company reserves the right to cancel and or change the Cell Phone Stipend Policy at any time.

## CELL PHONE STIPEND AGREEMENT

Employee Name: \_\_\_\_\_ Stipend Start Date: \_\_\_\_\_  
Job Title: \_\_\_\_\_ Monthly Stipend Amount: \$35.00 per month  
Supervisor: \_\_\_\_\_  
Cell Phone #: \_\_\_\_\_ Cellular Carrier: \_\_\_\_\_  
Business Purpose: \_\_\_\_\_  
\_\_\_\_\_

### Policy Summary

Employees who hold positions that include the need for a cell phone may receive a stipend as additional compensation for using their personally-owned cell phones for business-related purposes. The stipend will be considered a non-taxable fringe benefit to the employee. The stipend amount will be determined by the Company and may be, at the Company's sole discretion, changed or discontinued. For more information, refer to the Cell Phone Stipend Policy.

### Employee Responsibilities

As a recipient of a cell phone stipend you have the following responsibilities:

- Purchase cellular phone service and equipment and assume responsibility for vendor terms and conditions. You are responsible for plan choices, service features, and calling areas that meet the requirements of your job and the area of service the stipend is intended to cover (during travel or at home). This includes termination clauses, and paying all charges associated with the cellular service and device.
- Report any job function changes that eliminate or significantly reduce your business need for a cell phone or, if you reduce service levels in the wireless contract below the reimbursed amount, you must report these changes to your Supervisor within five (5) business days.
- Keep (or have access to) you monthly cell phone bills for a two-year period.
- Avoid using your cellular phone for work related purposes while operating a motor vehicle, machinery or in other dangerous situations. If you work in hazardous areas you must refrain from using your cell phone while at work in those areas, as such use can potentially be a major safety hazard.
- If you are charged with traffic violations resulting from the use of your personal cell phone while driving you are solely responsible for all liabilities that result from such actions.
- Comply with all Company policies, including those pertaining to data security, acceptable computing use, email, confidential and proprietary information, social media and personal cell phone use policy, as well as all Federal and State data maintenance and protection laws (e.g., FERPA, record retention requirements, etc.).
- You assume all responsibility for loss, damage or theft of your personal cell phone used for business related purposes.
- Delete all Paket Corporation data from the cell phone when employment with Paket is severed, except when required to maintain the data in compliance with a litigation hold notice.

### Employee Certification

By signing below, I certify that I have read, understand, and agree to the Cell Phone Stipend Policy and my responsibilities under the policy.

\_\_\_\_\_  
*Employee Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Human Resources Signature*

\_\_\_\_\_  
*Date*