

## **Professional Employee Compensation Plan**

IAS offers a comprehensive compensation and benefit package to its employees. All full-time employees are considered exempt, and are salaried. Most employees are dedicated to one specific contract, but may also participate in consulting projects on a not-to-interfere with their primary duties conditional basis.

**Base Salary:** All full-time employees receive a base salary that is negotiated and finalized during the hiring process. Your salary is always offered and accepted in writing prior to hiring. Because you will be a professional employee, you will not be subject to overtime, and you can expect your hours in support of your government or corporate client to vary. You can expect your position to be full-time, meaning that you will work a normal, professional workweek, like your Government client.

**Overtime/Side Work:** Those employees who are granted additional hours to their contract due to extraordinary workload, or participate in consulting work receive a rate equivalent to 75% of the fully burdened rate chargeable under the applicable wage category.

**Vacation/Sick Leave:** IAS employees initially receive 80 vacation hours and 40 sick hours per calendar year. This leave is accrued monthly. Vacation is meant to be used and we strongly encourage employees to take advantage of scheduled time off. Unscheduled vacation will also be granted in situations where advance notice is impossible. On the first of the month following your fifth year of employment, your vacation hours will accrue at a rate equivalent to 120 per year. On the first of the month following your sixth through tenth anniversary, you will accrue an additional 8 hours per year, up to a maximum of 160 hours of vacation per year. Sick leave is for illness or injury of the employee only.

**Retirement Plan:** IAS has a mutual-fund based Safe Harbor 401k plan with Charles Schwab. It is administered by a Third-Party Administrator, who maintains the program in accordance with all federal standards. All employees are encouraged to participate and may contribute their maximum allowable annual amount to the plan. That amount is matched at a rate of 100% for the first three percent of direct compensation and 50% of compensation after that up to a total of 5% of total gross compensation invested. Employee contributions are made through semi-monthly payroll deduction. Employer matching and employee deductions are deposited semi-monthly.

**Healthcare Insurance:** IAS is a small business incorporated in the state of Virginia and has less than 50 employees. Since the termination of the Small Business Health Options Program (SHOP) under the Affordable Care Act, we have struggled to obtain and maintain reliable, quality employer-managed healthcare insurance for our employees. This is because our employee base is comprised of a large percentage of military retirees and our employees are distributed throughout the United States, rather than being concentrated in Virginia.

We have instituted a new initiative for employees who need health insurance coverage. We have instituted an Individual Coverage Healthcare Reimbursement Arrangement (ICHRA). This program has proven to be very popular with our younger employees who need affordable health insurance. Because there exists now a robust market for individual plans by all insurance

providers, including the Affordable Care Act Healthcare Exchange, we will pay 60% of the cost of the employee premium in a qualifying individual plan with Kaiser Permanente. This supplement covers just the employee's portion of their premium. Employees remains responsible for the remaining 40% of the employee premium plus 100% of the premium for any additional family coverage desired and pay their insurance company directly. In order to be eligible for this benefit, the employee must submit documentation reflecting the cost of each covered person and must be revalidated annually or if the situation changes. We have an agent available to support or you may use any other source.

**AFLAC:** IAS employees may enroll in the company AFLAC group plan, and pay pre-tax premiums through payroll deduction.

**Commuter Benefit:** IAS participates in the WMATA SmartBenefits Commuter Benefit Program. This program, authorized by the IRS, allows employees to charge their SmartTrip account using your withheld pre-tax funds deducted each payday. Funds in your SmartBenefits account do not expire and unused funds will roll over into the new month. Participating employees can save up to 30% on WMATA transit costs.

**Performance Bonuses:** IAS uses performance bonuses to incentivize individual employee performance that is good for business, and leads to growth, increase in business capacity, or enhances the reputation of our professional workforce. Bonuses are not an entitlement and should not be assumed as part of basic compensation or relied upon for income. Bonuses are competitive in nature and are allocated by the CEO in conjunction with recommendations by sector leads and the CFO. Reasons for offering bonuses include, but are not limited to the following:

- Superlative performance that leads to an increase in direct labor within your product area by means of recommendations for increased level of effort by the awarded employee or by addition of new employees to a contract;
- Business development in terms of participation in bid and proposal efforts that result in new contract award and a significant increase in the direct labor base;
- Demonstrable performance in General and Administrative duties that results in increased capacity to accommodate additional direct labor without the increased expense of hiring additional persons; and
- An incentive to remain in a position beyond the initial contract year, when recommended by IAS management and the management. This is not to be confused with deferred compensation incorporated into offer letters to encourage continuation after the newly hired employee's initial probation period.

**Holiday Bonuses:** Holiday bonuses are non-performance based and are a form of profit-sharing with employees. These bonuses are shared equally but can be pro-rated for those who are newly hired. Holiday bonuses are based strictly on annual profitability and may or may not be offered in any fiscal year.