

WELCOME ABOARD!

On behalf of "YOUR NAVY FAMILY STORE" Team, WELCOME ABOARD! You have joined an organization with a proud tradition, an honored present, and a professionally brighter future. As a new member you have an important role to play in the continued success of the Navy Exchange System (NES). We take pride in our organization because of our associates - the heart and soul of the Navy Exchange Service Command (NEXCOM). Dedication and commitment to serving the Navy family is displayed in every exchange location throughout the world.

As a new exchange associate you are certain to have questions concerning the company, its expectations, benefits, and standards. Your handbook is designed to provide general information about our organization and help you get oriented in your new surroundings.

Your handbook summarizes most of the NES' employment practices and the benefits you receive as an associate. The specific policy document, instruction, directive, or provision of law must be referred to for a determination of applicability. This Handbook creates no rights or causes of action and may not be relied upon by any person, organization, or entity to allege a denial or rights, or to request any remedies. You will receive updated information periodically. If you have any questions regarding our policies, benefits, etc., the best sources to ask are your supervisor or a member of the human resources group.

Please read your handbook thoroughly and retain it for future reference. We are committed to provide the training, development, and communication you need to enhance your knowledge, and succeed in your career field. You are encouraged, however, to take the initiative and learn as much as you can about your department, its functions, and the NES.

MISSION

To provide our customers quality goods and services at a savings, and support quality-of-life programs.

VISION

- We are our "Navy Family" store
- We save our customers money every day.
- We offer our customers the best value for their money.
- We are driven by local market needs.
- We are passionate about quality customer service.

VALUES

- Service to our customer is the top priority of every associate and the purpose of every position.
- Honesty, integrity, loyalty, and trustworthiness guide our behavior.
- We believe in, promote, and pursue excellence throughout our organization.
- We shall ensure superior customer service, associate
- Quality service for our customers
- A rewarding work environment for our associates
- Successful execution of our mission

soldiers were located. In the early days of the Navy, common necessities were purchased by the paymaster for resale to the crew at the ship's canteen.

In John Paul Jones' Navy of the early 1800's, the functions of the canteen had gradually been usurped by "bumboaters". These were private merchants who rowed out into the harbor to peddle tobacco, sweets, and the other necessities to men on board Navy ships. Sometimes they followed the fleet from port to port. Sailors would place their money in a pail, lower it over the side and haul back their purchases. The custom was picturesque but not very satisfactory. Quite frequently the merchandise was poor, overpriced, and of questionable origin.



It was to prevent abuses by the bumboaters that Congress established ships stores in 1909. Next, in 1923 came the ships service stores, set up by Navy regulations to provide services not offered by ship stores, such as laundry, shoe repair, tailors, barbers, and soda fountains. These were supported by unofficial funds obtained by subscriptions among enlisted men and officers, or borrowed from other sources. On April 1, 1946, the U. S. Navy Ship's Store Office (NSSO) was created to provide efficient control over these far-ranging services and to put the stores on a self-supporting basis. In 1950, ships service stores became known as Navy Exchanges. To this day Navy Exchanges still relieve you, the taxpayer, of the necessity of supporting a welfare and recreation program for the morale of Navy personnel and their family members.

Over the years, our name has changed as has the width and breadth of our business. As you reflect on our colorful past, let's move on to the NES today.

Customer Service

Our customers are the focus of everything we do in the NES. The Navy community we serve includes active duty personnel, family members, reservists, and retirees. Navy men and women go "in harms way", in defense of our nation. We owe it to them to provide only the highest quality service every day.

Whether it's our merchandise, the type of service we provide, or our location, our customers shop at the Navy exchange for many reasons. When our customers leave our stores they take a lasting impression with them. A pleasant shopping experience ensures a return visit. However, taking care of our military customers is only a part of the total picture. Many of us also have internal customers. Those of us who work at NEXCOM headquarters must keep in mind that service to associates at Navy exchanges is the reason we are employed. If our objective is to provide premier service to fellow associates, our goal of exceeding the expectations of our military customer is easily realized. Your handbook provides additional information on customer service in the chapter "What We Expect From You." Remember our first and foremost responsibility as a team member is to respect and care for one another. Each of us is an important member of the NES team.

Associate Orientation

Shortly after reporting to your new position, you are going to be scheduled for new associate orientation. The orientation session presents an excellent opportunity for you to increase your knowledge about the NES as well as to meet new co-workers. You will learn more about the organizational structure of the NES. All aspects of our business are going to be discussed. Representatives from the Human Resources Group are also present to explain key personnel programs such as your compensation and benefits package, career and training opportunities, and standards of performance. Well informed associates give excellent customer service, so please feel free to ask lots of questions.

NES Today

The NES does almost two billion in sales annually, making it one of our nation's largest retailers. We employ over 15,000 associates worldwide, and more than 30% are military family members. There are four core businesses within the NES. Here is a thumbnail sketch of each of them.

Navy Exchanges (NEX) - There are over 100 Navy Exchanges worldwide. The NEX program is the largest of our four businesses, housing a variety of retail outlets such as department, specialty, and package stores. However, that is not all. NEXs also provide necessary services to our Navy community such as barber and beauty shops, automotive centers, laundry/dry cleaning facilities, modern food courts and much more.



Navy Lodges - Officially established in 1969, the Navy Lodge Program provides temporary and affordable housing for Navy families relocating to a new duty station. Today, there are over 40 lodges worldwide. Occupancy remains well above the private sector average. Our Navy Lodges share our quality of life mission. In making lodge reservations, priority is given to relocating families. However, active duty, reservists, retirees, Department of Defense personnel on official duty travel, official guests of the command, and you, are eligible to

use Navy Lodges. Like Navy Exchanges, Navy Lodges are self-supporting. Profits are used to cover the cost of operations as well as renovation and construction projects.

Ships Stores - The Navy Exchange Service Command's (NEXCOM) influence is felt on the sea as well. Ships Stores are retail outlets on ships that provide basic necessities for sailors. They also operate vending, laundry, and barber shop facilities. Currently, there are over 150 Ships Stores operated under NEXCOM's technical guidance. An important part of shipboard quality of life and morale, the Ships Store Program provides sailors with a little bit of home on the high seas. All Ships Store profits support crew quality of life and are either retained onboard for the ship's own Morale, Welfare, and Recreation (MWR) Program or are distributed to the MWR Central Fund.

Navy Uniform Program - The last of the core businesses is the Navy Uniform Program. Operating the Uniform Program is one of the most important things we do for sailors. With over 100 shops worldwide, the Navy Exchange is the source for Navy uniforms. This program sets us apart from all other retailers. Our sailors depend on this key service.



The Uniform Program ensures that shops throughout the world are always in stock on uniform basics like hats, shoes, and shirts. You will learn much more about the organization at Orientation and in the weeks and months ahead. Now let's spend some time talking about the future of the NES.

An Exciting Future

You now know how we came to be and what our business is like today. You are probably wondering about the vision for the future of the NES. The major focus of the NES for the future is on systems modernization. In a dynamic retailing environment, continued success depends on better merchandising and reduced operating costs. We are reengineering business practices and implementing new technology in our retail, financial, distribution and human resources functions. You are now a part of a team poised to continue excellence in service to the Navy community.

Your Role at the NES

You play a vital role in the overall success of our organization. Whether you are a full time, part time, or flexible associate, your daily contributions help the NES to meet its challenge of providing the best to our customers.

Full-time - Associates working in continuing positions who are regularly scheduled to work 35 hours or more per week. Full-time associates are eligible for all of the NES Benefit Programs.

Part-time - Associates working in continuing positions who are regularly scheduled to work between 20 and 35 hours per week. Part-time associates are eligible for most of the NES Benefit Programs.

Flexible - Associates working in continuing or temporary positions up to 40 hours per week. The work of flexible associates may be scheduled in advance or on an "as needed" basis. Flexible associates are eligible for a limited benefits package. A Benefits Eligibility Chart is included at the end of Chapter III, "What the NES Provides."

Probationary Period

If you are a full or part-time employee, the first year of your employment is very important. During this year you are in a probationary status. The probationary period enables you and your supervisor to determine whether your continued employment with the NES is mutually beneficial. You can expect your supervisor to:

1. Discuss the duties and responsibilities of your position.
2. Describe the performance standards expected of you.
3. Provide periodic guidance and reports on your progress (good and bad).
4. Schedule you for any training required.

Overtime

If you are an hourly paid associate and are required to work overtime, you will be paid at a rate equal to one and one-half times your basic rate of pay for all hours in excess of 40 in an administrative workweek. Your supervisor can provide you specific information on your activity's overtime policy.

Shift Differential/Sunday Premium

If you are required to work evenings, nights, or Sundays you may be entitled to additional pay. Your supervisor can provide you specific information on your activity's pay policies in these areas.

CHAPTER II WHAT TO EXPECT FROM THE NES

A work atmosphere that encourages and rewards individual initiative is conducive to productivity. As a new associate you can expect the following:

Equal Employment Opportunity (EEO)

NEXCOM believes in and practices equal consideration in selections for employment, promotion, and training. We strive to ensure that all our personnel policies are free from any taint of discrimination based on race, color, religion, sex, age, national origin, disability, or for having engaged in protected EEO activity in the past. Appreciation for the diversity in our work force makes good business sense. Increased productivity is the end result when the work environment is supportive, employees believe they are valued, and their contributions are appreciated.

EEO Complaints - In the event you believe you have been discriminated against, see the EEO office at your activity as soon as possible but not later than forty-five days from the incident. An EEO counselor will talk to you concerning your complaint, gather the facts, and attempt to resolve your complaint informally. If this is not possible, the counselor will advise you concerning the filing of a formal complaint.

Zero Tolerance of Sexual Harassment

There is no tolerance of sexual harassment within the NES. Sexual harassment is defined as: Unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when:

1. Submission to such conduct is made explicitly or implicitly a term or condition of employment.
2. Submission to such conduct is used as a basis for employment decisions.
3. Such conduct interferes with an individual's work performance or creates an intimidating, hostile, or offensive environment.

Violations of the zero tolerance policy must be promptly reported to your local EEO office.

Open Communication Lines

Information enhances service levels and associate expertise. The NES strives to keep you aware of policies and business progress that affect you. This is accomplished through a series of communication media as follows:

All Hands letter - The Commander, NEXCOM periodically issues letters on subjects requiring special attention or of special interest to associates.

Global Exchange - This quarterly publication by the NEXCOM Public Affairs Office Associate provides updates on business initiatives, highlights important Newsletter personnel policies, and offers interesting articles about your co-workers throughout the NES. Associates are invited to submit articles and photographs for publication.

Information Bulletins - Functional codes at headquarters issue bulletins that regularly provide details on operational matters and explanations of changes in associate benefits or personnel programs.

Web/Electronic Media - The NES extensively uses the web and e-mail to convey information of interest to associates.

Regular Feedback on Performance

Your performance is officially reviewed on an annual basis. The Performance Appraisal is an assessment tool. You and your supervisor will discuss how well you are doing, what areas you excel in, and areas for improvement. The appraisal forms the basis for compensation awards. Your annual appraisal discussion also presents an opportunity for you and your supervisor to:

- Review your position description.
- Formulate plans for additional training.
- Discuss your career aspirations.

While your performance is officially reviewed annually, you can expect your supervisor to provide regular feedback on your performance. You can request input from your supervisor at any time.

Pay Based on Performance

The NES currently administers three pay systems. They are:

Pay Banding - If you are paid under this system, the letters "NF" appear under your job title on your position description.

Craft and Trade - The letters NA, NL, or NS appear on your job description.

Pay Banding

Pay banding is a flexible pay for performance system that allows activities to set pay at a rate commensurate with your qualifications, experience, and wage rates paid in the local area. There are six bands as follows:

NF-1: Junior Clerical/Customer Service

NF-2: Senior Clerical/Customer Service

NF-3: Supervisory Clerical/Administrative & Entry Level Specialist/Management

NF-4: Senior Specialist/Management

NF-5: Senior Management

NF-6: Senior Executive

If you fall under the Pay Banding System you may receive a salary increase or cash bonus at any time. Normally these performance awards are given in conjunction with your appraisal.

Craft and Trade Pay System (NA, NL, NS)

This pay system covers associates in skilled trades positions and those performing manual labor. If you are covered under this system your starting pay, and subsequent pay adjustments are set by law. If your performance rating is "Fully Successful" you receive a step increase of approximately 3% provided you have met time on the job requirements. Pay rates are adjusted annually based on surveys conducted of wages paid in the area.

Commission Pay Plans

Some NA, NL, NS and NF associates are paid on a commission basis. If you are paid on a commission basis you will receive a percentage of the sales you generate by performing your job. Auto mechanics, barbers, and beauticians are examples of commission pay positions.

Service & Special Achievements Recognition

There are a number of programs available to recognize dedicated service and high quality work performance. As you attain employment milestones, (every five years) you may choose from an attractive array of service awards.

Monetary and honorary award programs provide tangible recognition for day-to-day worksite accomplishments, special acts or achievements, or for distinguished service over an associate's career.

All NES activities have Associate of the Quarter and Associate of the Year programs. Annually, a special award presentation is made to the associate chosen as the Worldwide Associate of the Year.

CHAPTER III WHAT THE NES PROVIDES

Benefits Package

You know now what to expect from the NES in terms of your working conditions. This chapter discusses, in general terms, the benefits package offered to our associates. Your salary plus benefits equal your total compensation package. The NES offers a comprehensive, well-rounded range of programs that in total are better than most private sector employers. The Benefits Eligibility Chart at the end of this chapter tells you which benefits you may receive. Your Benefit Plan booklets explain provisions of the Plans in much greater detail. If you have questions concerning your benefits, see your human resources office. Our discussion of your associate benefits package begins with Leave Programs.

Annual Leave

Everyone needs a period of rest and relaxation. The NES provides a generous amount of annual leave to associates for this purpose. Annual leave may also be used for bereavement purposes. The amount of leave you earn is based on your years of service and the number of hours you work as follows:

Number of hours Accrual Rate	Number of days X worked per year	Years of Service = per year
Less than 3	5%	2080 13
3-15	7 1/2%	2080 20
More than 15	10%	2080 26

New associates must wait 90 days before they are eligible to take paid leave.

Unused leave may be carried over from one leave year to the next. The maximum number of hours of carryover is 240.0 (360.0 hours for managers working at Navy exchanges overseas who are on transportation agreements). Since unused leave over your maximum is forfeited if you don't use it by the end of the leave year, it is important to plan a leave schedule each year.

One final note to keep in mind on annual leave. Annual leave requests should be made sufficiently in advance to enable your supervisor to plan for your absence.

Sick Leave

One of the most important benefits you receive as an NES associate is sick leave. Sick leave is a privilege, and not a right. It may be used for illness, injury, or doctor's appointments. Eligible associates earn sick leave at the rate of 5% of hours worked. Those associates who work 40.0 hours per week earn 13 days sick leave each year.

Conserving your sick leave makes good sense because:

- A large sick leave balance provides salary continuation in the event of an extended illness or injury.
- Dependability is a key factor in assessing your promotion potential.
- Sick leave carries over from one leave year to the next without limit.

All unused sick leave on your leave record is converted to additional credited service under our Retirement Plan.

Annual/Sick Leave for Flexible Associates

Regularly scheduled flexible associates also earn leave at the rate of 5% for each hour they work between 20 and 40 hours in their basic workweek. If you are a flexible associate, the leave you earn may be used for annual or sick leave purposes. New associates must wait 90 days before they are eligible to take paid leave.

The flexible associate leave carryover maximum is 30 hours from one leave year to the next.

Court Leave

The NES encourages you to fulfill your civic obligation. If you are called to jury duty, or to appear in court as a witness in a judicial proceeding, other than those proceedings that only involve private parties, you are entitled to receive regular pay or to retain the court fees, whichever is greater. If the court fees are the smaller amount, such fees, less any transportation allowance must be turned over to your employing Navy Exchange upon completion of service. To qualify for court leave, you need to submit the official summons from the court to your supervisor in advance of the time you are required to be away from work.

Military Leave

If you belong to the military reserve or National Guard and are called to active duty or active duty for military training, you are entitled to excused absence up to a maximum of 15 days per military fiscal year without charge to leave or loss of pay. Any part of the excused absence that is not used by the end of the fiscal year may be carried over to the next fiscal year, not to exceed a 15 day maximum carryover.

An additional 22 work days of military leave in a calendar year may be granted if you are called to active duty to enforce the law. In this case, your civilian salary is reduced by your military pay. Don't forget to present your orders to your supervisor when requesting military leave.

Leave Without Pay

Leave without pay may be granted for a period not to exceed one year for reasons acceptable to and in the best interest of the NES. Leave without pay is usually requested when an associate has exhausted all leave allowances. An associate who is on leave without pay must make direct contributions to the employing Navy Exchange to keep benefit plans coverage active. If you need to request a period of leave without pay, your supervisor or human resources office can provide guidance.

Family Medical Leave Act (FMLA)

This law entitles eligible associates with 12 months of service to 12 workweeks of unpaid leave during any 12 month period for reasons as follows:

- Birth and/or care of a newborn child. or
- Placement of a child with the associate for adoption or foster care. or
- Care of a spouse, son, daughter, or parent with a serious health condition. (requires medical certification) or
- Your own serious health condition. (requires medical certification)

You may elect to substitute annual leave or sick leave (only if you are ill), if available, in lieu of unpaid leave. Your human resources office can provide more information about FMLA.

Religious Observance

You may elect to work compensatory overtime for the purpose of taking time off without charging your annual leave when your religious beliefs require you to be off from work.

Your supervisor will provide opportunities for you to work overtime on an hour-for-hour basis generally in the pay period immediately before, during, or after the day of religious observance.

Holidays

NES employees enjoy 10 holidays as follows:

New Year's Day- January 01
Dr. Martin Luther King's Birthday- 3RD Monday January
Presidents' Day- 3rd Monday February
Memorial Day- Last Monday May
Independence Day- July 04
Labor Day- 1ST Monday September
Columbus Day- 2nd Monday October
Veterans' Day- November 11
Thanksgiving Day- 4TH Thursday
November Christmas Day- December 25

Your entitlement to holiday pay depends on the number of days you work each week. Associates who work 5 days a week receive holiday pay. If you work less than 5 days a week you receive holiday pay if the holiday falls on a day you are scheduled to work. If your supervisor requires you to work on a holiday, you receive holiday premium pay if such is the prevailing practice in your wage area.

If a holiday falls on your non-workday and you work five days a week, a Holiday Observance Chart determines the day you observe as the holiday.

Comprehensive Medical Plans

The NES offers excellent medical coverage for eligible associates through two different plans, a managed care plan known as Flex Care and an Indemnity Plan. (An Indemnity Plan is a plan where you pay for the medical service received and file a claim for reimbursement.) Highlights of your plans include:

- Coverage for yourself and family members
- Hospital services
- Physician services
- Pharmacy coverage
- Preventive care
- Emergency care
- No lifetime maximum

As an alternative to NEXCOM's medical plans, some activities offer the option of enrollment in Health Maintenance Organizations (HMOs). Your human resources office will let you know what your choices are.

Dental Plan

An Indemnity style Dental Plan complements the Medical Plans. The Dental Plan includes:

- Coverage for yourself and family members
- Diagnostic and preventive care such as oral examinations and cleanings
- Basic restorative services such as fillings and root canal therapy
- Major restorative services such as crowns and dentures
- Orthodonture

Disability Plans

If you are unable to work because of illness or injury you may be eligible to receive disability benefits. The NES provides two disability programs.

Short Term Disability (STD) - STD is payable if you are unable to perform your job duties after a 2 month waiting period or the exhaustion of sick leave, whichever is later. Benefits are equal to 60% of your basic monthly earnings less any other income you receive for disability such as Social Security disability. The maximum number of monthly payments under the Short Term program is 4. These payments are a combination of your unused sick and short term disability benefits depending on how much sick leave you have at the time you become disabled.

Long Term Disability (LTD) - If you are totally disabled for 6 months or longer or have exhausted your sick leave, whichever is later, you may be eligible for LTD. The amount of LTD benefits is the same as STD. Benefits are payable until you cease to be disabled, retire under our retirement plan, or reach the maximum number of payments.

Life Insurance Programs

All of us want to ensure that our loved ones have some measure of financial security in the event of our death. Life insurance is one way of affording protection for your family if something happens to you. The NES offers three life insurance programs to eligible associates that are described below.

Basic Life Insurance (BLI) - BLI provides you with life insurance equal to your basic annual salary rounded to the next highest thousand plus two thousand.

Optional Life Insurance (OGL) - If you join the BLI, you may also choose to participate in the OGL program. OGL allows you to select additional life insurance coverage up to 3 times your basic annual salary.

Dependent Life Insurance (DLI) - Participants in BLI may also choose to insure family members. Two coverage options are available.

Long Term Care (LTC) - Should you, your spouse, parents, or parents-in-law become seriously ill or injured and become disabled and in need of long-term care services, enrollment in the LTC Plan will cover most costs associated with a stay in a nursing home, home health care, or an assisted living facility.

Retirement Plan

We all want independence and security during retirement. Members of the NES Retirement Plan have a head start in planning for the future. Highlights of the plan are:

- Liberal vesting provisions after only 5 years of service.
- Three forms of early retirement benefits.
- Surviving spouse benefits for death in service or death after retirement.
- Cost of living increases on your retirement benefits.
- Portability of your retirement benefits between the NES and appropriated fund agencies and other Department of Defense nonappropriated fund instrumentalities. (DOD NAFIs)
- No mandatory retirement age.

401K

The NES 401K Plan is the second of a three-tiered approach to planning for a successful retirement. You may live as long in retirement as you worked.

The 401K Plan assists you in building an additional source of income for your retirement. Highlights are:

- You contribute to the Plan with "pre-tax" dollars. Pre-tax contributions lower your reportable income, and you receive an immediate benefit - a reduction in your federal withholding taxes.
- Taxes on earnings in your 401K account are deferred until you make a withdrawal. This means your money has the chance to grow faster.

- You may contribute from 1% to 15% of your earnings to the Plan.
- There are several investment vehicles that you can select.

Social Security

As a NAF associate you are covered by the Social Security Act. Social Security is the third associate benefit plan that provides income to you when you retire.

Healthy and Safe Environment

As a member of the NES family, we care about your health and safety. We will make every reasonable effort to ensure a healthy and safe work environment. However, efforts to prevent accidents will not be successful without your cooperation. Knowing how to perform your job correctly is a key ingredient to safety. Your supervisor provides training to eliminate hazards, and you are responsible for following your supervisor's guidelines. Accidents are preventable if you exercise proper care, observe all safety regulations, and make use of safety equipment, if your job requires such equipment. If you observe an unsafe condition, report it to your supervisor.

Workers' Compensation Benefits

All NES associates are covered if they incur a work-related illness or injury. If you are injured at work, tell your supervisor immediately. Workers' Compensation benefits include reimbursement for medical expenses and replacement for lost wages. Your initial absence from work is charged against your available sick leave to ensure your income is not interrupted while your claim is being processed.

Please remember most accidents are preventable if you take the proper precaution. We care about you, and do not want you to get hurt.

Beneficial Suggestion Program

Over Fifty years ago someone had a great idea. The Navy Exchange System was established. We encourage you to submit your ideas to improve our operations. Every NES activity has a beneficial suggestion program. Your creativity and innovation can earn you up to \$25,000.

Tuition Assistance Program

The NES can help you with your personal development plans to archive a degree in a related field to our business. If you are planning to attend a credited school, institute, or workshop you may be eligible for tuition assistance. Discuss your plans with your supervisor prior to course registration.

Shopping Privilege

Employee shopping privileges within the U. S. are similar to Uniformed Services member shopping privileges with the following purchase exclusions:

- Articles of uniform • Tobacco products • Alcoholic beverages

The following points are noteworthy regarding this benefit:

1. *Markdown, Clearance, and Promotional Merchandise* - Associates, excluding military family members*, may not purchase merchandise until it has been on the sales floor for one half of a business day after the start of the sale or following the markdown.
2. *One Day Sale Merchandise* - Associates, excluding military family members*, are prohibited from purchasing merchandise that is allocated for a one day sale until at least one-half of the business day is over. Clarification for NEX associates to purchase merchandise that is allocated for a specific time frame, such as early morning specials (7-11am) or late-night specials (5-11 P.M.): NEX associates may purchase merchandise after one-half of the specified time has elapsed, i.e., at 9:00 am for a 7-11 early morning sale.

3. *Miscellaneous Policies* - All associates are prohibited from setting aside or "holding" merchandise for themselves or customers, or asking another associate to hold merchandise any period of time. Associates are also prohibited from making purchases that would lead to not-in-stock condition, i.e., whenever insufficient stock would lead to not-in-stock before resupply.*

*Associates who are also military family members cannot purchase any of the above merchandise during their normal work shift. When off duty, they have all privileges authorized as a military family member.

These requirements are to enable our military customers, the people who pay our salaries, a reasonable amount of time to purchase our merchandise and to prevent possible NOT-IN-STOCK conditions.

It is important to remember Shopping Privileges are a benefit extend by the employer, misuse and/or abuse of this benefit may result in revocation and/or disciplinary action.

Portability of Benefits

Many NES associates, particularly military family members, work for other appropriated fund and nonappropriated fund employers either before or after they work for the NES. The rules for porting benefits from one federal employer to another are complex. There have been many changes in portability regulations over the years.

To ensure that you will receive all of your correct benefit entitlements, it is important that you tell your servicing human resources office about prior federal employment. They know what procedures to follow to obtain your prior records, and how to adjust your benefits accordingly.

Associate Friendly Programs

A spirit of camaraderie is present throughout the NES. Our associates demonstrate their care and concern for each other in our Associate Friendly Programs.

Leave Sharing Program - This is a voluntary program that can help ease emotional and financial burdens that can result when associates become ill and exhaust all their sick and annual leave. It can also benefit if a family member becomes ill and annual leave is exhausted. The program allows coworkers to transfer some of their annual leave to a fellow coworker.

Blood Bank - Many associates participate as donors through the Red Cross Blood Bank Program. Blood drives are held periodically that benefit associates, family members, and the local community.

Associate Welfare and Services Programs

A number of Welfare and Services Programs are in place for your assistance, convenience, and information. These programs are briefly described below as follows:

Employee Assistance Program - A confidential source to turn to if you are having problems with a chemical dependency, emotional, family, or financial problem, etc. Sometimes personal problems can seem overwhelming. If these problems are not dealt with, they can affect your quality of life, and job performance. Please keep in mind that your EAP Referral Counselor can help.

Health Fair - Many NES activities sponsor Health Fairs to heighten your awareness of the importance of a healthy life-style. Free health screenings, literature, and health care professionals are included.

Credit Union - Membership in Navy credit unions are available at most Naval installations. The credit union provides savings accounts, low interest loans, and other financial services.

Savings Bonds - U. S. Savings Bonds may be purchased through payroll deductions.

Pre-Retirement Counseling - Planning for your future is important. Many NES activities sponsor day long seminars that provide information on retirement benefits under our Plans, Social Security, legal and financial planning, etc.

Social and Recreation Committee - These committees, made up of associate volunteers, sponsor fund raising events, holiday celebrations, etc.

Overseas Benefits - Mobile career management associates who accept relocation to positions at NES locations overseas receive additional benefits. The amount and type of allowances and differentials these managers receive is found in the Department of State Standardized Regulations. Servicing Human Resources Offices at overseas locations are familiar with these regulations.

While allowances and differentials overseas managers receive differ from country to country, all CONUS recruited managers receive home leave and renewal agreement travel if certain requirements are met. Home leave:

- Entitlement starts after serving 24 months of continuous service overseas.
- Is earned at the rate of 15 work days for each 12 months of service abroad.
- May be granted if the associate is expected to immediately return to the overseas duty station upon completion of the home leave.
- Is for use in the United States, the Commonwealth of Puerto Rico, or a territory or possession of the United States.
- Accrued but not taken remains indefinitely to the associate's credit.
- Is approved based on workload requirements by the head of the NES activity.

Home leave is normally taken in conjunction with renewal agreement travel.

Renewal Agreement Travel - Renewal agreement travel is a paid round trip to an overseas manager's home of record. The manager must complete his/her specified tour of duty and enter into a new written agreement for a continuous tour of 24 months to be eligible.

CHAPTER IV WHAT WE EXPECT FROM YOU

The NES provides a harmonious, growth-oriented work environment, and a competitive fringe benefits package. In turn, we expect you to act responsibly and demonstrate high professional standards.

High Professional Standards

The standards we expect from you every day encompass integrity in your business dealings, professional appearance at work, excellent customer service, and regular attendance.

Standards of Conduct

As associates of the government, we are subject to Standards of Conduct rules and regulations. These rules and regulations require scrupulous integrity as follows:

Basic Obligations of Public Service

- Public Service is a Public Trust and you must put loyalty to laws and principles above your private interest.
- You cannot hold a financial interest that conflicts with your position with the Navy Exchange.
- You cannot use your knowledge of information gained from your position that is not known to the public for any private interest.
- You may not, except under very limited circumstances, solicit or accept gifts from anyone seeking to do or doing business with the Navy Exchange.
- You cannot engage in outside business activities which conflict with your Navy Exchange position.
- You shall avoid actions that create the appearance that they violate the law or ethical standards.
- You must be impartial in your decisions and actions and not give preferential treatment to any individual.
- Soliciting contributions from other associates for any cause is not permitted.
- Gifts to supervisors are prohibited except under special occasions such as a birthday, marriage, transfer, retirement, or illness. Voluntary nominal group contributions are allowed.
- Use of Navy Exchange equipment (telephones, computers, fax machines, copiers) for personal use is very limited and must be approved by your supervisor.
- Depending on your position, certain restrictions on employment after you leave the Navy Exchange may apply and you may be required to submit a financial disclosure form. If you have questions concerning the ethics rules, see your supervisor or activity's Ethics Counselor.

Dress and Professional Appearance

Appearance is a matter of personal choice. However, how you look tells our customers and your co-workers that you like yourself, your job, and them. All associates must ensure that their personal dress and grooming standards present a favorable image of the NES. You will receive specific information regarding attire/dress code.

Customer Contact

All retailers know that customers are VIPs. In the NES our customers deserve special attention. In dealing with customers, it is important to keep in mind that:

- A. Customers are the most important people we know.
- B. They are not an interruption of our work, they are the purpose of it.
- C. Customers are the reason for our being here.
- D. They are not cold statistics, rather, they are human beings.
- E. Customers are not to argue with - but to help.
- F. Customers are persons who come to us for assistance in filling their needs.
- G. Customers are deserving of the most courteous and attentive treatment we can offer.
- H. Customers are the ones who make it possible for us to earn our salaries.
- I. Customers are the lifeblood of the Navy Exchange System.
- J. Customers are always right.

In person - Greet customers with a smile. Be warm and genuine. Whenever possible, address the customer by name. Customer recognition is one of the highest forms of flattery. Create a lasting impression by extending a fond farewell and inviting the customer back to the Navy Exchange.

By telephone - Answer the phone promptly. Put a "smile" in your voice. State your department, your name, and ask "How may I assist you?"

Resolving Customer Complaints - The NES level of service is customer delight. If a situation arises in which a customer is dissatisfied, then your job is to ensure the customer walks away with a smile. Our customers care enough about their "Navy family store" to let us know when something is not quite right. We must follow through to ensure they are satisfied. The way our customers feel when they leave our stores affects not only the decision to return, but what is said to others about our level of service.

- Give the customer your individual attention.
- Listen without interrupting.
- React immediately.
- Never make a promise you cannot keep.
- Follow-up to ensure satisfaction.

Regular Attendance at Work

Dependable, reliable associates are invaluable. Your chances for promotion are greater if you are punctual and at work regularly. If you are unable to come to work, you must call your supervisor personally before the start of your schedule. Someone else may call for you only if you are unable to do so yourself. Calling in your absence does not always mean your absence is approved.

Hours of Work

Your supervisor schedules your work hours. The official workweek for most NES activities commences at 0001 Friday and ends at 2400 the following Thursday.

Lunch and Break Periods

Your supervisor schedules your lunch and break periods. If you work six hours a day, your lunch period is normally at least 30 minutes. Lunch periods are not paid time.

Special Situations

There may be situations (such as severe weather conditions) when you may be excused from work or report later than normal. All activities have procedures in place concerning reporting for work when one of these special situations occurs.

CHAPTER V OTHER EMPLOYMENT INFORMATION

Payday

The NES pay cycle is bi-weekly. Employees receive their pay in the week following the end of the pay period. Your supervisor will advise you of the payday at your activity.

Your Paycheck

Direct Deposit Electronic Funds Transfer is the standard payment method for NES employees. It is important to review your paycheck stub each pay day to ensure that your earnings, deductions, and leave balances are correct. If something on your check is not correct, let your supervisor know.

Career Development

The NES hires the best qualified candidate for positions based on the present and future needs of the organization. Positions are filled from within and outside the organization.

Career Associates

If your plans include a long-term relationship with the NES, you need to discuss your career aspirations with your supervisor. The first step is to assess what additional knowledge, skill, or experience you need to acquire to assume positions with greater responsibility and pay. Your supervisor and the NEXCOM training division can provide help with an individual training plan.

The NES is a worldwide organization and a willingness to relocate is a requirement if your goal is a management position. Career paths for many positions require experience at most organizational levels of the NES, including one or more overseas assignments.

Continuity of Employment Program - Military Family Members

The NES has established this special program for military family members. We want to be sure that your employment service and benefits are not interrupted each time you relocate. To achieve this objective, the NEXCOM Human Resources Group begins an employment search as soon as you notify us of your next duty station. You will be placed on leave without pay when you depart your old duty station, and have the option of making direct contributions to your employee benefit plans. If your new duty station is at an installation where there is a Navy Exchange, you will receive priority placement for one year for positions for which you qualify.

Discipline

The NES strives to maintain a harmonious environment in the workplace so that all associates have the opportunity to contribute to the successful operation of the organization. Your supervisor manages the daily operation of your work unit to that end. However, instances may arise that require management to take action to restore discipline and morale. The goal is to correct, rather than punish.

Grievance and Appeal Rights

Occasionally, you may be dissatisfied with some aspect of your working conditions. You have the right to present your complaints to management to receive a fair, objective, and timely review of the complaint. We encourage you to talk to your supervisor promptly. Your supervisor will work with you to solve the problem informally.

If informal resolution is not possible, there are procedures in place for submitting a formal grievance. Your human resources office will let you know what is grievable, and provide guidance on the grievance procedure applicable to you.

Procedures are also in place to appeal certain personnel actions such as reductions in pay or separation from employment. Your human resources office can provide guidance on appealable actions.

AlertLine

Navy Exchange Service Command is committed to providing a safe, enjoyable, and successful work experience for each associate. In order to accomplish these goals, it is important that we work together to limit losses from fraud, waste, and abuse in our company.

Losses - especially when they result from internal sources, not only hurt the bottom, line, but company morale as well. We can significantly reduce the chance for losses in our company through communication. Our Open Door policy at the Navy Exchange means you can speak to a manager or supervisor about incidents that could place you, your job, or the Navy Exchange at risk.

AlertLine, the Navy Exchange System's fraud, waste, and abuse hotline's is available 24 hours a day, 7 days a week, toll-free from anywhere in the world. When calling AlertLine (1-888-540-5410), you may choose to remain anonymous. All information is handled with the strictest confidence, and is passed along for further investigation and follow-up.

In summary, the AlertLine is provided in addition to the normal chain of command, to help us improve the company and meet our mission of service to our Sailors world-wide.

Whistleblower Protection

As a NAFI associate you may also report fraud, waste and abuse situations to the Department of Defense (DOD) Inspector General Hotline. You are protected from reprisal if you report wrongdoing. The DOD Hotline number is 1-800-424-9098.

Retirement Benefits

When you meet age and length of service requirements, you may elect to retire from the NES. If you are a participant in our benefits programs, some of these benefits accompany you into retirement such as medical and life insurance coverage. The benefits that carry over into retirement are explained in your booklets, and at pre-retirement seminars. The Human Resources Group at NEXCOM calculates your retirement benefits and advises you by letter of all your entitlements.

There is also a toll free retiree number (1-888-639-2363) if you or your beneficiary have any questions concerning your benefits. You will be contacted by letter when there are changes that affect you.

Shopping Privilege - NES associates who retire with 20 years of employment service may retain shopping privileges. This privilege is also extended to the spouse of an eligible retiree. Your human resources office issues retiree privilege cards to eligible former associates.

Navy Exchange Retired Employee Association (NEREA) - NEREA is an organization that fosters communication among NES retirees and supports the interests of the NES, its associates, and retirees. There are several worldwide chapters. NEXCOM pays the first year membership dues for you. NEREA:

- Publishes an informative newsletter
- Holds an annual convention
- Sponsors an annual Scholarship Fund for college bound children of active associates and retirees.

Membership in NEREA is a great way to "keep in touch" with your co-workers and friends. It also presents an opportunity to learn about current events in the NES and matters that may affect you a retiree.

Navy Exchange Departments

General

- 11 General Staff
- 21 Accounting
- 31 Data Processing
- 41 General Merchandising
- 52 Security
- 57 Janitorial
- 58 Maintenance
- 61 Personnel

Retail

- H4 Back-up Storage Room
- H8 General Retail Service
- J1 Barber Shops
- J2 Beauty Shops
- J3 Gasoline
- J4 Automotive Installed Parts
- J5 Service and Labor
- K1 Student Meal Program
- K2 Optical
- K3 Flower Shop
- K4 Fountain, Snack Bar, Beverage
- K5 Food Service
- K6 Fast Food Franchises
- K7 Pay Telephones
- K8 Navy Lodge
- K9 Non-NEX Pay Telephones
- M0 Video Rentals
- M1 Laundry and Dry Cleaning
- M2 Personalized Services
- M3 Vending Machines
- M6 Vending Phone Debit Cards
- M7 Amusement Machines
- M8 Photo Finishing

M9 Custom Service

- T1 Tailoring
- L1 Appropriated Uniforms
- B0 Major Appliances
- B1 Cameras and Photo Accessories
- B2 Housewares
- B3 Sporting Goods
- B4 Electrical Appliances
- B5 Consumer Electronics
- B7 Home Office Equipment
- B8 Home Furnishings and Giftware
- B9 Furniture
- C1 Luggage and Leather Goods
- C2 Stationery
- C3 Greeting Cards and Party Goods

C4 Hardware and Pet Supplies
C5 Toys and Wheel Goods
C7 Books and Periodicals
C8 Automotive Accessory Mdse.
C9 Garden Supplies & Outdoor Living
D1 Toiletries and Drugs
D2 Jewelry
D3 Household Supplies
D4 Watches and Accessories
D5 Fragrances and Cosmetics
E1 Uniforms and Accessories
E2 Mens' Wear
E3 Intimate Apparel
E4 Domestics
E5 Infants Toddler & Juvenile Furniture
E7 Family Shoes
E8 Womens Ready to Wear
F2 Fishing and Fishing Accessories
G1 Girls Wear
G2 Boys Wear
G0 Navy Pride