Perioperative 101 Nursing Education Program FAQ

This program is designed to meet the shortage of experienced operating rooms RN’s. It is designed to educate and train registered nurses to become Perioperative nurses and meet today’s operating room nursing shortage.

How does the program work?

Operating Room nursing requires a special skill set that is not typically taught in nursing school or available outside of the OR. Periop 101 is a curriculum designed and licensed through the Association of Peri-Operative Nurses (AORN). Fairview has utilized this curriculum since 1999, and has trained over 200 nurses in the program. You apply for the program and are hired into a OR RN position that is benefit eligible at one of our hospital sites. You are paid a regular staff RN salary from the first day of employment. During your initial 6 months of employment, you participate in the Periop 101 program under the guidance of the instructor and preceptors. After the conclusion of the program, you begin to function independently as a OR RN.

Where is the program taught and what is the schedule?

Most often, the classroom portion is taught at the University of Minnesota Medical Center, Fairview on the West Bank campus. The training takes place Monday through Friday, however, hours will vary. This training program is full-time (80 hours per two-week pay period) for the duration of the program and is approximately six (6) months in length. The position after training is complete will require weekend and call hours.

How is the program taught?

The Perioperative 101 program is learner centered and structured. It is designed to provide specialized skills and knowledge in Perioperative nursing. Learning modules are presented through lectures, demonstrations and videos. Learning is reinforced in clinical setting. The method of evaluation will include chapter post-tests, final examination, skill demonstrations and preceptor observation in the clinical setting.

What exactly does a Perioperative Nurse do?

The OR RN provides services as a circulating and scrub nurse and is responsible for the assessment, planning, delivery, and evaluation of nursing care for the patient undergoing surgical procedures in the operating room. The RN is responsible for performing these responsibilities in accordance with all policy, procedure, and professional practice guidelines. The RN coordinates care with members of the health care team and delegates responsibilities to others as appropriate.

What are my hours as a OR RN?
Hours and shifts can vary at each of our hospital sites due to variations in level of acuity, patient population, department needs, etc. Most OR RN’s work a combination of day shift and evening shift hours, which can be a 6 am, 9 am or 11 am start time for days and 3pm for evening shift. Shifts are 8 hours in length. At most of our sites the night shifts have permanent staff so those shifts typically only require coverage for vacation or illness. With a OR RN position call is a requirement of all staff, which is above the normal FTE requirement. With each hospital call can vary in frequency of assignment, shift length and if it is in house or off site. Most our hospitals have a response time to call of 30 or 45 minutes. This means that from the time the hospital calls you in, you must be in house, scrubbed and ready to go within the 30-45 minutes.

During the interview, managers discuss their departments staffing and shift structure in detail.

**What is the work commitment about?**

The work commitment is a legal agreement between you and Fairview. Upon hire into the Perioperative 101 Nurse Education Program you are required to sign the work commitment stating that you will successfully complete the Periop 101 training and work as a RN in the OR you are hired into (ex: you are hired into a OR RN position at UMMC-East Bank, you will be required to remain at that site/department) for 2 years, otherwise you are required to pay Fairview back the amount the program is valued at, which currently is $8,000 plus interest.

There is an opt out clause in the work agreement. It states that if for any reason- on your part or on Fairview’s part, during the first four (4) months of the training, if you or Fairview determine this is not a good fit you can resign from your position in Periop 101 and from Fairview with no penalties. You would not be held to any part of the work agreement regarding payback or taxation. This is only allowed for the first four (4) months of the program. As an example- if your program began on June 1, you would have until midnight on October 1 to notify HR and your manager in writing that you are resigning from the program and avoid penalty.

**Can I reduce my FTE during the work commitment?**

Yes you can. After the initial training is completed and you have passed the final exam, you can drop your FTE from a 1.0 to as low as a .8 (64 hours per pay period). Note that according to the terms stated in the Work Agreement, if you do drop your FTE below a 1.0, your work commitment is extended by an additional 6 months, to balance the reduction in hours. This equates to a total of 2 ½ years of work commitment. You will be required to sign the Amendment to the Work Agreement upon reducing your FTE. All FTE reductions must be approved by your manager prior to notifying HR of the reduction.

**How does a Leave of Absence affect my work commitment?**

As stated in the Work Agreement, any unpaid Leave of Absence (ex.: maternity leave, FMLA, personal leave) that is unpaid (not subsidized by short term disability payouts or PTO) will be added to the work agreement. For example: If you took a 12 week leave, and 4 weeks are paid out of your PTO, with the remaining 8 weeks unpaid, those unpaid 8 weeks would be added to the length of your work commitment. This would require a Amendment that you would sign lengthening the work commitment.
What if I leave Fairview before my work commitment is up?

If you leave Fairview prior to the release of your work commitment you will be required to reimburse Fairview for the value of the program, plus interest. The payment is required in a lump sum payment and cannot be broken down into payments weekly, monthly, etc.

What is the taxation at the end of the program mean?

The Internal Revenue Service (I.R.S.) considers the value of Fairview’s sponsorships and training programs to be taxable income, and Fairview is obligated to report this income to the I.R.S. under the category “loan forgiveness.” The value of a sponsorship or training program is taxable upon forgiveness of the signed promissory note/repayment agreement or after the agreed-upon work commitment has been fulfilled. All taxes must be reported and withheld in the same year that “forgiveness” occurs. Fairview must be compliant with I.R.S. tax regulations, which require withholding at the time of forgiveness; however, we are doing our best to lessen the impact of the tax burden on you by spreading the taxation out over a period of time. This is how it works with the Periop 101 program:

Interest is accrued on the amount of the training from the time your training begins until the “loan” is forgiven (commitment end date). At the time of forgiveness (commitment end date) the amount of the training plus interest (calculated daily at 1% above the prime interest rate) will be divided and added to your paychecks. The amount of taxes you pay is spread out over 12 pay periods to lessen the financial burden. You don’t actually receive this money, it is added to your income so that taxes can be calculated and taken. These additional taxes are included with your “regular” payroll taxes. They will not be on a separate line item.

* If your loan forgiveness is in the last quarter of the year and it is being spread over 12 pay periods your taxation will begin in the third quarter so that taxation will be complete in the same tax year as your forgiveness.

Can I pay taxes early, in one lump sum or are there other options?

No. Unfortunately in order for us to be consistent with all system training and sponsorship programs that Fairview offers, we must adhere to the above policy regarding taxation and payment of taxes.

Following is the work agreement template and the tax reporting information form for you to read through and become familiar with. These are required to be signed by applicants who accept an offer of employment/participation in Fairview’s Perioperative 101 Nurse Education program.
This PERIOPERATIVE 101 NURSING EDUCATION PROGRAM REPAYMENT AGREEMENT ("Agreement") is entered into between the <ENTITY>, a division of Fairview Health Services ("Fairview") and <NAME> ("Borrower").

WHEREAS, Fairview desires to provide Borrower with Perioperative Nursing training through the Perioperative 101 Nursing Education Program ("Educational Program") consisting of approximately twenty-five modules including laboratory and clinical experiences to Borrower. Borrower must accept employment for no less than eighty (80) authorized hours per two-week pay period as Registered Nurse during the Educational Program in the Perioperative Services Department at the <ENTITY>, and

WHEREAS, the Borrower desires to undertake such Educational Program as part of their employment at Fairview so as to become a qualified Perioperative Registered Nurse subject to the terms and conditions set forth in this Agreement; and

WHEREAS, upon completion of the Educational Program, the Borrower agrees to work no less than eighty (80) authorized hours per two-week pay period for at least two (2) continuous years as a Perioperative Registered Nurse with <ENTITY>.

NOW THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein, the Parties agree as follows:

A. Eligibility
Borrower is eligible for the Educational Program if Borrower meets all program requirements, successfully completes the interview process, successfully complete all pre-employment contingencies and will be eligible to accept employment in the United States and agrees to work as a Perioperative Registered Nurse according to the terms of this Agreement at the <ENTITY> upon completion of the Educational Program, subject to the limitations set forth herein.

B. General Limitations

1. Borrower agrees that the Educational Program provided by Fairview has a value of $8,000.00. Borrower agrees that Borrower will be charged interest starting from the beginning of the training program, until the earlier of the time that Borrower either does not fulfill the terms and conditions imposed upon Borrower or the time the principal sum ($8,000.00) is forgiven under the terms of this Agreement. The interest will be calculated as simple interest and shall be accrued annually on the anniversary date of when the Borrower has completed the Educational Program and begins employment as a Perioperative Registered Nurse, and for each anniversary date thereafter as set forth above. However, interest shall be prorated through the date, which is the earlier date Borrower either does not fulfill the terms and conditions imposed upon Borrower or the time the principal sum ($8,000.00) is forgiven, if one of the foregoing events occurs before the anniversary date is reached. Borrower acknowledges and agrees that the interest shall be capitalized and that Borrower is paying interest on the principal sum ($8,000.00) in addition to the capitalized interest on the principal sum ($8,000.00).

If Borrower does not fulfill the terms and conditions imposed upon Borrower by this Agreement, and Borrower is obligated to repay the principal sum ($8,000.00), including accrued but unpaid interest, then Borrower shall repay in accordance with Paragraph D below.

2. Borrower must successfully complete the Educational Program provided by Fairview within one (1) year of being accepted into the program. Payment of the full principal sum ($8,000.00), including accrued but unpaid interest, of the Agreement shall be made in the event that Borrower ceases being a student in the Educational Program at Fairview or does not graduate on time for any reason (other than for reasons of death, disability, serious injury or a serious health condition). The Borrower will work in the Perioperative Services department at <ENTITY> as part of this Educational Program.

3. Fairview reserves the right to terminate the Borrower from the Educational Program for violation of Fairview’s policies, or if the Borrower does not pass the required modules or the laboratory and clinical experiences, in Fairview's sole discretion. If the Borrower completes four (4) months or more of the educational program and is (i) terminated from said program for the reasons set forth herein, or (ii) voluntarily drops out of said educational program (other than for reasons of death, disability, serious injury or a serious health condition), the Borrower is responsible to pay Fairview the principal sum of $8,000.00, which is the full value of the Educational Program, plus accrued interest within fifteen (15) days.

4. Borrower must be eligible to accept employment in the United States for the Work Commitment Period as a Perioperative Registered Nurse, successfully complete the interview process as well as any and all other pre-employment contingencies (including health service evaluation) and satisfy the necessary physical requirements for employment as a Perioperative Registered Nurse with <ENTITY>. Further, the undersigned must accept an offer for full-time employment (80 authorized hours per two-week pay period) as a Perioperative Registered Nurse with <ENTITY>, unless Fairview offers the position at less than 80 authorized hours, but no less than sixty-four (64) authorized hours per two-week pay period in which case Borrower must accept the offer and Borrower will be required to sign an Amendment to this Repayment Agreement for an additional six (6) months.

5. If Borrower does not successfully complete the interview process or other pre-employment contingencies (including health service evaluation) or satisfy the necessary physical requirements for employment or accept an offer for full-time employment (80
authorized hours per two-week pay period), Borrower will be required to repay Fairview the principal sum of $8,000.00, including the accrued but unpaid interest, of the Agreement.

C. Work Requirement Commitment

Borrower further agrees, by participating in this Educational Program that the Borrower will work as a Perioperative Registered Nurse with <ENTITY> in the position Borrower was hired into for at least two (2) continuous years at no less than eighty (80) authorized hours per two-week pay period or two and one-half (2 ½) continuous years of working less than full time but no less than sixty-four (64) hours per pay period (“Work Requirement Commitment”) from the date the Borrower receives a certificate of completion from the educational program at <ENTITY>. If Borrower completes the Work Requirement Commitment as set forth above then Borrower shall have no obligation to repay Fairview for the Educational Program at Fairview, and the principal sum ($8,000.00), including the accrued but unpaid interest, shall be forgiven at that time. In the event that Borrower after commencing employment as a Perioperative Registered Nurse but prior to completion of the Work Requirement, (i) is not eligible to continue employment in the United States as a Perioperative Registered Nurse, (ii) voluntarily transfers to another facility, (iii) voluntarily terminates employment (for reasons other than death, disability, serious injury or a serious health condition) as a Perioperative Registered Nurse at <ENTITY>, (iv) is terminated from such employment for failure to meet performance standards, or otherwise for cause; Borrower is responsible to pay to Fairview the entire principal sum ($8,000.00), including the accrued but unpaid interest.

If Fairview lays off Borrower, or Borrower is unable to fulfill the Work Requirement Commitment due to death, disability, serious injury or serious health condition, then Borrower is not responsible to pay Fairview but may be required to extend Borrower’s Work Requirement Commitment (“Additional Work Requirement Commitment”) if Borrower returns to employment as set forth in Section E.2. In this event, Borrower will be required to sign an Amendment to this Repayment Agreement that will include the Additional Work Requirement Commitment. If Borrower cannot return to employment then the principal sum ($8,000.00), including the accrued but unpaid interest, will be forgiven.

The Work Requirement Commitment shall not be decreased by any overtime worked by Borrower.

Notwithstanding the above, the Perioperative Services management at the <ENTITY> in its sole discretion may, upon request of Borrower, agree in a written Amendment (which shall be attached to this Agreement and incorporated by reference) to reduce Borrower's authorized hours on a one-time basis to no less than sixty-four (64) authorized hours per two-week pay period. All full-time (80 hours per pay period) Borrowers reducing hours to no less than sixty-four (64) authorized hours per two-week pay period will be required to work an additional six (6) months of working at the new agreed upon authorized hours per pay period from the expiration of the original commitment (“Additional Work Requirement Commitment”) in the Perioperative Services department at <ENTITY>. Additionally, if both the Perioperative Services management at <ENTITY> and Borrower agree to transfer the Borrower to another Perioperative department at a facility or subsidiary of Fairview within the Work Requirement Commitment or Additional Work Requirement Commitment and the Borrower remains employed as a Perioperative Registered Nurse in the Fairview System throughout the remainder of the Work Requirement Commitment or Additional Work Requirement Commitment then Borrower will not be obligated to pay Fairview. Additionally, if Fairview lays-off the Borrower, or the Borrower is unable to fulfill the Work Requirement Commitment or Additional Work Requirement Commitment due to death, disability, serious injury or serious health condition then the Borrower is not responsible to pay Fairview but may be required to extend the Borrower’s Work Requirement Commitment or Additional Work Requirement Commitment if the Borrower returns to employment as set forth in Section E.2.

FOR REVIEW ONLY-DO NOT RETURN OR SIGN
The Work Requirement Commitment or the Additional Work Requirement Commitment shall not be decreased by any overtime worked by a Borrower.

D. Repayment Obligation

Borrower agrees that in consideration of Fairview providing the Educational Program valued at $8,000.00, that Borrower will comply with the General Limitations and Work Requirements set forth above. In the event that Borrower does not fulfill the terms and conditions imposed upon Borrower by this Agreement, then Borrower promises to within fifteen (15) days pay to the order of Fairview at its main office at 2450 Riverside Avenue South, Minneapolis, Minnesota 55454 or at any other place designated at any time by Fairview, in lawful money of the United States of America, the principal sum of Eight Thousand Dollars ($8,000.00), including any accrued but unpaid interest. Fairview may (in its sole discretion) upon request of Borrower enter into a written arrangement with Borrower, which will be attached and incorporated as part of this Agreement, to allow Borrower to pay the foregoing amount over a period of time (not to exceed twelve (12) months), Borrower agrees that Fairview may charge interest of up to eight (8%) percent per annum on any remaining balance.

E. Miscellaneous

Borrower further agrees to the following terms and conditions:

1. Borrower hereby authorizes Fairview to withhold from Borrower all or any part of any amounts due Borrower as salary or other compensation (including, without limitation, any amounts due with respect to accrued vacation or other paid time off) upon employment termination as payment toward any outstanding principal, including the accrued but unpaid interest. Borrower further agrees that until the Repayment Obligation is paid in full, Borrower will promptly notify and inform Fairview, in writing, of any change or changes in Borrower’s name, address, social security number, or telephone number.

Additionally, Borrower agrees that Borrower will be responsible for reporting and paying income taxes, if any, that are due on all amounts forgiven (including, but not limited to, amounts forgiven or not required to repay back because of layoff, death, disability, serious injury or a serious health condition) and understands that in accordance with applicable tax laws Fairview will withhold federal and state withholding and FICA taxes on the amount forgiven or issue the appropriate Form 1099 if applicable.

2. Borrower agrees that if Borrower elects to take any unpaid leave of absence at any time during the committed time period, any and all leave time (except Military Leave covered by the Uniformed Services Employment and Reemployment Rights Act) will require Borrower to extend the commitment period by the length of the leave of absence. Any leave of absence must be authorized by Fairview.

3. Fairview may exercise any rights or remedies available at law or equity to collect any amount that may come due under this Agreement. All rights and remedies of Fairview and Borrower shall be cumulative and not exclusive.

4. Borrower agrees in advance that if Borrower is obligated to pay the principal sum, including the accrued but unpaid interest, due under this Agreement, that Borrower will make payment without Fairview sending any notice or demand, and consents to allowing Fairview to proceed to enforce this Agreement in a court of law and further agrees, in the event of default, to pay all costs of collection, including reasonable attorneys’ fees not to exceed Five Hundred Dollars ($500.00). Borrower further understands and acknowledges that in the event that Borrower does not repay the
outstanding principal amount, including the accrued but unpaid interest, due or any portion thereof, that Fairview will report the amount as income in accordance with applicable federal and state tax laws.

5. Borrower acknowledges that this Agreement does not create an employment contract between Fairview and Borrower.

6. Borrower agrees that by participating in the Fairview Nursing Education Program that Borrower shall not accept any Fairview sign-on bonus or loan forgiveness program.

7. This Repayment Agreement represents the entire agreement and understanding of Fairview and Borrower hereto with respect to the subject matter hereof, and all prior and concurrent agreements, understandings, representations and warranties with respect to such subject matter, whether written or oral, are and have been merged herein and superseded hereby. Any modification, amendment, or supplement to this Agreement, or any part thereof, shall be at the sole discretion of Fairview and will be binding upon Fairview and Borrower if made in writing, and signed by both parties.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

DO NOT SIGN—FOR REVIEW PURPOSES ONLY

Borrower Signature

Date
The Internal Revenue Service (I.R.S.) considers the value placed on the Periop 101 training program to be taxable income, and Fairview is obligated to report this income to the I.R.S. under the category “loan forgiveness.” This value is taxable upon forgiveness of the signed promissory note or after the agreed-upon work commitment has been fulfilled. All taxes must be reported and withheld in the same year that “forgiveness” occurs. Fairview must be compliant with I.R.S. tax regulations, which require withholding at the time of forgiveness; however, we are doing our best to lessen the impact of the tax burden on you by spreading the taxation out over a period of time.

According to the IRS the training program value should be taxed at the supplemental tax rate which is currently 38.9%. See below.

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<table>
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<tbody>
<tr>
<td><strong>2017 SUPPLEMENTAL TAX RATE</strong></td>
<td><strong>38.9%</strong></td>
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<tr>
<td>FEDERAL</td>
<td>25%</td>
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<tr>
<td>STATE</td>
<td>6.25%</td>
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<tr>
<td>FICA (Social Security)</td>
<td>6.2%</td>
</tr>
<tr>
<td>MEDICARE</td>
<td>1.45%</td>
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Interest is accrued on the amount of the training from the time your program begins until the “loan” is forgiven (commitment end date).

At the time of forgiveness (commitment end date) the amount of the training plus interest (calculated daily at 1% above the prime interest rate) will be divided and added to your paychecks over a number of pay periods. (Because the gross amount is over $7,999 it will be spread out over 12 pay periods.) *If your loan forgiveness is in the last quarter of the year and it is being spread over 12 pay periods your taxation will begin in the third quarter so that taxation will be complete in the same tax year as your forgiveness

You don’t actually receive this money, it is just added to your income so it can run through the payroll cycle and taxes can be taken. These additional taxes are included with your “regular” payroll taxes. They will not be on a separate line item.

**BELOW IS AN EXAMPLE OF THE TAXATION. THIS IS ONLY AN ESTIMATE**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Value of training received:</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>Interest for 2 year, 6 month commitment -</td>
<td>$882.74</td>
</tr>
<tr>
<td></td>
<td>$8,882.74 total to be taxed</td>
</tr>
</tbody>
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$8,882.74 divided by 12 pay periods = $740.23 gross amount to be added to each paycheck.

$740.23 X 38.9% supplemental taxes = $287.95 in ADDITIONAL taxes taken from each paycheck for 12 pay periods.

I have received, read, and understand the information presented above.

(initials)