

Gremlin News

A SEGA/Gremlin Employee Newsletter

Volume 2, Number 4

July/August 1982

You Can Buy Goods at a Discount

Due to our country's economic situation many companies are being forced to postpone additional benefit programs for their employees. These same economic conditions have also decreased workers' spendable income, despite continuing wage increases.

Recognizing this situation, SEGA/Gremlin has developed an EMPLOYEE PURCHASE PROGRAM that will make available to all employees a variety of items at discount (through catalog purchase and G + W National Contracts) to increase your dollars' BUYING POWER.

The second biggest investment after a house or condominium is usually an automobile, SEGA/Gremlin employees may now get "fleet prices" for most makes of automobiles, recreational vehicles and mobile homes. This new "fleet price" service gives employees the same advantage held by companies which buy several automobiles at one time. Savings through this service can be substantial.

Gulf + Western has a representative who specializes in Employee Stores. He is making available to SEGA/Gremlin employees the opportunity to buy G + W products and other quality merchandise at reduced prices. Several G + W facilities, such as Catalina Clothing and Paramount Studios, have Employee Stores where merchandise may be bought off the floor. SEGA/Gremlin employees may shop at the Catalina outlet with G + W Identification Cards available in the Personnel Office.

G + W products presently available through catalogs are Bostonian & Hanover Shoes, Simmons Mattresses, Simon & Schuster Books and Paramount Video Cassette Tapes. In addition, there are National Contract prices for tires and for room rates at selected hotels.

Arrangements to use several premium outlets will permit reduced prices for many other goods. Catalogs and order

continued on Back page

Holiday Schedule

1982

Labor Day	Monday, September 6th
Thanksgiving Day (Day Following)	Thursday, November 25th
Christmas Day	Friday, November 26th
New Year's Eve	Friday, December 24th
	Friday, December 31st

1983

New Year's Day	Monday, January 3rd
President's Day	Monday, February 21st
Good Friday	Friday, April 1st
Memorial Day	Monday, May 30th
Independence Day	Monday, July 4th
Labor Day	Monday, September 5th
Thanksgiving Day (Day Following)	Thursday, November 24th
Christmas Eve	Friday, November 25th
New Year's Eve	Friday, December 23rd
	Friday, December 30th

Wage Program is Explained

Gremlin Industries makes every effort to pay its employees fairly. Unlike a sole owner proprietor who decides arbitrarily how much each of his workers is paid, the Personnel Department follows certain procedures. The goal is to insure internal equity and external comparability.

Let us examine the wage and salary program to see how pay is set and changed. From the Company's point of view each job has a particular value. It may be as a result of the amount of training required to perform a task or experience necessary to uncover mistakes or trouble spots. It may be the

degree of supervision required or the many different things that have to be done.

From an employee's point of view he expects to be paid for the schooling or training he has or the years of experience which add to his expertise. Many times the schooling and experience do not relate directly to the job performed. The most extreme example is that of a school teacher with a master's degree in education and several years of teaching experience trying to start a new career. From his point of view he is better qualified than

continued on page 3

There's More in Your Paycheck

Everyone looks at his weekly paycheck, scrutinizes the net amount, and barely glances at the deductions. Should he examine them more closely he will soon realize that a large share of his earnings is being withheld for various reasons.

An employee who grosses \$10,000 a year (about \$4.85 per hour), is married and claims two exemptions, pays \$1,535.20 in taxes. The annual deductions are:

Federal Income Tax	\$769.60
State Income Tax	15.60
State Disability Insurance	80.00
FICA (Social Security)	670.00
Total	\$1,535.20

continued on Back Page

Matching Gifts Program

G + W Matching Gifts Program is designed to recognize and encourage employee participation in supporting public purpose institutions that strengthen the fabric of our society. Qualified institutions in the areas of Education, Health, Welfare, Culture, Civic, and Public TV/Radio are eligible.

G + W will match dollar-for-dollar gifts made to qualified institutions of \$25.00 or more to a maximum of \$1500 annually. Additionally G + W will match up to \$1000 contribution annually for employees who contribute their services on a continuing basis to qualified institutions.

Brochure and application forms are available in the Personnel Office.

Vacation

All permanent, full-time employees can qualify for up to 80 hours of paid vacation per year. For the first six months an employee is not eligible for vacation. After the first six months, he is entitled to take 40 hours paid time off and he begins to earn vacation hours on a monthly basis to a total of 80 hours per year. He may accumulate up to 3 weeks of vacation. After 5 years, he is entitled to 3 weeks of vacation and after 15 years 4 weeks.

Service Day Credits

SEGA/Gremlin provides a program of "Service Days" to protect non-exempt employees against loss of income during periods of absence for personal illness, death or serious illness in the immediate family, and essential business which cannot be conducted after working hours. Service Days may also be used as additional vacation or holiday time off with prior approval. No Service Day Credit is earned during the first 90 days of employment. Thereafter, non-exempt employees are credited with 4 hours of Service Day Credit per month, dating back to the first day of employment.

Leaves of Absence

Leaves of Absence may be granted for Medical, Personal or Military reasons. An employee must be a full-time and permanent employee and have completed 6 months of employment for a Personal LOA and 3 months employment for a Medical LOA. Military Leaves are granted regardless of length of service.

The maximum non-military leave that will be granted is 6 months. Group insurance benefits may be continued if an employee arranges to pay his insurance premiums. Leaves of Absence must be approved by the Supervisor, Department Manager, and Personnel Manager.

Credit Union

SEGA/Gremlin employees and their dependents are eligible to join the Central Credit Union. There are two offices to serve our employees, one is located on Linda Vista Road in San Diego and the other on Fletcher Parkway in El Cajon. Payroll deductions directly sent to an employee's Share Draft, Savings or IRA account at Central Credit Union are available. An Information Kit and forms are available through the Personnel Office Receptionist.

Retirement

The SEGA Retirement Plan provides a vested benefit for employees with 10 years or more of credited service. The entire cost of this plan is paid by the company. A separate booklet explains the Retirement Plan.

Bereavement Leave

SEGA/Gremlin will provide three days paid leave to any full-time, permanent employee upon the death of any member of his/her immediate family. Immediate family members are considered to be: spouse, parents (step-parents), parents-in-law (step-parents-in-law), child, brother or sister (step-brother, sister). An employee having need of this benefit, should contact his supervisor.

24 Hour Accident Insurance

This G + W 24-Hour Accident Insurance Plan is a voluntary program that provides an employee with round-the-clock protection against the loss of life or dismemberment due to an accident either on or off the job.

Employees may purchase this insurance in amounts ranging from \$10,000 to \$275,000. The Family Plan provides coverage for each dependent

Gremlin Provides

plus a Special Education Benefit for each dependent child in 12th grade of high school or beyond for a maximum of 4 education years.

This insurance plan also provides a Hospital Confinement Monthly Income Benefit. If an employee is hospitalized in excess of 7 days, Capitol Life will pay for each month in the hospital a benefit of 1% of a selected principal sum to a maximum of \$1000 per month.

Cost of all these coverages varies from 45¢ per month for \$10,000 to \$12.75 for \$275,000 worth of "employee only" coverage and 68¢ to \$18.56 respectively for "family coverage."

This coverage is only available to salaried exempt and non-exempt employees during the first month of employment or during the annual enrollment period in September.

Automatic Deposit for Paychecks

A new program for employees is the automatic paycheck deposit plan.

An employee wanting to have his entire paycheck deposited into his checking or savings account may choose either an account at California 1st Bank and receive free checking services, or, have his check deposited into an established account at most local banks.

Fixed deposits can also be made directly into most banks' savings and/or IRA accounts.

There's Blood in Reserve Fund

Each year many SEGA/Gremlin employees volunteer to donate a pint of blood toward our company's Reserve Fund. Through these donations ALL SEGA/Gremlin employees and their families are protected by blood replacement credits.

Since July, 1980, our Reserve Fund has helped our employees and their families reduce the expense of blood transfusions by the issuance of 28 credits.

In the event an employee or a family member uses blood, the Personnel Office should be notified of the patient's name, hospital name, and number of pints used.

Let's all help each other by giving the "Gift of Life" during our next annual blood drive.

any Fringe Benefits

Something New

Now available in Personnel are discount cards for food purchases at CARL'S JR. and CHUCK E. CHEESE PIZZA. One year memberships are being offered at JACK LA LANNE HEALTH SPAS at 50% discount from August 1, 1982 through July 31, 1983. Regular price is \$299.00. Your cost is \$149.00 and no monthly dues.

Educational Aid

An Educational Reimbursement program has been established to encourage and financially support those employees who strive for self-improvement.

Full-time, permanent employees who enroll in and satisfactorily complete approved courses are reimbursed a maximum of \$1000.00 per calendar year for tuition, books and lab fee costs. Courses selected must be approved by the Department Manager and Personnel Manager prior to registration.

Ask your Supervisor or see Personnel for further information and request forms.

Salary Continuation

Salary continuation is only available to Salaried Exempt personnel who do not qualify for Service Day Credits.

This benefit provides continuation of a qualified employee's full salary in conjunction with State Disability during any covered disability exceeding 5 consecutive work days. Length of this benefit is determined by an employee's period of service with SEGA/Gremlin.

Employee Recreation Association

The employees have organized a recreation club to promote and plan social activities for you to enjoy. All employees are automatically members of the Association and eligible to participate in all club activities such as picnics, parties, tours and sporting functions. Events are planned and coordinated by elected Association officers and volunteer Association members. The Association is self-funded through fund-raising projects and company contributions.

Company Provides Insurance Coverage

One of the most important benefits provided to employees and their dependents is insurance coverage. The Company pays the premiums for the employees and contributes substantial amounts towards dependent care.

Since the programs offered are so complex it is not possible to cover them completely in this article. Booklets explaining them have been given to each eligible employee. Only a brief summary is attempted here:

Health and Major Medical (Prudential Insurance)

This covers hospitalization and medical care. There is an annual \$100 deductible. In addition, you are responsible for paying 20% of costs. For hospital care, the insurance pays 100% of charges.

Group Life Insurance

This insurance is based upon annual salary. A unique feature is that you can ask for additional coverage by paying a small premium.

Long Term Disability

This insures continued income should an employee be disabled and unable to continue to work. This complements the State Disability Insurance coverage which lasts a maximum of 39 weeks.

Accidental Death and Dismemberment

Should an employee lose any part of his members, he may collect benefits. This also includes death; in which case his beneficiaries are paid.

Travel Insurance

Provisions have been made for insurance coverage while an employee is in a travel status.

Dental Care

Provident Insurance Company provides coverage for dental care. Examinations, cleaning and x-rays are covered totally by insurance and other services are on a fee basis.

Gremlin Dependent Wins Scholarship

WE HAVE A WINNER! JAYNE JORDON, daughter of Quality Assurance Inspector Marvin Jordon, was recently awarded a 4-year G + W Scholarship.

G + W Scholarships are offered through the National Merit Scholarship Program to students entering an accredited college or university in the United States.

All children of permanent, full-time employees of SEGA/Gremlin are eligible to compete for these scholarships.

Students must take the PSAT/NMSQT in the first semester of their junior year in high school. (Consult your high school principal or guidance counselor for further information on testing.) The PSAT/NMSQT measures verbal and mathematical abilities and does not require any special study or preparation. The highest scoring candidates then receive further consideration for a scholarship.

The amount of each G + W Scholarship ranges from \$500 to a maximum of \$2,000 per year.

Further information on this benefit and application forms can be obtained in the Personnel Office.

continued from page 1

Wage Program

a newly graduated high school student because of education, prior experience and maturity. His worth for the particular requirements of building coin operated video games, however, is minimal. His potential for growth is great.

Longevity is another contributing factor. Someone who has several years of tenure expects to be at a higher pay rate. If he is only an average employee and received the usual raises, a new employee who has been evaluated an outstanding performer on several reviews can conceivably be matching or surpassing the person who has been with the Company longer.

The Company has adopted a program which is being reviewed and revised continually. Changes are made regularly. This can be compared to fine tuning an automobile to make it operate more efficiently.

All jobs in the Company have been arranged in descending order. Many factors have been considered in this classification. Similar or comparable positions have been grouped together. Many positions have three levels of proficiency—entry, intermediate and advanced levels. Industry standards state that the experience required for each level is from 0 to 3 years for entry, 3 years to 5 or 7 years for intermediate and 5 to 7 years and above for advanced. Each level is given a wage or rate range. A midpoint, which

continued on Back page

5 Year Service Awards



David Evans,
May 16



Marguaret Buechler,
June 22

2 Year Service Awards

Kevin Ellsworth	5-05
Marianne Dixon	5-12
Lowell McMahan	5-19
Robert Vasquez	5-19
Charles Cattell	7-07
Margareta Sheffield	7-14
Rosita Shipp	7-14
Fujiko Hancock	7-23
Richard Dally	7-28
Robert Kinchen	8-01
Hoang Truong	8-07
Abigael Villamayor	8-08
Jennifer Romualdo	8-04
Adrian Huerta	8-18
Brad Boustead	8-25

continued from page 3

Wage Program

represents the average for that range, is usually attained from 18 to 24 months of on-the-job experience. Should an employee continue to do the same job at the same level for many years, he soon "tops out" or reaches the maximum of the range. Theoretically he can receive no further raises. If his performance improves because of time on the job he may move up in his classification to the next higher level and his wage can go higher.

Each employee is hired for a particular vacancy based upon his "match" with the requirements of the job. There is a job description which has been prepared. It describes the position and includes all of the specifications such as, education, experience, skill, physical ability, and so on. In the pre-employment interview every attempt is made to get as close a match as possible. The wage offer is based upon the classification of the position and the past experience of the applicant.

Once on the job, the employee is reviewed for the way he performs his assigned tasks. Each supervisor evaluates his employees on specific

continued from page 1

Paycheck

As large as these deductions may be, they are only a fraction of what the company pays for the employee, over and above the \$10,000 annual salary. An itemized list of employer contributions, or the "hidden paycheck" for this same employee is as follows:

If he elects to take supplemental life insurance and to cover his dependents for major medical/health insurance, he contributes:

Supplemental Life	\$ 40.80
Dependent Health	637.56
Dependent Life	4.20

Total \$682.56

Based on \$10,000 annual salary:

	Employee Contribution	Employer Contribution
Holidays—10 days paid	-0-	\$ 384.00
Vacation—2 weeks paid	-0-	384.00
Service Day Credits—6 days paid	-0-	230.40
FICA (Social Security)	\$ 670.00	670.00
State Unemployment Insurance	-0-	150.00
Federal Unemployment Insurance	-0-	42.00
Employee Only Health Coverage	-0-	556.80
Employee Only Dental Coverage	-0-	60.00
Employee Life Coverage	-0-	22.92
Accidental Death and Dismemberment	-0-	1.20
Long Term Disability	-0-	24.00
Supplemental Life	40.80	-0-
Dependent Health Coverage	637.56	329.52
Dependent Dental Coverage	-0-	96.00
Dependent Life Coverage	4.20	-0-
Total	\$1,352.56	\$2,950.84

The bottom line is that this employee's annual salary is larger than the amount shown on his W-2.

factors. Examples are the quality of the work, quantity of output, ability to get along with his co-workers, response to directions, attendance, any outstanding acts performed, or any warnings issued. In addition, he ranks all of his employees and maintains a chart of the different things each person is qualified to do. These evaluations are discussed with each employee.

The performance evaluations are prepared by supervisors, reviewed by the managers and forwarded to Personnel. They're checked for completeness. Based upon a formula, salary increases are determined. Personnel does not give raises. Employees earn them. Their performance, as determined by their supervisors is the basis for increases.

The next time you are reviewed be sure to get a complete appraisal from your supervisor. It is like getting a report card from school. The only difference is that the mark has a monetary value attached to it.

continued from page 1

Gremlin Discounts

forms are available in Personnel.

SEGA/Gremlin is also a member of the National Employee Services and Recreation Association. Club membership cards provide discounts to facilities such as: Sea World, Disneyland, Knott's Berry Farm, Movieland Wax Museum, San Diego Zoo, Wild Animal Park, Reuben H. Fleet Space Theatre, Marineland and Magic Mountain.

Discount tickets to all Mann Theatres are available at \$2.50 a ticket and tickets for use at the Frontier, Del Mar or South Bay Drive-Ins are available for \$2.00 each.

GremlinNews

A SEGA/Gremlin Employee Newsletter

Editor—Bert Nishimura

Assoc. Editor—C. Johnson

Photography—Ron Stein

Production—C. Johnson