

ARTICLE 22

ECONOMICS

SECTION 1. GENERAL WAGE INCREASE.

A. Fiscal Year 2014-2015.

1. On October 1, 2014 the base hourly rate in effect at 11:59 p.m. on September 30, 2014, for each step in the Bargaining Unit shall be increased by 2% (two percent).

2. At the end of the first full pay period in October, 2014, each full-time employee who is on the payroll as of October 2, 2014, and who has accumulated no less than two thousand eighty (2080) hours of current continuous service since October 1, 2013, shall be paid a one-time cash payment of 0.5% of the annualized base hourly rate of pay in effect as of October 2, 2014, which shall not be rolled into the base wage. For a full-time employee who has accumulated less than two thousand eighty (2080) hours of current continuous service since October 1, 2013, this payment shall be pro-rated based on the ratio between the employee's actual continuous service hours earned after October 1, 2013, and two thousand eighty (2080) hours, times 0.5% of the annualized base hourly rate of pay in effect as of October 2, 2014.

At the end of the first full pay period in October, 2014, or the first subsequent pay period in Fiscal Year 2014-15 for which the employee receives a pay check, each permanent-intermittent employee, part-time employee or seasonal employee, who is on the payroll as of October 2, 2014, and who was either: 1) on the payroll on October 1, 2013, 2) on furlough on October 1, 2013, 3) on seasonal layoff on October 1, 2013, who has accumulated less than two thousand eighty (2080) hours of current continuous service between October 1, 2013, and September 30, 2014, shall be paid a one-time cash payment which shall not be rolled into the base wage. For each such employee, this payment shall be pro-rated based on the ratio between the employee's actual continuous service hours earned between October 1, 2013, and September 30, 2014, and two thousand eighty (2080) hours, times 0.5% of the annualized base hourly rate of pay in effect as of October 2, 2014.

B. Fiscal Year 2015-2016.

1. On October 1, 2015 the base hourly rate in effect at 11:59 p.m. on September 30, 2015, for each step in the Bargaining Unit shall be increased by 2% (two percent).

SECTION 2. GROUP INSURANCE ELIGIBILITY.

New hires will be permitted to enroll in group insurance plans for which they are eligible during their first thirty-one (31) days of employment. Eligibility for coverage under such

plans is the first day of the biweekly pay period after enrollment, except for life insurance which shall be effective on the first day of employment.

Employees who are not working during the open enrollment period for health, dental, vision, life, and LTD shall be offered open enrollment by the Employer in the above insurances on their first return to work date after the open enrollment period, if they are eligible according to the terms of such insurances.

SECTION 3. THE NEW STATE HEALTH PLAN (PPO) AND NEW HEALTH MAINTENANCE ORGANIZATION (NHMO).

Effective October 12, 2014, the “legacy” or traditional SHP PPO and HMO plans now offered to eligible employees hired before April 1, 2010 will be replaced by the New State Health Plan PPO (“NSHP PPO”) and the New HMO (“NHMO”) Plans which apply to eligible employees hired on or after April 1, 2010 subject to the changes below. The State will continue to pay 80% of the total NSHP PPO premium with enrolled employees paying 20%. The State will pay up to 85% of the applicable NHMO total premium, capped at the dollar amount which the State pays for the same coverage code under the NSHP PPO, with enrolled employees paying the remainder. The current Catastrophic Health Plan offering will continue.

The following changes are effective October 12, 2014 to the existing NSHP PPO and NHMOs:

NSHP PPO

- Autism Benefits to be added to the NSHP PPO subject to deductibles and coinsurance;
- In-network Out of Pocket (OOP) Maximums to be increased from \$1500/\$3000 to \$2000/\$4000.

NHMO

- NHMO deductibles of \$125/\$250 to be implemented;
- Out of Pocket (OOP) Maximums to be implemented at the same levels as the NSHP: \$2000/\$4000.

Appendix J2 replaces Appendix J and Appendix J1 effective October 12, 2014.

Effective January 1, 2003, the existing Basic and Major Medical Plan (State Health Plan Advantage) shall be replaced with the PPO plan which shall be known as the “State Health Plan.” State Health Plan in- and out-of-network benefits and applicable deductibles and co-payments are outlined in Appendix J. The Rules for Network Use are outlined in Appendix C-7.

See Appendix J-1 for the New State Health Plan PPO (NSHP PPO) and New HMO (NHMO) health care coverage for eligible employees hired on or after April 1, 2010.

A. Premium Splits.

Except as provided in Section 12 below, the Employer shall pay 95% of the premium, and the enrolled employee shall pay 5% of the premium for the State Health Plan.

Effective October 1, 2008, except as provided in Section 12 below, the employer shall pay 90% of the premium, and the enrolled employee shall pay 10% of the premium for the State Health Plan.

Effective the first full pay period in October, 2012, the following will apply to eligible employees enrolled in the State Health Plan PPO or an HMO. The State will pay 80% of the State Health Plan PPO premium with enrolled employees paying 20%. The State will pay up to 85% of the applicable HMO total premium, capped at the dollar amount which the State pays for the same coverage code under the SHP PPO, with enrolled employees paying the remainder.

B. Co-Pay.

Applicable co-payments for in- and out-of-network services under the State Health Plan are set forth in Appendix J.

Effective October 1, 2008, there will be a \$15 co-pay for an office visit, and a \$50 co-pay for emergency room visits if the patient is not admitted to the hospital. All other applicable co-payments for in-network and out-of-network services under the State Health Plan are set forth in Appendix J.

C. Deductibles and Out of Pocket Maximums for the State Health Plan.

Effective January 1, 2003, the deductibles under the State Health Plan shall be \$200/individual and \$400/family per calendar year for in-network services and \$500/individual and \$1,000/family per calendar year for out-of-network services.

Effective January 1, 2009 the deductibles under the State Health Plan shall be \$300/individual and \$600/family per calendar year for in-network services and \$600/individual and \$1,200/family per calendar year for out-of-network services.

The maximum out of pocket cost per individual shall be \$1,000 and \$2,000/family per calendar year for in-network services and \$2,000/individual and \$4,000/family per calendar year for out-of-network services. The deductible does not apply towards the maximum out of pocket cost.

SECTION 4. STATE HEALTH PLAN PROVISIONS.

A. State Health Plan Components.

The Union shall continue to be entitled to participate as a member of the Labor-Management Health Care Committee.

The committee will continue to review and monitor the progress of the actual implementation of the State Health Plan.

It is understood that each exclusively recognized employee organization will be entitled to designate one (1) representative to participate in the Labor-Management Health Care Committee.

The Plan consists of the following principal components: pre-certification of all hospital inpatient admissions; second surgical opinion; home health care; and alternative delivery systems.

(1) Pre-certification of Hospital Admission and Length of Stay. The pre-certification for admission and length of stay component of the plan requires that the attending physician submit to the Third Party Administrator (TPA) the diagnosis, plan of treatment and expected duration of admission. If the admission is not an emergency, the submission must be made by the attending physician and the review and approval granted by the TPA prior to admitting the covered individual into the acute care facility. If the admission occurs as an emergency, the attending physician is required to notify the TPA by telephone with the same information on the next regular working day after the admission occurs. If the admission is for a maternity delivery, advance approval for admission will not be required; however, the admitting physician must notify the TPA before the expected admission date to obtain the length-of-stay approval. There will be no limitation on benefits caused by the attending physician's failure to obtain pre-admission certification.

(2) Second Surgical Opinion. Effective January 1, 2003, an individual covered under the State Health Plan will be entitled to a second surgical opinion. If that opinion conflicts with the first opinion, the individual will be entitled to a voluntary third surgical opinion. Second and third surgical opinions shall be subject to a \$10 in-network office call fee or covered at 90% after the deductible if obtained out-of-network.

Effective 10-1-08, second and third surgical opinions shall be subject to a \$15 in-network office call fee or covered at 90% after the deductible if obtained out-of-network.

(3) Home Health Care. A program of Home Health Care and Home Care Services to reduce the length of hospital stay and admissions shall also be available at the employee's option. This component requires that the attending physician contact

the Third Party Administrator to authorize home health care service in lieu of a hospital admission or a continuation of a hospital confinement.

The attending physician must certify that the proper treatment of the disease or injury would require continued confinement as a resident inpatient in a hospital in the absence of the services and supplies provided as a part of the Home Health Care Plan. If appropriate, certification will be granted for an estimated number of visits within a specified period of time. The details of the types of services and charges that shall be covered under this component include part-time or intermittent nursing care by a registered nurse (R.N.) or licensed practical nurse if an R.N. was not available; part-time or intermittent home health aid services; physical, occupational and speech therapy; medical supplies, drugs and medicines prescribed by a physician, and laboratory services provided by or on behalf of a hospital, but only to the extent that they would have been covered if the individual had remained or been confined in the hospital. Home Health Care services under the SHP will be continued. Details of the covered services will be provided in the SHP benefit booklet. Home Health Care shall be available at the patient's option in lieu of hospital confinement. To receive home health care services, a patient shall not be required to be homebound. Home infusion therapy shall be covered as part of the Home Health Care benefit or covered by its separate components (e.g., durable medical equipment and prescription drugs).

- (4) Alternative Delivery Systems. The State Health Plan shall also provide hospice care and birthing center care benefits to employees and enrolled family members. To be eligible for the hospice care benefit, the covered individual must be diagnosed as terminally ill by the attending physician and/or hospice medical director with a medical prognosis of six months or less life expectancy. Covered hospice benefits include physical, occupational, and speech language therapy; home health aid services; medical supplies; and nursing care. Covered hospice benefits are not subject to the individual deductible or any co-payment and will be paid only for services rendered by federally certified or state licensed hospices. Hospice services covered under the SHP will be continued. Details of the covered service will be provided in the SHP booklet. Both hospice care and birthing center care shall be available to employees at their option in lieu of hospital confinement. Birthing center care is covered under the delivery and nursery care benefit set forth in Appendix J.

B. Prescription Drugs.

Bargaining Unit members who are covered by the State Health Plan will be enrolled in the prescription drug PPO. The Employer shall continue an optional mail order plan for maintenance prescription drugs. Effective January 1, 2003, the employee co-pay shall be \$7 per prescription for generic drugs and a \$12 co-pay per prescription for brand name drugs for both the retail and mail order drug plans. The brand name co-payment level will apply even when there is no generic substitute, as

well as to DAW prescriptions. Effective January 1, 2004, the employee co-pay shall be \$15 per prescription for brand name drugs for both the retail and mail order drug plans. Effective October 1, 2005, the employee co-pay for non-preferred brand name drugs will be \$30.00.

Effective October 1, 2008, the plan will include the programs of: Generics Preferred, Step Therapy and Drug Quantity Management. The employee co-pay at retail shall be \$10 per prescription for generic drugs, \$20 per prescription for preferred brand name drugs, and \$40 for non-preferred brand name drugs. The employee co-pay at mail order shall be \$20 per prescription for generic drugs, \$40 per prescription for preferred brand name drugs, and \$80 for non-preferred brand name drugs. The brand name co-payment level will apply even when there is no generic substitute, as well as to DAW prescriptions. Under the Generics Preferred program, a prescription marked DAW may result in an additional charge to the employee of the difference in cost between the generic and the brand name drug dispensed.

Brand name drugs determined to be non-preferred because of the availability of a generic equivalent or a therapeutically or chemically equivalent brand name drug shall be so designated by the pharmacy and therapeutics committee comprised of independent physicians across various specialties. The State of Michigan shall have no decision making authority in such determination.

Prescriptions purchased at non-participating pharmacies must be paid for by the plan member who then remits receipts to the vendor for reimbursement. The amount of the reimbursement will not exceed the amount the vendor would have paid to a participating pharmacy and will not include the applicable co-payment.

The member card shall identify all the participating pharmacies within a 30-mile distance of the plan member's home address zip code or, if there are more than 30 such participating pharmacies, the 30 participating pharmacies that are closest to the plan member's home.

Zyban and Nicotrol nasal spray for smoking cessation shall be included under the prescription drug benefit.

All maintenance drugs filled at a participating retail pharmacy will only be approved up to a 34 day supply.

C. Mental Health/Substance Abuse Services.

Benefits for in-patient and out-patient mental health care and substance abuse services shall be as outlined in Appendix J. If there is no network provider within a reasonable distance from the member's home address (as determined by the Director of the Employee Benefits Division), the vendor will authorize payment for covered services which are provided by a non-network provider as permitted under the State Health Plan in effect prior to the implementation of the PPO.

The State Health Plan will maintain a system of alternative provider referrals and equivalent covered expense reimbursement which assures that, at the patient's option, network providers to whom the patient is referred are neither State employees nor providing services to a State agency at a worksite where the State employee is employed.

D. Hearing.

The State's hearing care program shall continue to be a benefit under the State Health Plan. Such program shall include those benefits currently provided, including audiometric exams, hearing aid evaluation tests, hearing aids and fitting and binaural hearing aids when medically appropriate, subject to a \$10 office call fee for the examination, and shall be available once every 36 months unless hearing capacity changes to the degree determined upon advice by the State Health Plan's medical policy team and audiology professionals. Effective October 1, 2008, the office call fee shall be \$15.

E. Wellness and Preventive Services.

Effective January 1, 2006, wellness and preventive coverage in accordance with the State Health Plan as outlined in Appendix J will be subject to a maximum plan payment of \$1,500 for in-network services per individual per calendar year. There shall be no coverage for wellness and preventive services received out-of-network.

Effective January 1, 2006, the cost for a colonoscopy exam (one every ten years beginning at age 50), and the cost for childhood immunizations will not be applied toward the calendar year maximum. These services will be covered at 100% in-network with no deductible and out-of-network at 90% after the deductible.

F. Weight Loss.

Expenses of weight-loss clinic attendance are covered up to a lifetime limit of \$300, if conditions are met as specified in either (1) or (2) below:

- (1) Employee or covered dependent is obese (defined as being more than 100 pounds overweight or more than 50% over ideal weight), and weight loss clinic attendance is prescribed by a licensed physician and confirmed by a second opinion; or
- (2) Employee or covered dependent is more than 50 pounds overweight or more than 25% over ideal weight, has a diagnosed disease for which excess weight is a complicating factor, and weight-loss clinic attendance is prescribed by a licensed physician and confirmed by a second opinion.

Note: the \$300 amount will not apply to the State Health Plan and deductible.

G. Orthopedic Inserts.

Medically necessary orthopedic inserts for shoes, when prescribed by a licensed physician, are covered under the State Health Plan. This benefit is included under the durable medical equipment benefit in Appendix J.

H. Blood Storage.

Storage costs for blood that is self-donated by an employee or covered dependent in preparation for his/her own scheduled surgery is covered by the State Health Plan subject to the individual deductible.

I. Disease Management Program.

The disease management program currently known as Blue Health Connection shall be included under the State Health Plan as a covered benefit on a voluntary basis.

J. Survivor Conversion Option.

Health Plan coverage for enrolled dependents will cease the 30th day after an employee's death, unless the covered employee is eligible for an immediate pension benefit from the State Employee's Retirement System or unless the dependents elect continued plan coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

K. Health Risk Appraisal Program.

The parties agree to continue extending the Health Risk Appraisal Program to Bargaining Unit members during the term of this Agreement. Such program shall consist of a health assessment questionnaire to be completed by the participant, a mechanism for obtaining and recording current clinical data on vital health status measures (e.g., blood pressure, cholesterol levels, height/weight) for each participant, and feedback reports consisting of individual group profiles. The program shall safeguard participant data from unauthorized release to the Employer, the Union, or third parties.

L. Open Enrollment.

There shall be an annual open enrollment period offered to Unit members in July or August of each year of this Agreement.

M. Smoking Cessation/Abatement Assistance.

The State shall continue a program for reimbursing employees for the fee they paid for enrolling in, and completing, a smoking cessation/abatement program approved by their Appointing Authority. The following conditions shall apply:

- (1) The reimbursement will be available for the employee's participation only. Expenses incurred by the employee's dependents are not reimbursable, even if the employee paid part or all of them.
- (2) The reimbursement shall be available on a one-time-only basis.
- (3) The amount of the reimbursement shall not exceed \$50.00.
- (4) The employee shall be required to produce proof satisfactory to the Appointing Authority that the employee has completed the program, as well as receipts for having paid the enrollment fee. No reimbursement shall be required if a smoking cessation/abatement program is available to the employee through his/her health care coverage at no additional charge.
- (5) This program shall not be considered a part of the State Health Plan, and reimbursements are not payable through the State Health Plan. The reimbursement shall be paid to eligible employees by the Departmental Employer.

Transdermal Patches: Bargaining Unit members shall continue to be eligible, on a one-time-only basis, for reimbursement of the cost of transdermal patches, less the \$2.00 co-payment, and accompanying smoking cessation counseling not otherwise available as a covered benefit under the health plan in which the employee is enrolled. An employee who has already received reimbursement for transdermal patches under any program sponsored by the State shall not be eligible for this benefit. Reimbursement shall be made by the Departmental Employer.

N. Subrogation.

In the event that a participant receives services that are paid by the State Health Plan (SHP) or is eligible to receive future services under the SHP, the SHP shall be subrogated to the participant's rights of recovery against and is entitled to receive all sums recovered from any third party who is or may be liable to the participant, whether by suit, settlement, or otherwise, to the extent of recovery for health related expenses. A participant shall take such action, furnish such information and assistance, and execute such documents as the SHP may request to facilitate enforcement of the rights of the SHP and shall take no action prejudicing the rights and interests of the SHP.

O. Reimbursement for Certain Services and Equipment.

The reimbursement for in-network and out-of-network chiropractic, private duty nursing and acupuncture therapy shall be 90% after the deductible is met.

P. Office Visits and Consultations.

Effective January 1, 2003, in-network office visits and office consultations will be subject to a \$10 co-pay and will not be applied toward the individual or family deductible. Out-of-network office visits and office consultations shall be covered at 90% after the deductible is met. Effective October 1, 2008, the co-pay for office visits and office consultations shall be \$15.

Q. In- and Out-of-Network Access.

In- and out-of-network access is described in Appendix C-27, which includes rules for network use.

R. Effective October 1, 2005, in-network chiropractic spinal manipulation will be subject to a \$10 co-pay and will not be subject to the deductible. Effective October 1, 2008, in-network chiropractic spinal manipulation will be subject to a \$15 co-pay and will not be subject to the deductible. Out-of-network chiropractic spinal manipulation shall be covered at 90% after the deductible is met.

S. A PPO network for durable medical equipment (DME) and prosthetic and orthotic appliances will be integrated into the SHP PPO with in-network reimbursed at 100% and out-of-network reimbursed at 80% of approved charges. No deductible will be required.

SECTION 5. HEALTH MAINTENANCE ORGANIZATIONS (HMOS).

As an alternative to the State-sponsored health insurance program, enrollment in an HMO shall be offered to those employees residing in areas where qualified licensed HMOs are in operation. The State shall pay the same dollar value contribution toward HMO membership (per enrolled employee) as is paid to the State-sponsored health insurance program for both employee and employee/dependent coverage, except where the membership cost is less than the State-sponsored health insurance program premium. In such case, the State shall pay that rate published by the Employee Benefits Division. If an employee moves to a new permanent residence outside the service area of the authorized HMO in which she/he is enrolled, the employee may transfer such enrollment to the State Health Plan or to another authorized HMO serving the new residence area. The parties agree to meet annually through the Labor-Management Health Care Committee to discuss HMO costs and make recommendations for changes in order to keep HMOs affordable. Effective October 1, 2008 the Employer shall pay 95% of the HMO premium up to the amount paid for the same coverage code under the State Health Plan PPO.

SECTION 6. LIFE INSURANCE.

The Employer shall provide a State-sponsored group life insurance plan which has a death benefit equal to 2.0 times annual salary rounded up to the nearest \$1,000. The Employer shall pay 100% of the premium for this benefit.

The employee shall pay 100% of premiums for covered dependents. There shall be no age ceiling for coverage for handicapped dependents, and such additional coverage shall be provided without increased premium cost. A dependent will be considered handicapped if she/he is unable to earn his/her own living because of mental retardation or physical handicap and depends chiefly on the employee for support and maintenance.

The employee may choose one from among five levels of dependent coverage:

- Spouse for \$1,500; child(ren) for \$1,000
- Spouse for \$5,000; child(ren) for \$2,500
- Spouse for \$10,000; child(ren) for \$5,000
- Spouse for \$25,000; child(ren) for \$10,000
- Spouse for \$0; child(ren) for \$10,000

Dependent coverage for children shall be limited to infants 15 days or older.

The Employer agrees to continue the line-of-duty accidental death benefit of \$100,000.

SECTION 7. GROUP DENTAL PLANS.

A. Premium and Benefit Levels.

Except as provided in Section 12 below, the Employer shall pay 95% of the applicable premium for employees enrolled in the State Dental Plan. Benefits payable under the State Dental Plan will be as follows:

- (1) 90% of actual fee or usual, customary and reasonable fee, whichever is lower, for restorative, endodontic, and periodontic services (X-rays, fillings, root canals, inlays, crowns, etc.).
- (2) There shall be a yearly maximum benefit of \$1,500 per person, which does not include orthodontics. For orthodontics there shall be a separate \$1,500 lifetime maximum benefit.

B. Covered Dental Expenses.

The State Dental Plan will pay for incurred claims for employee and/or enrolled dependents at the applicable percentage of either the actual fee or the usual, customary and reasonable fee, whichever is lower, for the dental benefits covered under the State Dental Plan for each covered person in each 12-month period

(Fiscal Year) exclusive of orthodontics for which there is a separate lifetime maximum benefit.

(1) The following services will be paid at the 100% benefit level:

a. Diagnostic Services:

- Oral examinations and consultations twice in a Fiscal Year.
- Effective October 1, 2005, oral exfoliative cytology (brush biopsy) will be covered when warranted from a visual and tactile examination.

b. Preventive Services:

- Prophylaxis - teeth cleaning three times in a Fiscal Year;
- Topical application of fluoride for children up to age 19, twice in a Fiscal Year;
- Space maintainers for children up to age 14, unless an older age is specifically authorized by the dental plan administrator.

(2) The following services will be paid at the 90% benefit level:

a. Radiographs:

- Bite-wing X-rays once in a fiscal year unless special need is shown to the satisfaction of the dental plan administrator;
- Full mouth X-rays once in a five-year period unless special need is shown to the satisfaction of the dental plan administrator.

b. Restorative Services:

- Amalgam, silicate, acrylic, porcelain, plastic, and composite restorations;
- Gold inlay and outlay restorations.

a. Oral Surgery:

- Extractions, including those provided in conjunction with orthodontic services;
- Cutting procedures;
- Treatment of fractures and dislocation of the jaw.

d. Endodontic Services:

- Root canal therapy;
- Pulpotomy and pulpectomy services for partial and complete removal of the pulp of the tooth;
- Periapical services to treat the root of the tooth.

e. Peridontic Services

- Periodontal surgery to remove diseased gum tissue surrounding the tooth;
- Adjunctive periodontal services, including provisional splinting to stabilize teeth, occlusal adjustments to correct the biting surface of a tooth, and periodontal scaling to remove tartar from the root of the tooth;

- Treatment of gingivitis and periodontitis diseases of the gums and gum tissue.

(3) The following prosthodontic services will be paid at the 50% benefit level:

- Repair or rebasing of an existing full or partial denture;
- Initial installation of fixed bridgework;
- Implants;
- Initial installation of partial or full removable dentures (including adjustments for six months following installation);
- Construction and replacement of dentures and bridges (replacement of existing dentures or bridges is payable when five years or more have elapsed since the date of the initial installation).

(4) The following orthodontic services will be paid at the 60% benefit level:

- Minor treatment for tooth guidance;
- Minor treatment to control harmful habits;
- Interceptive orthodontic treatment;
- Comprehensive orthodontic treatment;
- Treatment of an atypical or extended skeletal case;
- Post treatment stabilization;
- Separate lifetime maximum \$1,500 per each enrollee;
- Orthodontic services for dependents up to age 25, if dependent is a full-time student; for enrolled employee and employee's spouse (if enrolled), no maximum age.

C. Point-of-Service PPO.

Bargaining Unit members and dependents enrolled in the State Dental Plan may avail themselves of improved benefit levels at no additional cost to the Plan by utilizing Dental Care providers who are members of the "Dental Point-of-Service PPO." The benefit levels and co-payment levels for specific services are as provided below. Enrolled employees and dependents utilizing dental care providers who are not members of the Dental Point-of-Service PPO shall be subject to current coverage levels and benefits described in Subsections 2 and 3 of this Section.

| Benefit | Current Level | Point-of-Service PPO Level |
|-----------------------------|---------------|----------------------------|
| Diagnostic Services (Exams) | 100% | 100% |
| Preventive Services | 100% | 100% |
| Radiographs | 90% | 100% |
| Restorative (Fillings) | 90% | 100% |
| Oral Surgery (Extractions) | 90% | 100% |
| Endodontics | 90% | 100% |
| Periodontics | 90% | 100% |

| | | |
|-----------------------------|----------|----------|
| Other Oral Surgery | 90% | 90% |
| Adjunctive Periodontic | 90% | 90% |
| Crowns | 90% | 90% |
| Prosthodontic Repairs | 50% | 100% |
| Dental Sealants | 50% | 70% |
| Fixed Bridgework | 50% | 70% |
| Implants | 50% | 70% |
| Partial Dentures | 50% | 70% |
| Full Dentures | 50% | 70% |
| Orthodontics | 60% | 75% |
| Annual Maximum | \$1,000* | \$1,000* |
| Lifetime Orthodontics Limit | \$1,500 | \$1,500 |

*Note: See Subsection A (2) above for change in annual maximum.

D. Sealants.

Application of sealants shall be a covered benefit for permanent molars only, which must be free from restoration or decay at the time of application. Sealants shall be payable only up to the age of 14 years. Payments will be made on a per-tooth basis. No benefit shall be payable on the same tooth within three years following a previous sealant application. The dental plan will pay 50% of the reasonable and customary amount of the sealant application charge, with the employee or covered dependent to pay the remainder of the charge. Under the Dental Point-of-Service PPO, the Plan shall pay 70% of the charge.

E. Dental Maintenance Organization.

The Employer shall continue to offer Bargaining Unit employees the option of voluntarily enrolling in the Dental Maintenance Organization (DMO). The parties understand that the State-approved service area for the DMO program encompasses only certain geographical areas. The DMO will grant a properly completed out-of-area waiver application from a Unit member. The parties also understand that all eligible dental services must be provided by a DMO network provider in order for coverage to be in effect (except for emergency treatment for the immediate relief of pain and suffering when the enrollee is more than fifty miles from a participating provider, which will be reimbursed at fifty percent (50%) of the usual, customary and reasonable rate of the nonparticipating provider).

F. Preventive Dental Plan.

A preventive dental plan will continue to be made available as a voluntary option for employees under the Flexible Benefits Plan provided for in Section 12 of this Article.

G. Open Enrollment.

An annual open enrollment period shall be provided to all employees in July or August of each year of this Agreement.

SECTION 8. VISION CARE PLAN.

Except as provided in Section 12 below, the Employer will provide a Vision Care Plan paying 100% of the applicable premium for employees and dependents enrolled in the plan. Benefits payable under the plan will be as follows:

A. Plan Payments for Participating Providers:

- (1) Examination - payable once in any 12-month period with an employee co-payment of \$5.00.
- (2) Lenses and Frames - payable once in any 24-month period with an employee co-payment of \$7.50 for eyeglass lenses and frames and \$7.50 for medically necessary contact lenses. However, the benefit interval (for participating providers) shall be once in a 12-month period if there has been a prescription change. Coverage includes regular, bifocal, or trifocal lenses up to and including 71 millimeters (mm.) in diameter; glass or plastic colorless lenses with a tint not to exceed a rose #2; prism lenses; and special lenses (e.g., aphatic, lenticular, and aspheric). The payment for eye glass frames shall be the provider's (i.e., wholesale) cost or \$25, whichever is less, plus a dispensing fee paid to the provider.
- (3) Contact Lenses Not Medically Necessary -- the plan will pay a maximum of \$90 and the employee shall pay any additional charge of the provider for such lenses.

"Medically necessary" means that (a) the employee's visual acuity cannot otherwise be corrected to 20/70 in the better eye or (b) the employee has one of the following visual conditions:

Keratoconus, irregular astigmatism or irregular corneal curvature.

B. Limitations on Plan Payments for Nonparticipating Providers

- a. For Vision Testing Examinations: Once in any 12-month period, the plan will pay 75% of the reasonable and customary charge after it has been reduced by the member's co-payment of \$5.00.
- b. For Eyeglass Lenses: The plan will pay the provider's charge or the amount set forth below, whichever is less.

1. Regular Lenses:

| | |
|---------------|---------------|
| Single Vision | \$13 per pair |
| Bifocal | \$20 per pair |
| Trifocal | \$24 per pair |

2. Contact Lenses:

Medically necessary as defined in

Subsection A.3 above \$96 per pair

Not medically necessary \$40 per pair

3. Special Lenses:

For covered special lenses (e.g., Aphatic, Lenticular and Aspheric) the plan will pay 50% of the provider's charge for the lenses or 75% of the Average Covered Vision Expense Benefits paid to participating providers for comparable lenses, whichever is less.

4. Additional Charges for Plastic Lenses:

\$3.00 per pair, plus benefit provided above for covered lenses.

5. Additional Charges for Tints equal to Rose Tints:

#1 and #2 Tints \$3.00 per pair

6. Additional Charges for Prism Lenses:

\$2.00 per pair

When only one lens is required, the plan shall pay one-half of the applicable amount per pair shown above.

- c. For Eyeglass Frames: The plan will pay the provider's charges or \$14.75, whichever is less.

C. VDT/CRT Operators.

VDT/CRT operators who, while operating a VDT/CRT, require prescription corrective lenses that are different from those normally used, shall be eligible for reimbursement for lenses and frames on an annual basis at the rates provided herein. Such reimbursement shall be made by the Departmental Employer and shall include the co-pay requirements for the lenses and frames under this paragraph. These lenses and frames are in addition to those provided under the vision care insurance.

SECTION 9. FLEXIBLE BENEFITS PLAN.

A Flexible Benefits Plan shall be offered to all Bargaining Unit members during the annual enrollment process and shall be effective the first full pay period in the new fiscal year.

The Plan will consist of the group insurance programs with various options available to Bargaining Unit members. Financial incentives will be paid to employees who select: a Catastrophic Health Plan rather than the Standard Health Plan coverage, a Preventive Dental coverage rather than the Standard State Dental Plan or reduced life insurance

coverage (one times salary or \$50,000 rather than two times salary). In addition, members who elect no health care or dental coverage will receive a financial incentive.

Changes in benefit selections may be made by employees each year during the annual enrollment process or when there is a change in family status as defined by the IRS.

Incentives are paid each year and are the same regardless of an employee's category of coverage. For example, an employee enrolled in employee-only coverage electing the Catastrophic Health Plan for FY01-02 will receive \$1,300 as will an employee enrolled in full-family coverage electing the Catastrophic Health Plan.

Incentives to be paid during each fiscal year will be determined in conjunction with the annual rate setting process. The amount of the incentive to be paid to employees selecting the lower-level life insurance coverage is based on an individual's annual salary and the rate per \$1,000 of coverage, and therefore may differ from employee to employee. Financial incentives under the Flexible Benefits Plan to employees electing Catastrophic Health, no health care, and/or reduced life plan will be paid on a biweekly basis. Those choosing the Preventive Dental Plan or no dental plan will receive a lump sum payment.

SECTION 10. LONG TERM DISABILITY BENEFITS.

Long Term Disability (LTD) shall continue to be provided under current practices. There shall not be a waiting/qualifying period for a recurrence of the same disability within a 90 calendar day period.

Effective October 1, 2005, the eligibility period for Plan II claimants who remain totally disabled shall be reduced from age 70 to age 65, or for a period of 12 months, whichever is greater.

Additionally, the benefit period for "mental/nervous" claims shall be limited to twenty-four (24) months from the beginning of the time a claimant is eligible to receive benefits. This limitation does not apply to mental health claims where the claimant is under in-patient care. These changes shall only apply to new claims made after September 30, 2005.

Effective October 1, 2002, the monthly maximum benefit will increase to \$5,000 for disabilities beginning after September 30, 2002.

A. The Employer shall provide a rider to the existing LTD insurance program. All employees who are enrolled in the LTD insurance program shall be automatically covered by this rider. The rider shall provide insurance which will pay directly to the carrier the full amount (100%) of Health Insurance (or HMO) premiums while such employee is on LTD insurance for a maximum of six months for each covered employee. The Employer shall pay 100% of the cost of the premium for such rider. If not prohibited by the IRS, an employee whose LTD rider has expired may transfer immediately to a State-employee spouse's health plan.

- B. Part-time and permanent-intermittent employees who work 40% or more of full time will be eligible for LTD benefits. Premiums for eligible less than full time employees shall be determined in accordance with the current LTD premium schedule for full time employees. The benefit level for employees who actually utilize the LTD benefit shall be based on the employee's average biweekly hours worked the preceding fiscal year, but the dollar amount of the benefit shall be calculated on the basis of the employee's current hourly rate (the hourly rate in effect at the time the employee actually goes on disability leave). Eligibility for coverage shall be the first October 1 following completion of 12 months of employment or at subsequent open enrollment periods which may be established from time to time.

SECTION 11. CONTINUATION OF GROUP INSURANCES.

- A. Subject to limitations below, employees laid off from active State employment may elect to prepay the employee's share of premiums for health, dental, vision, and life insurances for the two additional pay periods after layoff by having such premiums deducted from their last paycheck. The Employer shall pay the Employer's share of the premium for health, dental, vision, and life insurances for two pay periods for all employees who elect this option. Coverage for health, dental, vision, and life insurances shall continue for these two pay periods.
- B. Election of this option shall be available only once for permanent-intermittent employees in a Fiscal Year (October 1 through September 30). Permanent employees who do not utilize the entire two pay periods because of recall shall retain the full two pay periods of this option for full use once in a Fiscal Year (October 1 through September 30). Employees who are recalled to temporary appointments who did not utilize this option when laid off from the permanent position during the same Fiscal Year may do so at the expiration of the temporary appointment. Employees who are recalled to temporary appointments in a Fiscal Year during which they were not laid off from a permanent position may utilize this option once during the Fiscal Year, at the expiration of the temporary appointment. Election of this option under paragraph A above shall not affect the eligibility of laid-off employees to continue coverage as outlined in Paragraph C below.
- C. Employees who are laid off may, at the time of the layoff, elect to continue enrollment in the Group Basic and Major Medical Plan (or HMO) and Life Insurance Plan by paying the full amount (100%) of the premium. Such enrollment may continue until the employee is recalled or for a period of three years, whichever occurs first. Such employee may also elect to continue enrollment in the Group Dental and/or Group Vision Plans by paying the full amount (100%) of the premium. Such enrollment may continue until the employee is recalled or for a period of 18 months, whichever occurs first. In accordance with paragraphs A and B of this Subsection, the Employer shall pay the Employer's share of such premiums for two pay periods for employees selecting these options.
- D. Employees who are granted a leave of absence may elect to continue enrollment in the Group Basic and Major Medical Plan (or HMO) at the time the leave begins.

Such employees shall be eligible for continued enrollment during the leave of absence by paying the full amount (100%) of the premium. Employees who are enrolled in the LTD insurance program are covered by a rider that pays the full amount of health insurance or HMO premiums while the employee is on LTD insurance for a maximum of six months (see Section 10). Employees who are granted a leave of absence may also elect, at the time the leave begins, to continue enrollment in the Life Insurance Plan for up to 12 months by paying the full amount (100%) of the premium. Such employees may likewise elect to continue enrollment in the Group Dental Plan and/or Group Vision Plan for up to 18 months by paying the full amount (100%) of the premium.

- E. The State recognizes its obligations under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), in case of a qualifying event as defined by that statute.

SECTION 12. GROUP INSURANCE PREMIUMS FOR LESS THAN FULL-TIME EMPLOYEES.

Premium payment and eligibility for coverage for permanent intermittent employees shall continue in accordance with current practice.

Employees hired on or after January 1, 2000 who are appointed to a position with a regular work schedule consisting of 40 hours or less per biweekly pay period shall pay fifty percent (50%) of the premium for health, dental and vision insurance. This shall not apply to an employee appointed to a permanent-intermittent position. Eligibility for enrollment shall be in accordance with current contractual provisions.

Employees who have a regular work schedule of 40 hours or less per biweekly pay period who are temporarily placed on a regular work schedule of more than 40 hours per biweekly pay period for a period expected to last six months or more shall be considered as working a regular work schedule of more than 40 hours for the period of the temporary schedule adjustment.

SECTION 13. HOLIDAYS.

On the following holidays, permanent full-time employees shall be allowed eight hours paid absence from work except as provided herein.

New Year's Day - January 1
Martin Luther King Day - Third Monday in January
President's Day - Third Monday in February
Memorial Day - Last Monday in May
Independence Day - July 4
Labor Day - First Monday in September
Election Day - General Election Day in even-numbered years
Veteran's Day - November 11
Thanksgiving Day - Fourth Thursday and Friday in November

Christmas Eve - December 24
 Christmas Day - December 25
 New Year's Eve Day - December 31

Christmas Eve and New Year's Eve shall be holidays regardless of the day of the week upon which Christmas and New Year's may fall. A holiday that falls on Saturday shall be observed on the preceding Friday. A holiday that falls on Sunday shall be observed on the following Monday. When Christmas Eve or New Year's Eve falls on Friday, the holiday shall be observed on the preceding Thursday. When Christmas Eve or New Year's Eve falls on Sunday, the holiday shall be observed on the preceding Friday. Equivalent provision for time off for holidays falling outside the scheduled workweek shall be made for employees working other than a Monday through Friday schedule.

Employees who are on an alternative work schedule as provided in Article 15, Section 8, may use annual leave or compensatory time credits to supplement the eight hours' holiday pay up to the number of regularly scheduled hours for the day.

SECTION 14. PERSONAL LEAVE DAY.

Permanent full-time employees who have satisfactorily completed 1,040 hours in State classified service shall receive two personal leave days (16 hours) to be used in accordance with normal requirements for annual leave usage. Such leave shall be granted to less than full-time permanent employees who have satisfactorily completed 1,040 hours in State classified service on a pro-rata basis in accordance with current practice regarding holidays. Such leave grant shall be extended to employees returning from leave of absence on their return. Such leave time shall be granted to persons entering the Bargaining Unit (for example, recall from layoff) on a pro-rata basis. However, no employee shall be entitled to more than one grant of personal leave in each fiscal year. Such leave shall be credited to the employee's annual leave counter on each October 1 in accordance with Appendix D-1.

It shall be the employee's responsibility to monitor balances in his/her annual leave counter in order to permit crediting of the personal leave grant on October 1.

For contractual purposes, personal leave shall be treated the same as annual leave.

SECTION 15. ANNUAL LEAVE.

| | Service Credit | Accrual Rate/ 80 Hrs. Service | Maximum Accrual Cap | Maximum Accumulation |
|-----------|--------------------------|----------------------------------|------------------------|-------------------------|
| 1 Yr. | (0-2,079 Hrs.) | 4.0 | 256 | 296 |
| 1-5 Yrs. | (2,080-10,399 Hrs.) | 4.7 | 256 | 296 |
| 5-10 Yrs. | (10,400- 20,799 Hrs.) | 5.3 | 271 | 311 |

| | | | | |
|------------|--------------------------|-----|-----|-----|
| 10-15 Yrs. | (20,800- 31,199 Hrs.) | 5.9 | 286 | 326 |
| 15-20 Yrs. | (31,200- 41,599 Hrs.) | 6.5 | 301 | 241 |
| 20-25 Yrs. | (41,600- 51,999 Hrs.) | 7.1 | 306 | 346 |
| 25-30 Yrs. | (52,000- 62,399 Hrs.) | 7.7 | 316 | 356 |
| 30-35 Yrs. | (62,400- 72,799 Hrs.) | 8.4 | 316 | 356 |
| 35-40 Yrs. | (72,800- 83,199 Hrs.) | 9.0 | 316 | 356 |
| 40-45 Yrs. | (83,200- 93,599 Hrs.) | 9.6 | 316 | 356 |
| etc. | | | | |

A. No annual leave in excess of 240 hours shall be included in final average compensation for the purpose of calculating the level of retirement benefits. Should the Retirement Act be amended or interpreted so as to allow more than 240 hours annual leave to be included in final average compensation, upon request by the Union, the parties agree to negotiate the inclusion of the excess hours in accordance with such amendment or interpretation.

B. Annual Leave Options - Layoff and Recall.

A laid-off employee may elect to freeze annual leave up to the accrued balance at the time of layoff. Such balance shall be retained until the employee elects to be paid off for the balance or until the employee's recall rights expire (after six continuous years of layoff), whichever occurs first. Payoff shall be at the employee's last rate of pay.

Upon recall, regular annual leave provisions shall apply. A permanent employee who does not elect to freeze annual leave and is recalled from actual layoff to the same Appointing Authority may, within two pay periods, buy back up to 15 days (120 hours) of annual leave at the rate at which it was paid off; however, an employee may not buy back more annual leave hours than were paid off upon layoff. Payment for buy back must be in a lump sum and must be made before such annual leave can be used.

SECTION 16. SICK LEAVE.

A. Sick Leave Allowance.

Every permanent employee covered by this Agreement shall be credited with four hours of sick leave with pay for each completed 80 hours in a biweekly work period,

or to a pro-rated amount if paid service is less than 80 hours in the pay period. Paid service in excess of 80 hours shall not be counted.

Sick leave shall be credited at the end of the biweekly work period. Sick leave shall be considered as available for use only in the pay period subsequent to the biweekly work period in which it is earned. When paid service does not total 80 hours in a biweekly work period, the employee shall be credited with a pro-rated amount of leave for that work period based on the number of hours in pay status divided by 80 hours multiplied by four hours.

B. Sick Leave Payment at Separation.

An employee who separates employment through retirement or death shall be paid for one-half of unused accumulated sick leave at his/her last rate of pay. In case of death, such payment shall be made to the employee's beneficiary or estate.

An employee who separates employment for reasons other than retirement or death shall be paid at his/her last rate of pay for a percentage of his/her unused accumulated sick leave according to the following chart:

| <u>Sick Leave Accumulation in Hours</u> | <u>Percentage Paid</u> |
|---|------------------------|
| Less than 104 | 0 |
| 104-208 | 10 |
| 209-416 | 20 |
| 417-624 | 30 |
| 625-832 | 40 |
| 833 or more | 50 |

Employees hired on and after October 1, 1980, shall not be entitled to payment for unused accumulated sick leave upon separation or retirement. No payment to the beneficiary or estate for unused sick leave will be made in case of the death of an employee hired on or after October 1, 1980.

SECTION 17. SHIFT DIFFERENTIAL.

All permanent and full-time permanent-intermittent employees who qualify for the present five percent shift differential shall receive an additional \$1.00 per workday for such time worked. This additional premium shall be administered in accordance with current practice.

SECTION 18. CHILD CARE.

Within 90 days of the effective date of this Agreement, the Employer and the Union agree to the establishment of a joint committee to explore the feasibility of developing an information and referral service to assist employees in locating quality child care appropriate to their particular needs. If the committee recommends the establishment of

an information and referral service, the costs for such a program shall be jointly shared by the Employer and the Union.

In addition, the committee shall review the following issues:

- A. The use of existing resources for the development of the service (e.g., existing community-based referral programs and their ability to meet employees' needs);
- B. Types of services that should be offered by such a program; and
- C. How such a service should be communicated to employees.

SECTION 19. CLEANING EXPENSES.

The Administrative Manual of the Michigan Department of Management and Budget (at Chapter 2, subject 236, 6/1/76) shall be the procedure for reimbursement of personal loss under \$100.

SECTION 20. MOVING EXPENSES.

- A. Persons Covered. All full-time employees currently employed by the State of Michigan being relocated at the request of the Appointing Authority and agreeing to continue employment in the new location for a minimum of one year are entitled to all benefits provided by this Section. New employees not presently working for the State of Michigan shall not be entitled to any benefits provided in this Section.
- B. By Commercial Mover. The State will pay the transportation charges for normal household goods up to a maximum of 14,000 pounds for each move. Charges for weight in excess of 14,000 pounds must be paid directly to the mover by the employee.
 - (1) Household Goods: Includes all furniture, personal effects, and property used in a dwelling, and normal equipment and supplies used to maintain the dwelling except automobiles, boats, camping vehicles, firewood, fence posts, tool sheds, motorcycles, snowmobiles, explosives, or property liable to impregnate or otherwise damage the mover's equipment, perishable foodstuffs subject to spoilage, building materials, fuel, or other similar non-household good items.
 - (2) Packing: The State will pay up to \$600 for packing and/or unpacking breakables. The employee must make arrangements and pay the mover for any additional packing required.
 - (3) Insurance: The carrier will provide insurance against damage up to \$0.60 per pound for the total weight of the shipment. The State will reimburse the employee for insurance costs not to exceed an additional \$0.65 per pound of the total weight of the shipment.

(4) In addition to the above packing allowances, the State will pay the following accessorial charges which are required to facilitate the move:

- a. Appliance service;
- b. Piano or organ handling charges;
- c. Flight, elevator, or distance carry charges;
- d. Extra labor charges required to handle heavy items (e.g., pianos, organs, freezers, pool tables, etc.).

(5) Charges for stopping in transit to load or unload goods and the cost of additional mileage involved to effect a stop in transit must be paid by the employee. Also, extra labor required to expedite a shipment at the request of the employee must be paid by the employee.

C. Mobile Homes. The State will pay the reasonable actual cost for moving a mobile home if it is the employee's domicile, plus a maximum \$500 allowance for blocking, unblocking, securing contents or expando units, installing or skirting and utility connections will be paid by the State when accompanied by receipts. "Actual Moving Cost" includes only the transportation costs, escort service when required by governmental unit, special lighting permits, tolls, or surcharges. "Actual Moving Cost" does not include the moving of oil tanks, out buildings, swing sets, etc., that cannot be dismantled and secured inside the mobile home.

Mobile home liability is limited to damage to the unit caused by negligence of the carrier, and to contents up to a value of \$500. Additional excess valuation and/or hazard insurance may be purchased from the carrier at the expense of the employee.

The repair or replacement of equipment of the trailer (e.g., tires, axles, bearings, lights, etc.) is the responsibility of the owner.

D. Storage of Household Goods. The State will pay for storage not in excess of 60 days in connection with an authorized move at either origin or destination, only when housing is not readily available.

E. Temporary Travel Expense. From effective date of reassignment, up to 60 calendar days of travel expense at the new assigned work station are allowed. Extension beyond 60 days, but not to exceed a total of 180 days, should be allowed due to unusual circumstances in the full discretion of the Employer. Authorized travel shall include one round trip weekly between the new work station and the former residence.

F. To Secure Housing. A continuing employee and one additional family member will be allowed up to three round trips to a new official work station for the purpose of securing housing. Travel, lodging, and food costs will be reimbursed up to a maximum of nine days in accordance with the Standardized Travel Regulations.

SECTION 21. COMPENSATION FOR ASSAULTED EMPLOYEES.

A. In the event that an employee suffers physical injury resulting in disability from State employment as a result of a direct physical attack by a person other than a fellow State classified employee, the disabled employee's normal biweekly net salary shall be continued during the period of disability necessitating absence from work which is caused by the attack for a period not to exceed 100 weeks from the date of the attack. Net salary shall be defined in accordance with current practice. As a condition precedent to salary continuation as authorized herein, the disabled employee shall be receiving Workers' Compensation benefits, be on the Department's payroll, provide written notice of claim to the Appointing Authority within 30 days of the attack, submit to such medical examination as the Appointing Authority shall require, and reimburse the Department to the full extent of any Workers' Compensation benefits paid. Fringe benefits normally received by employees eligible under this Section shall continue in effect during the time the employee receives the supplement provided herein. The parties agree that the word "attack" as used in this section has the same meaning as "assault" in P.A. 452 of 1978, MCL 38.1181.

B. Disability Payment.

In the event of an injury or illness for which an employee is eligible and receiving a work disability benefit under the Michigan Workers' Disability Compensation Law, such employee shall be provided salary payment which with the work disability payment equals two-thirds of the regular salary or wage for the first 50 weeks of disability. Leave credits may be utilized to the extent of the difference between such payment and the employee's regular salary or wage. The Employer will consider, upon request, extending approval of the supplemental pay beyond 50 weeks consistent with current practice. Approval of any supplement is limited to a combined total of 100 weeks.

SECTION 22. MEAL AND TRAVEL REIMBURSEMENT.

Effective October 1, 1984, employees shall be entitled to travel reimbursement at the rates and in accordance with the Standardized Travel Regulations which are in effect on the date(s) of travel.

SECTION 23. MAINTENANCE OF CONDITIONS.

Economic benefits which were in effect on the effective date of this Agreement and which are not specifically provided for or abridged by this Agreement will continue in effect throughout the life of this Agreement unless altered by mutual consent of the Employer and the Union or unless it can clearly be demonstrated that the conditions upon which the benefit had previously been granted have substantially changed to the point where continuing the benefit is not for the purpose for which it was granted. Any

changes in economic benefits under this provision must be submitted to and approved by the Civil Service Commission.

SECTION 24. COMPENSATION POLICY UNDER CONDITIONS OF GENERAL EMERGENCY.

- A. General Emergency. Conditions of general emergency include, but are not necessarily limited to, severe or unusual weather, civil disturbance, loss of utilities, physical plant failures, or similar occurrences. Such conditions may be widespread or limited to specific work locations.
- B. Administrative Determination. When conditions in an affected area or a specific location warrant, State facilities may be ordered closed or, if closure is not possible because of the necessity to continue services, a facility may be declared inaccessible. The decision to close a State facility or to declare it inaccessible shall be at the full discretion of the Governor or his/her designated representative.
- C. Compensation in Situation of Closure. When a State facility is closed by the Governor or his/her designated representative or a non State-controlled facility is closed, affected employees shall be authorized administrative leave to cover their normally scheduled hours of work during the period of closure, unless such employees can be temporarily assigned to another facility or are assigned to perform appropriate job responsibilities away from the facility.

Individual employees of facilities ordered closed may be required to work to perform essential services during the period of closure. When such is the case, these employees shall be compensated in the manner prescribed for employees who work under conditions of declared inaccessibility.

- D. Compensation in Situation of Inaccessibility. If a State facility has not been closed but declared inaccessible in accordance with the Governor's policy, and an employee is unable to report for work due to such conditions, she/he shall be granted administrative leave to cover his/her normally scheduled hours of work during the period of declared inaccessibility.

An employee who works at a State facility during a declared period of inaccessibility shall be paid his/her regular salary and, if overtime work is required, in accordance with the overtime pay regulations. In addition, such employees shall be granted compensatory time off equal to the number of hours worked during the period of declared inaccessibility.

- E. Additional Timekeeping Procedures. If a State facility has not been closed or declared inaccessible or a non State-controlled facility has not been closed during severe weather or other emergency conditions, an employee unable to report to work because of these conditions shall be allowed to use annual leave or compensatory time credits. If sufficient credits are not available, the employee shall be placed on lost time.

When an employee is absent from a scheduled work period, a portion of which is covered by a declaration of closure or inaccessibility or closure of a non State-controlled facility, annual leave or compensatory time credits may be used to cover that portion of his/her absence not covered by administrative leave. If sufficient credits are not available, the employee shall be placed on lost time.

Employees who suffer lost time as the result of the application of this policy shall receive credit for a completed biweekly work period for all other purposes.

SECTION 25. LONGEVITY.

A. Eligibility.

- (1) Career employees who separate from State service and return and complete five years (10,400 hours) of full-time continuous service prior to October 1 of any year shall have placed to their credit all previous State classified service earned.
- (2) To be eligible for a full annual longevity payment after the initial payment, a career employee must have completed continuous full-time classified service equal to the service required for original eligibility, plus a minimum of one additional year (2080 hours).
- (3) Career employees rendering seasonal, intermittent or other part-time classified service shall, after establishing original eligibility, be entitled to subsequent annual payments on a pro rata basis for the number of hours in pay status during the longevity year.

B. Payments.

Payment shall be made in accordance with the table of longevity values based on length of service as of October 1.

| LONGEVITY SCHEDULE OF PAYMENTS | |
|--|-----------------|
| <u>Equivalent Hours of Service Prior to Oct. 1</u> | <u>Payments</u> |
| 10,400 – 18,719 | \$ 260 |
| 18,720 – 27,039 | \$ 300 |
| 27,040 – 35,359 | \$ 370 |
| 35,360 – 43,679 | \$ 480 |
| 43,680 – 51,999 | \$ 610 |
| 52,000 – 60,319 | \$ 790 |
| 60,320 and over | \$1,040 |

- (1) No active employee shall receive more than the amount scheduled for one annual longevity payment during any twelve-month period except in the event of retirement or death, or as provided in paragraph 7 of this Subsection.

(2) Initial payments: Employees qualify for their initial payment by completing an aggregate of 10,400 hours of continuous service prior to October 1. The initial payment shall always be a full payment (no pro-ration).

(3) Annual Payments

- a. Employees qualify for full annual payment by completing 2,080 hours of continuous service during the longevity year.
- b. Employees who are in pay status less than 2,080 hours shall receive a pro rata annual payment based on the number of hours in pay status during the longevity year.

(4) Payments to employees who become eligible on October 1 of any year shall be made on the pay date following the first full pay period in October, except that pro rata payments in case of retirement or death shall be made as soon as practicable thereafter.

(5) Lost Time Considerations

- a. Lost time is not creditable continuous service nor does it count in qualifying for an initial or an annual payment.
- b. Employees do not earn State service credit in excess of 80 hours in a biweekly pay period. Paid overtime does not offset lost time, except where both occur in the same pay period.

(6) Payment to Employees on Leave of Absence Without Pay and Layoff on October 1

- a. An employee on other than a waived rights leave of absence, who was in pay status less than 2,080 hours during the longevity year, will receive a pro rata annual payment based on the number of hours in pay status during the longevity year. Such payment shall be made on the pay date following the first full pay period in October.
- b. An employee on a waived rights leave of absence will receive a pro rata longevity payment upon returning from leave.

(7) Payment at Retirement or Death

An employee with 10,400 hours of currently continuous service, who separates by reason of retirement or death, shall qualify and receive both a terminal and a supplemental payment as follows:

- a. A terminal payment, which shall be either:
 - (1) A full initial longevity payment based upon the total years of both current and prior service, if the employee has not yet received an initial longevity payment; or
 - (2) A pro rata payment for time worked from the preceding October 1 to the date of separation, if previously qualified. The pro rata payment is based on hours in pay status since October 1 of the current fiscal year.
- b. A supplemental payment for all time previously not counted in determining the amount of prior longevity payments, if any.

C. Longevity Overtime.

Upon conversion, the regular rate add-on for longevity will be calculated and paid retroactively for overtime worked in the previous fiscal year. This amount will be included in the longevity payment.

SECTION 26. BEREAVEMENT LEAVE.

Employees shall be allowed reasonable and necessary time off by mutual agreement in the event of the death of a member of the immediate family. Immediate family shall be as defined in Article 16, Section 3 of this Agreement. Such time shall be covered by accrued sick leave and/or annual leave credits. In the event of a dispute, an employee shall be guaranteed a minimum of five days leave, if requested.

SECTION 27. JURY DUTY/WITNESS DUTY.

If an employee is selected for jury duty, the summons should be obeyed. Failure to do so may cause the employee to be considered in contempt of court.

While serving on jury duty, an employee will be granted administrative leave (time off with full pay) provided the employee reimburses the Appointing Authority for the jury duty pay received from the court. Alternatively, an employee may, at the employee's discretion, use annual leave when serving on a jury and keep the jury duty pay. When not impaneled for actual service and only on call, the employee shall report back to work unless authorized by the supervisor to be absent from his/her work assignment.

To receive administrative leave for jury duty, an employee must:

- A. Promptly provide a copy of the jury duty summons to his/her supervisor;
- B. Notify the supervisor of the jury duty schedule on a daily basis at or before the beginning of the employee's scheduled work day in accordance with Departmental procedures regarding reporting of absences;

- C. Certify, in writing, each period of time actually served as a juror for which administrative leave is requested; and
- D. Submit the jury duty paycheck stub as soon as it is received together with a payment equal to the jury duty pay in accordance with Departmental procedures.

Travel allowances paid to the employee by the court may be retained, as they are not considered jury duty pay. Employees shall not be permitted to use a State vehicle for travel connected with jury duty and shall not be reimbursed by the Appointing Authority for travel allowances.

An employee requested or subpoenaed to appear before a court as a witness for the People is entitled to administrative leave (time off with full pay) provided that the employee certifies in writing the period of time of such appearance and for which such administrative leave is requested. Employees must reimburse the Department for any witness fees received, up to the amount of their salary.

If an employee is subpoenaed as a witness or appears in court in any capacity other than as a witness for the People, she/he will not be considered as being on duty, nor will administrative leave be granted. Any authorized absence shall be charged to annual leave and employees may retain any expenses or monies received from the court.

If, however, the court appearance is required as a result of conduct occurring in the course of employment and the employee had a reasonable basis for believing the alleged conduct was within the scope of the authority delegated to the employee, the employee will be considered as being on duty.

SECTION 28. TUITION REIMBURSEMENT.

- A. Only to the extent that funds have been appropriated and allocated by the Department/Agency, specifically for tuition reimbursement, the Employer agrees to establish a system of tuition reimbursement for employees. The Employer agrees to notify the Union, upon request, of the amount of money allocated by the Department/Agency for such purpose and of any changes in such allocation.

Reimbursement shall apply only to the per-credit-hour cost of tuition and shall not apply to such items as lab fees, miscellaneous fees, books, or supplies. Selection among eligible applicants, and proportion of reimbursement, shall be determined by the Employer. Employees selected for such tuition reimbursement program shall only be reimbursed upon presenting written documentation of successful completion of the course.

Tuition reimbursement shall not be made unless the course pertains to the employee's current occupation. No employee shall receive reimbursement for more than one course in any one semester or term.

The procedures to be used for application, approval, and verification of successful completion shall be established by the Department/Agency.

The provisions of this Section shall not apply in those cases where the Employer requires employees to take a course(s) as part of their assigned duties.

- B. Subject to legislative appropriation, the parties agree to establish a special Educational Development Fund of \$25,000 in each of two fiscal years, 1990-91 and 1991-92. The amount remaining in the Educational Development Fund at the end of any Fiscal Year shall be carried forward and added to the amount, if any, designated for the fund in the next Fiscal Year. The amount designated for the fund in each of the three Fiscal Years 1993-94, 1994-95, and 1995-96 shall be \$20,000. The amount designated for the fund in each of the three Fiscal Years 1996-97, 1997-98 and 1998-99 shall be \$25,000. The amount designated for the fund in each of the three fiscal years 1999-2000, 2000-01, and 2001-02 shall be \$50,000. This fund will be administered by a joint Labor-Management Committee consisting of an equal number of representatives of the Union and the Employer. Properly designated Union representatives to the committee shall be granted administrative leave for all time approved by the Office of State Employer related to the committee's work.

The Labor-Management Committee will establish goals and objectives as well as the requirements for utilization of this fund. All fund expenditures will be made based on criteria established by the committee and will require agreement of the parties. No program established by the committee will replace obligations of the Employer or the Union under the existing Agreement.

Among the projects which may be addressed by this fund are (not in order of importance) tuition reimbursement for employees seeking a degree or certificate; assisting employees to adjust to the cyclical nature of employment in this Bargaining Unit; and addressing other specific needs of both active and laid-off employees in this unit. This is not intended to be an exhaustive list of projects but is intended to illustrate the scope of activities that the committee may consider.

The Labor-Management Committee will meet and begin its work within 90 calendar days after Civil Service Commission ratification of this Agreement. In this way, programs can be in place at the beginning of the fiscal year in question.

SECTION 29. A QUALIFIED 401(K) TAX-SHELTERED PLAN.

A qualified 401(K) Tax-Sheltered Plan shall be available to employees in this Bargaining Unit.

SECTION 30. GROUP AUTO AND HOMEOWNERS PLAN.

Employees in this Bargaining Unit shall, upon completion of a successful bidding process, be eligible for enrollment in a Group Auto and Homeowners Plan with the employee to pay the entire cost of any premiums.

SECTION 31. FLEXIBLE COMPENSATION PLAN.

The Employer shall maintain the current Flexible Compensation Plan for employees in this Bargaining Unit.

Employees in this Bargaining Unit will be offered participation in the State of Michigan Dependent Care and Medical Spending Accounts authorized in accordance with Section 125 of the Internal Revenue Code.

SECTION 32. SCHOOL/COMMUNITY PARTICIPATION LEAVE.

- A. Intent. The parties recognize the positive role parental and other adult involvement in school activities plays in promoting educational success. The parties intend by this Section to foster employee involvement in educational programs.
- B. Leave Credits. Effective October 1, 1996, permanent intermittent, limited term and permanent employees who have satisfactorily completed 1,040 hours in State classified service shall annually receive eight (8) hours of paid school participation leave to be used in accordance with normal requirements for annual leave usage, provided, however, that such leave may be utilized in increments of one (1) hour if requested.

Employees may use the leave to participate in any education activity including but not limited to tutoring, field trips, classroom programs, school committees, including preschool programs, and in accordance with any applicable collective bargaining Agreements governing the educational program.

Additionally, employees may use the leave to participate in community activities. The leave may also be used for active participation in any structured secular community activity sponsored by a governmental agency, or a non-profit community organization or agency, and not for mere attendance at community events.

The use of the leave is intended for active participation in school or community programs and not for mere attendance at extra-curricular activities. To request school participation leave, employees shall complete a school participation leave form provided by the Employer.

School participation leave shall be credited to employees on each October 1, and shall not carry forward beyond the Fiscal Year.