

## ARTICLE 43 COMPENSATION

### Section A. Wages.

#### 1. 2014-2015

- a. October 1, 2014, the base hourly rate in effect at 11:59 p.m. on September 30, 2014, for each step in the Bargaining Units (Human Services and Administrative Support) shall be increased by two percent (2%).
- b. 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 (2,080) hours of current continuous service since October 1, 2013, shall be paid a one-time cash payment of one-half percent (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 (2,080) 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 (2,080) hours, times one-half percent (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 (2,080) 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 (2,080) hours, times one-half percent (0.5%) of the annualized base hourly rate of pay in effect as of October 2, 2014.

## **2. 2015-2016.**

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

3. Recruitment and retention payment. In light of the difficulty the Department of Corrections is currently experiencing in the recruitment and retention of registered nurses at Duane Waters Hospital, Charles Egler Reception and Guidance Center, Parnall Correctional Facility, and Southern Michigan Correctional Facility the parties agree to establish a recruitment and retention payment of \$5,000 to be paid to all registered nurses employed at these facilities for at least 2,080 hours on the last day of the first full pay period in February. The recruitment and retention payment will be issued each year as a gross pay adjustment in the pay check for the first full pay period in February. It is the intent that this payment serve as a recruitment and retention incentive. In the event that recruitment and retention ceases to be a problem at these facilities, the incentive payment will be discontinued.
4. Effective October 1, 2007, an optional signing bonus may be paid to attract eligible registered nurses, who possess skills that are in high market demand. A one-time lump sum bonus of up to \$5,000 may, at the Employer's option, be paid to new hires in the classes Registered Nurse P11, Registered Nurse P12, Registered Nurse 13 and Registered Nurse 14. Current employees in the listed classes are not eligible for the bonus. The bonus will only be paid to secure a commitment from a highly qualified candidate and when filling hard-to-fill positions. The employee must agree to pay back the entire bonus including tax withholding thereon, if the employee leaves the Department within one (1) year of the appointment. Payback remittances are owed and payable in full within thirty (30) calendar days of the termination date. Such remittance shall be taken as a negative gross pay adjustment from the employee's final pay warrant, if possible. \$1,500 of the signing bonus is paid as a gross pay adjustment with the employee's first pay warrant. The remaining \$3,500 of the signing bonus will be paid upon completion of 2,080 hours of satisfactory service.

## **Section B. Heights and Tunnels Premium.**

1. **Criteria.** Employees who are required to work on high structures in excess of forty (40) feet, requiring the use of scaffolding or safety harnesses, will receive an additional \$1 per hour for each hour worked, with a minimum of four (4) hours hazard pay per day.

Employees who are required to work in pressurized tunnels (new construction or reconstruction) shall receive an additional \$1 per hour for each hour worked, with a minimum of four (4) hours hazard pay per day.

**2. Limitations.** Hazard pay shall be in addition to and not part of the base rate.

Work performed from safety buckets (aerial equipment) is not considered high structure work.

Work in caissons is not considered tunnel work.

**Section C. Group Insurances.**

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. Coverage under such plans is effective the first day of the bi-weekly pay period after enrollment.

**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 eighty percent (80%) of the total NSHP PPO premium with enrolled employees paying twenty percent (20%). The State will pay up to eighty-five percent (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 \$1,500/\$3,000 to \$2,000/\$4,000 in October 2014.

**NHMO**

- NHMO deductibles of \$125/\$250 to be implemented;
- (OOP) Maximums to be implemented at the same levels as the NSHP: \$2,000/\$4,000.

**Appendix E-2 replaces Appendix E and Appendix E-1 effective October 12, 2014.**

**1. The New State Health Plan.**

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

## **2. The State Health Plan.**

- a.** The Employer shall maintain the existing group basic and major medical health insurance coverages except as amended herein. Except as provided in the Letter of Understanding titled "Group Insurance Premiums for Less Than Full Time Employees", the Employer shall continue to pay ninety percent (90%) of the premium. 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 E.

Effective the first full pay period in October 2012, the following will apply to eligible employees enrolled in the State Health Plan PPO. The state will pay eighty percent (80%) of the State Health Plan PPO premium with enrolled employees paying twenty percent (20%).

- b.** In order to provide quality health care in the most cost effective manner, the parties agree that all alternatives should be carefully explored. In order to monitor the State Health Plan as well as to develop alternatives, the parties will continue the Joint Employer UAW Health Care Committee. This Committee shall:
  - (1)** Receive utilization data from all carriers to review administration and delivery of the program.
  - (2)** Explore programs and mechanisms to achieve the most cost effective delivery of quality care.
  - (3)** Review the continuation of any HMO and the offering of any new HMO to UAW Bargaining Unit members. HMOs shall continue to be offered as dual choice options to the State Health Plan coverages. The benefits which must be offered by HMOs which are approved for Bargaining Unit members are set forth in Appendix F. Any HMO which currently provides benefits superior to those set forth in Appendix F shall not reduce or diminish such benefits. No HMO offered to Bargaining Unit members may reduce benefits. Benefits not included in HMO's, but added in other health care options, shall automatically be incorporated into the HMO benefits on the same effective date. Any other alteration of HMO benefits shall be by mutual agreement of the Employer and the Union. The parties agree to meet annually to discuss HMO costs and make recommendations for changes in order to keep HMOs affordable.
  - (4)** Review PPOs including one (1) for durable medical equipment which may be made available as a voluntary alternative plan by the Employer subject to the approval of the UAW. To be considered, a PPO must demonstrate that it meets high standards of quality, accessibility and fiscal soundness.

The scope and level of benefits must be superior to the State Health Plan health care coverage.

- (5) Review any other means by which health care can be provided in a cost effective manner.
  - (6) The parties agree to continue the following PPOs:
    - (a) An alternative prescription drug program;
    - (b) A Dental Maintenance Organization.
  - (7) Review alternatives for addressing health care coverage alternatives for sponsored dependents and other persons for whose financial and physical care the employee is principally responsible.
  - (8) Additionally, during the course of the Agreement, the Joint Health Care Committee will meet at least quarterly to:
    - (a) Explore additional changes to the health plan systems in order to reduce costs and improve quality. Among the issues that may be considered are centers for excellence, programs for cardiac rehabilitation and infusion therapy, and others.
    - (b) Consider proposals for an optional voluntary vision program that enhances benefits at reduced cost.
    - (c) Address problems associated with Psychiatric/Substance Abuse services; and other problems related to the current programs.
  - (9) Discuss coverage for routine services associated with clinical trials.
  - (10) Discuss consistent Department rules for granting administrative leave for attendance at state sponsored retirement and financial planning seminars.
  - (11) Review of the Summary Plan Description/Administrative Manual for the new State Health Plan.
  - (12) Review the MH/SA benefit in terms of quality, cost and access.
- c. The Plan shall include the following:
- (1) **Pre-Certification of Hospital Admission and Length of Stay.** The pre-certification for admission and length of stay component requires that the attending physician submit to the third party administrator 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 third party administrator 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 administrator 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 third party administrator before the expected admission date to obtain the length-of-stay approval.

**(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 \$15 in-network office call fee or covered at ninety percent (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 shall require that the attending physician contact the third party administrator to authorize home health care service.

The attending physician must certify that the proper treatment of the disease or injury would require the services and supplies provided as 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 types of services that shall be covered under this component will 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.

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) Hospice and Birthing Centers - Alternative Delivery Sites.**

Coverage shall also be available for hospice care and birthing center care to employees and enrolled family members. Bills for birthing centers shall be paid in the same manner as under the current Plan.

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 (6) 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. 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 benefits set forth in Appendix E and E-1.

**(5) Hearing Care Program.**

The hearing care program shall be continued under the State Health Plan. Such program will include audiometric exams, hearing aid evaluation tests, hearing aids and fitting subject to a \$15 office call fee for the examination and shall be available once every thirty-six (36) months unless hearing loss changes to the degree determined by the joint committee upon advice by the State Health Plan's Medical Policy Team and Audiology professionals. When medically appropriate, binaural hearing aids are a covered benefit.

**(6) Generic Drugs.**

Generic Prescription Drug Program (Effective October 1, 2005).

In order to promote the usage of generic prescription drugs to reduce costs while maintaining the quality of care, the Pharmacy Benefit Manager (PBM) will automatically substitute an approved generic drug for prescriptions written for multi-source brand name drugs, except for a list of narrow therapeutic index agents, e.g., Dilantin.

- (a)** In those instances when a physician prescribes a multi-source brand name drug and indicates on the prescription, Dispense As Written or DAW, the brand name drug will be dispensed and the enrollee will pay the \$20 brand name co-payment plus the difference (up to a maximum of \$10) in cost between the generic drug and the brand name drug. The enrollee may request a review of the medical necessity for the brand name drug. If the medical necessity is not established, future dispensing will be subject to Section 3. below.
- (b)** In the case described in Section 1., above, the enrollee may request a review of the medical necessity for the brand name drug through the PBM's process. If it is found that dispensing of the brand name drug was medically necessary, amounts paid by

the enrollee in excess of the brand name co-payment will be refunded to the enrollee. The PBM's record systems will be adjusted to allow dispensing of the brand name drug for the period of time the eligible enrollee is receiving that drug.

- (c) If the brand name drug is dispensed at the enrollee's request or after the determination in Section 2., above, that the brand name drug is not medically necessary, the enrollee will pay the appropriate generic drug co-payment plus the full difference in cost between the generic drug and the brand name drug.

The Plan shall provide that unless otherwise specified by the prescribing physician, the pharmacy will be required to dispense a generic drug whenever a generic substitution is available.

**(7) Mail Order Prescription Drugs.**

- (a) The Employer shall continue the current mail order prescription drug option for maintenance drugs. At the employee's option, an employee may elect to purchase maintenance prescription drugs through the mail order option. The employee co-pay for drugs purchased under this option shall be \$20 for generic drugs and \$40 for brand name drugs.
- (b) Effective October 1, 2005 prescription medications on the maintenance drug list (MDL) and used on a long term basis will be available only through mail order home delivery, following an original prescription order and two (2) refills for the same prescription drug at the same therapeutic strength, additional refills will be available only through the home delivery program. Additional refills obtained at retail of MDL drugs and related supplies if applicable are subject to one hundred percent (100%) enrollee co-payment. This paragraph shall not be effective during any period in which Michigan pharmacists are precluded from dispensing prescription drugs by mail.
- (c) Effective the first full pay period in October 2012, at the employee's option, an employee may elect to purchase maintenance prescription drugs through the mail order option. The employee co-pay for drugs purchased under this option shall be \$20 for generic drugs, \$40 for preferred brand name drugs and \$80 for non-preferred brand name drugs. Brand name drugs are deemed to be non-preferred because of the availability of a generic equivalent or a therapeutically or chemically equivalent brand name drug.

**(8) Wellness and Preventive Coverage.**

Wellness and Preventive Coverage in accordance with the State Health Plan as outlined in Appendix E will be subject to a calendar year maximum plan payment of \$1,500 per individual for in-network services. Effective January 1, 2006, the calendar year maximum will increase to \$1,500 per individual for in-network services. There shall be no coverage for preventive services received out-of-network. Effective January 1, 2006, the cost for a colonoscopy exam (one [1] every ten [10] years beginning at age fifty [50]) and the cost for childhood immunizations will not be applied toward the calendar year maximum. These services will be covered at one hundred percent (100%) in-network with no deductible and out-of-network at ninety percent (90%) after the deductible.

The Employer agrees to maintain the current Health Risk Appraisal program, in cooperation with the Office of the State Employer for Bargaining Unit members who wish to participate. 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.

- (9)** Storage cost for blood that is self-donated by an employee or covered dependent in preparation for scheduled surgery is covered by the State Health Plan subject to the individual deductible.
- (10)** Employees and covered dependents enrolled in the State Health Plan will be eligible for a lifetime maximum reimbursement of \$300 for non-medical, weight reduction if they meet the following conditions:
- (a)** The employee or covered dependent is obese as defined by being more than one hundred (100) pounds overweight or more than fifty percent (50%) over ideal weight and weight loss clinic attendance is prescribed by a licensed physician, or
  - (b)** The employee or covered dependent is more than fifty (50) pounds overweight or more than twenty-five percent (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.

The \$300 amount will not apply to the State Health Plan deductibles.

- (11)** Medically necessary orthopedic inserts prescribed by a licensed physician are a covered benefit under the State Health Plan. This benefit is included under the Durable Medical Equipment benefit in Appendix E.
- (12)** Employees shall continue to be eligible, on a one-time only basis, for reimbursement of the cost of transdermal patches less two dollars (\$2) employee co-pay and accompanying smoking cessation counseling not otherwise available as a covered benefit. Such reimbursement shall be made by the Departmental Employer.
- (13)** The Cafeteria Benefits Plan outlined in the attached Letter of Understanding will be continued.
- (14)** Benefits for in-patient and out-patient mental health care and substance abuse services shall be as outlined in Appendix E.

The current substance abuse treatment benefit includes the following substance abuse intensive day treatment component:

Intensive day treatment benefits are payable in lieu of the twenty-eight (28) day maximum residential facility treatment.

Two (2) full days of intensive day treatment are equal to one (1) full day of residential treatment (one [1] full day of treatment is defined as more than four [4] hours).

The maximum charge payable for one (1) full day of treatment is \$125.

The maximum charge payable for four (4) hours or less of treatment is \$70.

- (15)** The current Prescription Drug Plan shall be maintained except as amended herein. At retail there shall be an employee co-pay of \$10 for generic drugs and \$20 for brand name drugs. Participants filling prescriptions for maintenance drugs at the retail level will be provided with information on the Mail Order Program. All maintenance drugs filled at a participating retail pharmacy will only be approved up to a thirty-four (34) day supply. Zyban and Nicotrol nasal spray for smoking cessation shall be included under the prescription drug plan.

Effective the first full pay period in October 2012, the employee co-pay for prescription drugs at retail shall be \$10 for generic drugs, \$20 for preferred brand name drugs and \$40 for non-preferred brand name drugs for each separate prescription order. Brand name drugs are deemed to be non-preferred because of the availability of a generic equivalent or a therapeutically or chemically equivalent brand name drug.

- (16)** The individual deductible for in-network services shall be \$300 per calendar year and the family deductible shall be \$600 per calendar year. The individual deductible for out-of-network services shall be \$600 per calendar year and the family deductible shall be \$1,200 per calendar year. Deductibles do not apply toward out of pocket maximums.
- (17)** The reimbursement for in-network and out-of-network covered private duty nursing and acupuncture therapy shall be ninety percent (90%) after the deductible is met.
- (18)** The out-of-pocket annual maximum shall be \$1,000 per person and \$2,000 per family for in-network services. For out-of-network services, the out-of-pocket annual maximum shall be \$2,000 per person and \$4,000 per family.
- (19)** Dependent and Long Term Nursing Care.
- The parties agree to work cooperatively to provide assistance in identifying and referring employees and dependents to appropriate custodial care facilities and to agencies for custodial care at home.
- (20)** Skilled Nursing Facility Coverage.
- The Skilled Nursing Facility Coverage shall be 730 days per confinement.
- (21)** In-network office visits and office consultations will be subject to a \$15 co-pay and will not be subject to the deductible. Out-of-network office visits and office consultations shall be covered at ninety percent (90%) after the deductible is met.
- (22)** In-and-out-of-network process. In areas of the State of Michigan where in-network access may be an issue, the following procedures will be followed:
- Waivers will be available if Blue Cross/Blue Shield determines access to network providers is not within standard distance. The standards for the waiver are as follows:
- Where there are not two (2) primary care physicians within fifteen (15) miles;
- Where there are not two (2) specialists within twenty (20) miles;
- Where there is not one (1) hospital within twenty-five (25) miles.
- (23)** The Disease Management Program currently known as Blue Health Connection shall be included under the State Health Plan as a covered benefit.

- (24) 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 ninety percent (90%) after the deductible is met.
- (25) A PPO network for durable medical equipment (DME) and prosthetic and orthotics appliances will be integrated into the SHP PPO with in-network reimbursed at one hundred percent (100%) and out-of-network reimbursed at eighty percent (80%) of approved charges. No deductible will be required.

### **3. New Health Maintenance Organization (NHMO)**

See Appendix E-1 for the new HMO (NHMO) health care coverage for eligible employees hired on or after April 1, 2010.

### **4. Health Maintenance Organization (HMO).**

- (a) As an alternative to the State Health Plan, enrollment in HMOs is offered to those employees residing in areas where qualified licensed HMOs are in operation.
- (b) Effective October 1, 2008 the Employer shall pay ninety-five percent (95%) of the applicable HMO premium up to the amount paid for the same coverage code under the State Health Plan PPO. Effective the first full pay period in October 2012, the following will apply to eligible employees enrolled in an HMO. The State will pay up to eight-five percent (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.
- (c) Fees and services for health screening to assist in early diagnosis of disease are included in the services provided under the basic health care benefits of HMOs.
- (d) 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.

### **5. Dental Expense Plan.**

- (a) Except as provided in the Letter of Understanding titled "Group Insurance Premiums for Less Than Full Time Employees", the Employer shall pay

ninety-five (95%) of the applicable premium for employees enrolled in the Group Dental Expense Plan.

- (b) Benefits payable under the Dental Expense Plan, the yearly maximum, and the separate lifetime orthodontic maximum for covered persons are set forth in c., below.
- (c) Covered Dental Expenses: The Dental Expense 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 Dental Expense Plan up to a maximum of \$1,500 for each covered person in each twelve (12) month exclusive of orthodontics for which there is a separate \$1,500 lifetime maximum benefit.

The following services will be paid at the **one hundred percent (100%) benefit level:**

(1) Diagnostic Services:

Oral examinations and consultations twice in a fiscal year.

(2) Preventive Services:

Prophylaxis - teeth cleaning three (3) times in a fiscal year, four (4) times when medically necessary;

Topical application of fluoride for children up to age 19, twice in a fiscal year;

Space maintainers for children up to age 14.

Oral exfoliate cytology (brush biopsy) will be covered when warranted from a visual and tactile examination.

The following services will be paid at the **ninety percent (90%) benefit level:**

(3) Radiographs:

Bite-wing x-rays once in a fiscal year, unless special need is shown;

Full mouth x-rays once in a five (5) year period, unless special need is shown.

(4) Restorative Services:

Amalgam, silicate, acrylic, porcelain, plastic and composite restorations;

Gold inlay and outlay restorations.

**(5) Oral Surgery:**

Extractions, including those provided in conjunction with orthodontic services;

Cutting procedures;

Treatment of fractures and dislocations of the jaw.

**(6) 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.

**(7) Periodontic 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.

**(8) Bonding:**

The dental plan covers cosmetic bonding for the eight (8) front teeth of children between the ages of 8-19 years of age. Cosmetic bonding is a covered benefit when it is required because of severe tetracycline staining, severe fluorosis, hereditary opalescent dentin, or amelogenesis imperfecta.

The following services will be paid at the **fifty percent (50%) benefit level:**

**(9) Prosthodontic Services:**

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 [6] months following installation);

Construction and replacement of dentures and bridges (replacement of existing dentures or bridges is payable when five [5] years or more have elapsed since the date of the initial installation).

**(10) Sealants:**

The Dental Plan includes coverage for sealants on permanent molars that are free of any restorations or decay. Sealant treatment is payable on a per tooth basis with the Dental Plan paying fifty percent (50%) of the reasonable and customary amount of the sealant and the employee paying the remainder. Dependents up to age 14 are eligible for the sealant application. The benefit is payable for only one application per tooth within a three (3) year period.

Under the Dental at-point-of-service PPO the Dental Plan pays seventy percent (70%) of the reasonable and customary amount.

The following services shall be paid at the **sixty percent (60%) benefit level:**

**(11) Orthodontic Services:**

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 of \$1,500 per each enrollee; Orthodontic services for dependents up to age 19; for enrolled employee and spouse, no maximum age. Orthodontic coverage shall be extended to each dependent up to age 25 if the dependent is a full-time student at an accredited institution.

**(d) Dental At-Point-of-Service PPO**

Employees and dependents enrolled in the State Dental Plan may access the improved benefit levels specified below by utilizing dental care providers that are members of the Point-of-Service PPO.

<b>Benefit</b>	<b>Current Coverage</b>	<b>Enhanced Coverage</b>
Exams	100%	100%
Preventive	100%	100%
Radiographs	90%	100%
Fillings	90%	100%
Endodontics	90%	100%
Periodontics	90%	100%
Simple Extractions	90%	100%
Complex Extractions	90%	100%
Prosthetic Repairs	50%	100%
Other Oral Surgery	90%	90%
Adjunctive	90%	90%
Crowns	90%	90%
Fixed Bridgework	50%	70%
Partial Dentures	50%	70%
Implants	50%	70%
Full Dentures	50%	70%
Orthodontics	60%	75%
Sealants	50%	70%
Annual Maximum	\$1,500	\$1,500
Lifetime Orthodontics	\$1,500	\$1,500

## **6. Vision Care Insurance.**

- a. Except as provided in the Letter of Understanding titled "Group Insurance Premiums for Less Than Full Time Employees", the Employer shall pay one hundred percent (100%) of the applicable premium for employees covered by this Agreement for the Group Vision Plan.
- b. Benefits payable for participating providers under the Plan will be as follows:
  - (1) **Examination:** Payable once in any twelve (12) month period with an employee co-payment of \$5.
  - (2) **Lenses and Frames:** Payable once in any twenty-four (24) month period with an employee co-payment of \$7.50 for eyeglass lenses and frames and \$7.50 for medically necessary contact lenses. Lenses and frames are payable once in any twelve (12) month period when there is a change in prescription. The maximum acquisition cost limit for frames is \$25.

The standard lens size definition is 71 millimeters in diameter. If a larger lens is selected, the employee must pay for the additional expense attributable to lens size greater than 71 millimeters in diameter.

- (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. The co-payment provision under (2) is not required.

Medically necessary means (a) the member's visual acuity cannot otherwise be corrected to 20/70 in the worse eye or (b) the member has one of the (1) following visual conditions: kerataconus, irregular astigmatism, or irregular corneal curvature.

**c. Vision Care Plan - Plan payments for non-participating providers:**

- (1) For Vision Testing Examinations:** The Plan will pay seventy-five (75%) of the reasonable and customary charge after it has been reduced by the member's co-payment of \$5.

- (2) For Eyeglass Lenses:** The Plan will pay the provider's charges or the amount set forth below, whichever is less.

- (3) Regular Lenses:**

Single Vision .....\$13/Pair

Bifocal .....\$20/Pair

Trifocal .....\$24/Pair

- (4) Contact Lenses:**

Medically necessary as defined in Section 3.b.(3) above .....\$96/Pair

Not medically necessary ...\$40/Pair

- (5) Special Lenses:** For covered special lenses (e.g., aphatic, lenticular and aspheric) the Plan will pay fifty percent (50%) of the provider's charge for the lenses or seventy-five percent (75%) of the average covered vision expense benefits paid to participating providers for comparable lenses, whichever is less.

- (6) Additional Charges for Plastic Lenses:** .....\$3/Pair

Plus benefit provided above for covered lenses.

- (7) Additional Charges for Tints Equal to Rose Tints:** ....\$3/Pair

- (8) Additional Charges for Prism Lenses:** .....\$2/Pair

When only one lens is required, the Plan will pay one-half (1/2) of the applicable amount per pair shown above.

**(9) For Eyeglass Frames:** The Plan will pay the provider's charges or \$14, whichever is less.

- d. Employees who are required to operate VDT/CRT equipment on a full-time basis shall be eligible for reimbursement for a Vision Testing Examination at rates provided herein on an annual basis regardless of when they were last examined.
- e. VDT/CRT operators and employees who operate microfiche readers who, while operating a VDT/CRT or microfiche reader require prescription corrective lenses which are different than those normally used, are 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. These lenses and frames are in addition to those provided under the Vision Care Insurance. The co-pay requirements for the vision exam and lenses and frames under this paragraph shall also be paid by the Departmental Employer.

## **7. Long Term Disability Insurance.**

- a. The Employer shall maintain the long term disability insurance coverage in effect on October 1, 1986.
- b. The cost of premiums of such plan shall be shared by the Employer and the employee in accordance with current practice.
- c. The parties agree to review the administration of the Long Term Disability Insurance Program. The parties shall meet within thirty (30) days of Civil Service Commission ratification of this Agreement to conduct this review.
- d. The Employer shall provide a rider to the existing LTD insurance. All employees who are covered by LTD insurance shall automatically be covered by this rider as well. The rider shall provide insurance which will pay directly to the carrier the full amount one hundred percent (100%) of health insurance (or HMO) premiums for a maximum of six (6) months while such employee is receiving the LTD insurance benefit. The Employer shall pay one hundred (100%) of the rider premium. An employee whose LTD Rider has expired, may transfer immediately to a State employee spouse's health plan.
- e. Part-time and permanent-intermittent (PI) employees who work forty percent (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 bi-weekly 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 twelve (12) months of employment or at subsequent open enrollment periods which may be established from time to time.

- f. Part-time and permanent-intermittent employees who do not work forty percent (40%) of full-time due to being on an approved medical leave of absence or an approved maternity/paternity leave shall have the number of hours they would otherwise have worked counted for purposes of eligibility for enrollment in the LTD program during the following fiscal year.
- g. The current monthly benefit level maximum is \$5,000 for disabilities beginning after September 30, 2002.
- h. LTD benefits will not be offset by Social Security Disability benefits payable with respect to non-custodial dependent children of divorced employees.
- i. The LTD benefit payment is made on a bi-weekly schedule for the first six (6) months of disability for disabilities beginning after September 30, 1991.

#### **8. Life Insurance.**

- a. The Employer shall provide a State-sponsored group life insurance plan which has a death benefit equal to two (2) times annual salary rounded up to the nearest \$1,000, with a minimum \$10,000 benefit. The Employer shall pay one hundred percent (100%) of the premium for this benefit. Less than full-time employees who are eligible for enrollment in the Plan in accordance with Appendix D. of the Master Agreement shall have their benefit level determined as if they were working full-time in a full-time position.
- b. The age ceiling of 23 years for dependent coverage available under the optional life insurance plan shall not apply to handicapped dependents. Such additional coverage shall be provided at the current premium cost to the employee. A dependent is considered handicapped if he/she 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.
- c. **Coverage:**
  - (1) Employee pays one hundred percent (100%) of premium for optional dependent coverage.
  - (2) Employee may choose between five (5) levels of dependent coverage:

- (a) Level one insures spouse for \$1,500 and children from age 15 days to 23 years for \$1,000.
- (b) Level two insures spouse for \$5,000 and children from age 15 days to 23 years for \$2,500.
- (c) Level three insures spouse for \$10,000 and children from age 15 days to 23 years for \$5,000.
- (d) Level four insures spouse for \$25,000 and children from age 15 days to 23 years for \$10,000.
- (e) Level five insures children only from age 15 days to 23 years for \$10,000.

#### **9. Accidental Death Insurance.**

The State shall provide a State-sponsored Accidental Death Insurance Plan which has a benefit of \$100,000 in case of an employee's accidental death in line of duty.

#### **10. Continuation of Group Insurances.**

##### **a. Upon Layoff.**

- (1) Employees who are laid off, at the time of layoff, may elect to continue enrollment in the State Health Plan (or alternative plan) and life insurance plan by paying the full amount one hundred percent (100%) of the premium. Such enrollment may continue until the employee is recalled or for a period of three (3) years, whichever occurs first. Such employees may also elect to continue enrollment in the Group Dental (or alternative plan) and/or Group Vision Plans by paying the full amount one hundred percent (100%) of the premium. Such enrollment may continue until the employee is recalled or for a period of eighteen (18) months, whichever occurs first. In accordance with Paragraph (2) of this Section, the Employer shall pay the Employer's share of such premiums for two (2) pay periods for employees selecting these options.
- (2) Employees laid off as a result of a reduction in force may elect to pre-pay their share of premiums, if any, for the State Health Plan (or alternative plan), Group Dental Plan (or alternative plan), Group Vision Plan, and life insurance for two (2) additional pay periods after layoff by having such premiums deducted from their last pay check. The Employer shall pay the Employer's share of premiums for the State Health Plan (or alternative plan), Group Dental Plan (or alternative plan), Group Vision Plan, and life insurance for two (2) pay periods for employees selecting this option. Coverage for the State Health Plan (or alternative plan),

Group Dental Plan (or alternative plan), Group Vision Plan, and life insurance shall thereafter continue for these two (2) pay periods. Election of this option shall not affect the laid off employee's eligibility for continued coverage as outlined in Paragraph (1) of this Section.

**b. Upon Leave.**

Employees who are granted a leave of absence may elect to continue enrollment in the State Health Plan (or alternative plan) at the time the leave begins. Except as may be otherwise provided in the Federal Family and Medical Leave Act, for continuation of health plan benefits, such employees shall be eligible for continued enrollment during the leave of absence by paying the full amount one hundred percent (100%) of the premium. Such employees may also elect, at the time the leave begins, to continue enrollment in the life insurance plan for up to twelve (12) months by paying the full amount one hundred percent (100%) of the premium. Such employees may likewise elect to continue enrollment in the Group Dental Plan (or alternative plan) and/or Group Vision Plan for up to eighteen (18) months by paying the full amount one hundred percent (100%) of the premium.

**c. Continuation of Life Insurance Coverage in the Event of Total Disability.**

Upon presentation of satisfactory evidence of total disability to Civil Service, which is defined as receiving benefits from one (1) of the following:

- (1) The State's Long Term Disability Plan, (2) Social Security Disability coverage, (3) Workers' Compensation Insurance, or (4) the State's Duty or Nonduty Disability Retirement Plan, the employee shall receive life insurance coverage fully paid by the Employer for as long as the employee is totally disabled. All premium payments made by the employee prior to establishing Total Disability shall be reimbursed to the employee. The benefit level is the amount in force on the day the employee becomes totally disabled; however, if the employee is totally disabled on his/her 65th birthday, the employee shall be considered retired and the life insurance coverage shall be the same as if the employee had retired.

**11. Group Insurance Enrollment Upon Limited Term Recall.**

All employees covered by this Agreement who accept limited term recall into positions in these Bargaining Units are eligible for enrollment in all group insurance plans in which they were enrolled at the time of layoff. Coverages in such plans shall be the same as the coverage at the time of

layoff. Eligibility for other benefits shall be in accordance with Appendix D of the Master Agreement. Such employees shall not be considered as temporary (less than 720 hours) employees.

12. Health Plan coverage for enrolled dependents will cease the 30th day after a Bargaining Unit member's death unless the covered Bargaining Unit member is eligible for an immediate pension benefit from the State Employees' Retirement System, or unless the dependents elect continued plan coverage in accordance with provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).
13. Employees who present evidence of completion of a smoking cessation program will be reimbursed up to a maximum of \$50 provided the cost of the program is not a covered benefit under any other insurance program. This is a one-time only reimbursement and any additional costs will be paid by the employee.

**Section D. Shift Premium Payment.**

1. Employees in Bargaining Unit classes at the levels indicated below are eligible for shift premium of five percent (5%) above straight-time rates, rounded to the nearest cent:

<b><u>Service</u></b>	<b><u>Skill Levels*</u></b>
Position Comparison System	1 – 12
Domestic Workers	I - VII
Labor and Trades	I - VII
Public Safety, Security & Regulatory	I - VI
Law Enforcement	I - IV
Legal	1 (only)
Physicians and Psychiatrists	1 (only for Psychiatrists)
Clerical Support	I – IX
Engineering and Scientific	I – VII
Human Services:	
• Parole/Probation	V – VII
• Consultants/Psychologists	V – VI
• Education Consultants	V – (only)
• Dentists	None
All Other Classes:	
Non-Degree	I - VIII
Bachelor's Degree	I – VIII
Master's Degree	I – VII
Business/Administrative	I – VII

\*It is the intent of the parties that the renumbering of classification levels as a result of the classification redesign project shall not affect eligibility for shift premium payment.

2. Shift premium shall be paid to eligible employees for each shift where fifty percent (50%) or more of their regularly scheduled shift falls between the hours of 4:00 p.m. and 5:00 a.m.
3. Shift premium shall be paid to all eligible employees for overtime hours worked on regularly scheduled afternoon and night shifts.
4. Shift premium shall not be paid for holidays or leave time used.
5. The value of shift premium shall not be included in determining the value of fringe benefits which are based on pay rate; all fringe benefits will be based on the straight time pay rates.
6. Work requiring reassignment of employees from day shifts to afternoon or night shifts shall be paid shift premium as in the case of regularly assigned afternoon and night shifts.
7. Eligibility of an employee taking the place of an absent worker will be determined on the eligibility of the worker being replaced.

#### **Section E. Hazard Pay Premium.**

##### **1. *Eligibility.***

- a. An employee is eligible for hazard pay premium (P-Rate) if he/she meets any of the following:
  - (1) Is responsible on a regular and recurring basis for the custody or supervision of residents under the jurisdiction of the Department of Corrections, Correctional Facilities Administration;
  - (2) Is assigned to a position within the security perimeter of an institution within the Department of Corrections, Correctional Facilities Administration;
  - (3) Is assigned to a work station within a Department of Corrections, Correctional Facilities Administration institution which involves regular and recurring contact (twenty-five percent [25%] or more of work time) with Department of Corrections residents. Any disputes arising under this paragraph shall be resolved by the International Union and the Office of the State Employer;
  - (4) Works in a "covered position" within the meaning of P.A. 302 of 1977, as may be amended;
  - (5) Is assigned to replace an employee receiving hazard pay within a security perimeter for the period of such replacement, provided he/she replaces the employee for a minimum of a seven hour work day, and any consecutive scheduled work;

(6) Is assigned on a regular and recurring basis (twenty-five percent [25%] or more of work time) for the care or supervision of residents of the Center for Forensic Psychiatry.

- b. Positions in departments other than Department of Corrections must supervise residents assigned from Department of Corrections, Correctional Facilities Administration, except as provided in Subsection a.(6).
- c. Incidental contact such as passing by a resident porter does not qualify a position for hazard pay.

## **2. Premium Pay Rate.**

### **a. High Security Premium**

Employees with at least two (2) years of continuous service who are eligible for hazard pay premium as set forth above who are assigned to close, maximum and administrative segregation work units within the security perimeter of a Department of Corrections institution which is designated by the Michigan Corrections Commission as having: a close, maximum or administrative segregation overall rating, or a close or medium overall rating which would contain administrative segregation units are entitled to receive \$.50 per hour above their regular rates. (\*See Letter of Understanding)

### **b. Non-High Security Premium**

All other employees eligible for hazard pay premium as set forth above are entitled to receive \$.40 per hour above their regular rates.

- c. Employees eligible for hazard pay premium shall be compensated for all hours in pay status including holidays and leave time used. Hazard pay shall be included in computing overtime.

## **Section F. Personal Leave Days.**

Permanent full-time and employees who have satisfactorily completed 1,040 hours of State classified service shall receive two (2) personal leave days (sixteen [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 of State classified service who work at least forty percent (40%) of full-time in the preceding twelve (12) month period. All other less than full-time, non-probationary permanent employees who have satisfactorily completed 1,040 hours of State classified service shall be granted such leave 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 Units (for example, recall from

layoff) on a pro-rata basis. However, no employee shall be entitled to more than one (1) grant of personal leave in each fiscal year. Personal leave will be credited to the employee's annual leave balances on each October 1.

### **Section G. Longevity.**

The Longevity Plan which became effective for employees in these Bargaining Units on October 1, 1999, shall continue in accordance with the provisions upon which it was negotiated. Effective October 1, 1991, the Longevity Schedule in Appendix G shall be applicable to these Bargaining Units.

#### **1. Eligibility.**

- a. Career employees who separate from State service and return and complete five (5) 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.
- b. 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 (1) additional year (2,080 hours).
- c. 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.

#### **2. Payments.**

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

- a. No active employee shall receive more than the amount scheduled for one (1) annual longevity payment during any twelve (12) month period except in the event of retirement or death.
- b. **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 proration).
- c. **Annual Payments.**
  - (1) Employees qualify for full annual payment by completing 2,080 hours of continuous service during the longevity year.
  - (2) 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.

- d. 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.
- e. **Lost Time Considerations.**
- (1) Lost time is not creditable continuous service nor does it count in qualifying for an initial or an annual payment.
  - (2) Employees do not earn State service credit in excess of eighty (80) hours in a bi-weekly pay period. Paid overtime does not offset lost time, except where both occur in the same pay period.
- f. **Payment to Employees on Leave of Absence Without Pay and Layoff on October 1.**
- (1) 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.
  - (2) An employee on a waived rights leave of absence will receive a pro-rata longevity payment upon returning from leave.
- g. **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:
- (1) A terminal payment, which shall be either;
    - (a) 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,
    - (b) 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.
  - (2) A supplemental payment is for all time previously not counted in determining the amount of prior longevity payments, if any.

## **Section H. Holidays.**

1. The following are designated holidays:

New Year's Day  
Martin Luther King Day

Veteran's Day  
Thanksgiving Day

President's Day	Thanksgiving Friday
Memorial Day	Christmas Eve Day
Independence Day	Christmas Day
Labor Day	New Year's Eve Day
Election Day (general election day in even numbered years)	

2. Eligibility and compensation for holidays shall continue in accordance with current practice (see Appendix D of Primary Agreement).

### **Section I. Severance Pay.**

In recognition of the fact that the deinstitutionalization of the Department of Community Health resident population has resulted, and will continue to result, in the layoff of a large number of State employees, and in recognition of the fact that such layoffs are likely to result in the permanent termination of the employment relationship, the parties hereby agree to the establishment of severance pay for certain employees.

In recognition that a reduction of over sixty percent (60%) of the work force in the Unemployment Agency has occurred through layoff and that over forty percent (40%) of the Unemployment Agency work locations statewide have been closed, the parties agree to extend severance pay provisions to employees in the Unemployment Agency who are laid off on or after October 1, 1987. (See Letter of Understanding)

#### **1. Definitions.**

- a. Layoff - For purposes of this Section, layoff is defined as the termination of active State employment solely as a direct result of a reduction in force. Other separations from active State employment such as leaves of absence, resignation, suspension or dismissal shall not be considered a layoff under the terms of this Section.
- b. Week's Pay - Week's pay is defined as an employee's gross pay for forty (40) hours of work at straight time excluding such things as shift differential and "P" rate at the time of layoff.
- c. Year of Service - Year of service is defined as 2,080 hours recorded in the continuous service hours counter (see Severance Pay Schedule).

#### **2. Eligibility.**

The provisions of this Section shall apply to employees with more than one (1) year of service who have been laid off from the Unemployment Agency and to Department of Community Health Agency-based employees with more than one (1) year of service who have been laid off because of a reduction in the resident population in State institutions. Further, the following employees shall not be eligible to receive severance pay:

- a. Employees who are in less than satisfactory employment status.
- b. Employees with a temporary or limited term appointment having a definite termination date.

### **3. Time and Method of Payment.**

After an employee has been laid off for six (6) months in accordance with the provisions of this Section, he/she shall be notified by the Agency in writing that he/she has the option of remaining on the recall list(s) or of accepting a lump sum severance payment and thereby forfeiting all recall rights. The employee must notify the Agency in writing of his/her decision either to accept the severance payment or to retain recall rights. An employee who does not notify the Agency in writing of his/her decision shall be deemed to have elected to retain recall rights.

If the employee chooses to remain on recall and rejects the payment, the employee has the option, at any time within the next six (6) months, of accepting the lump sum severance payment and thereby forfeiting all recall rights. An employee who reaches such decision during the second six (6) month period shall notify the Agency in writing of his/her decision.

An employee who has been laid off for twelve (12) months shall be notified by the Agency in writing that he/she must choose either to accept the lump sum severance payment or to reject such payment. By rejecting such payment, the employee shall retain recall rights in conformance with the provisions of this Agreement and shall have no further opportunity to receive severance payment. The employee must notify the Agency in writing of his/her decision within fourteen (14) calendar days of receipt of the Agency's notification. An employee who does not notify the Agency in writing of his/her decision to accept the severance payment shall be deemed to have permanently rejected such payment and to have retained recall rights in accordance with Article 12. If an employee elects to accept the lump sum payment, the employee's name shall be removed from all recall lists and such payment shall be made by the Agency within sixty (60) calendar days of receipt of the employee's decision.

### **4. Disqualification.**

An employee laid off, as defined in this Section, who has not elected in writing to accept severance payment shall be disqualified from receiving such payment under the following conditions:

- a. If the employee is deceased;
- b. If the employee is hired for any position by an Employer;
  - (1) If such employment requires a probationary period, upon successful completion of such period.
  - (2) If no probationary period is required, upon date of hire.

- (3) If a probationary period is required and the employee does not successfully complete such required probationary period and is therefore separated, such time of employment shall be bridged for purposes of the time limits in Subsection 3. above.
- c. An employee who refuses recall to or new State employment hiring within a seventy-five (75) miles radius of the Agency from which he/she was laid off.
- d. An employee permanently recalled to another job in State Government.

#### **5. Effect of Recall.**

- a. An employee temporarily recalled for sixty (60) calendar days or less shall have such time bridged for purposes of counting the time in accordance with Subsection 3. above.
- b. An employee permanently (more than sixty [60] calendar days) recalled to a position in this Bargaining Unit and subsequently laid off shall have the same rights as if he/she were laid off for the first time. The time limits listed in Subsection 3. above shall be applied from the date of the most recent layoff.

#### **6. Effect of Hiring.**

If an employee has accepted severance payment and is hired in the State classified service or into a State-funded position caring for residents within two (2) years of acceptance of severance payment, such employee shall repay to the State the full net (gross less employee's FICA and income taxes) amount of the severance payment received. Such repayment shall not be required until after the employee has successfully completed a required probationary period. Once such employee has successfully completed the required probationary period, that employee shall have a one (1) year period to make the repayment to the Agency from which the severance payment was received. The details of the method and time schedule for such repayment shall be discussed between the employee and the Agency and reduced to writing and signed by the employee and the Appointing Authority or designee of the Agency. In cases of unusual hardship and by mutual consent the one (1) year period may be extended.

#### **7. Payment.**

An employee who elects in writing to receive severance pay shall receive an explanation of the terms of such severance pay. The Office of the State Employer shall develop a form which explains to such employee all the conditions attendant to acceptance of severance pay.

The employee and Appointing Authority or designee shall sign this form and the signatures shall be witnessed. No employee is entitled to receive

severance pay until and unless he/she has signed the above mentioned form. The employee shall receive a carbon copy of the signed form.

The Employer shall deduct from the amount of any severance payment any amount required to be withheld by reason of law or regulation for payment of taxes to any Federal, State, county or municipal government. Eligible employees as indicated in Subsections 1-6 above shall receive severance payment according to the following schedule:

- a. Employees who have from one (1) through five (5) years of service: One (1) week's pay for every full completed year of service, years 1-5;
- b. Employees who have more than six (6) full years of service: Two (2) week's pay for every full completed year of service, years 6-10;
- c. Employees who have more than eleven (11) full years of service: Three (3) week's pay for every full completed year of service from year eleven (11) on. For amounts, see attached schedule.

Employees who work less than full-time (eighty [80] hours per pay period) shall be eligible in accordance with Subsections 1-6 above, to receive a proportional severance payment in accordance with the following formula:

The Agency shall calculate the average number of hours such employee worked for the calendar year preceding such employee's layoff. This number shall then be used to determine the proportion of such employee's time in relation to full-time employment. This proportion shall then be applied to the above payment schedule for purposes of payment. (See attached example)

However, no employee shall be entitled to receive more than fifty-two (52) weeks of severance pay.

#### **8. Effect on Retirement.**

The acceptance or rejection of severance pay shall have no effect on vested pension rights under the Retirement Act. The parties agree that the severance payment shall not be included in the computation of compensation for the purpose of calculating retirement benefits and will seek and support statutory change if such legislation is necessary to so provide.

#### **9. Date.**

- a. The provisions of this Section shall apply to employees in the Human Services Unit in the Department of Community Health laid off on or after October 1, 1983.
- b. The provisions of this Section shall apply to employees in the Administrative Support Unit in the Department of Community Health laid off on or after October 1, 1982.

- c. The provisions of this Section shall apply to employees in the Unemployment Agency laid off on or after October 1, 1987.

The Employer agrees that employees covered by this Agreement shall be eligible for severance payments in accordance with this Section during the life of this Agreement, up to the maximum total of \$2.5 million. The provisions of this Subsection shall not apply to the Department of Community Health and the Unemployment Agency employees entitled to severance pay under this Section.

**SEVERANCE PAY SCHEDULE**

<u>Hours</u>	<u>Years</u>	<u>Week's Pay</u>
2,088 – 4,176	1	1
4,177 – 6,264	2	2
6,265 – 8,352	3	3
8,353 – 10,440	4	4
10,441 – 12,528	5	5
12,529 – 14,616	6	7
14,617 – 16,704	7	9
16,705 – 18,792	8	11
18,793 – 20,880	9	13
20,881 – 22,968	10	15
22,969 – 25,056	11	18
25,057 – 27,144	12	21
27,145 – 29,232	13	24
29,233 – 31,320	14	27
31,321 – 33,408	15	30
33,409 – 35,496	16	33
35,497 – 37,584	17	36
37,585 – 39,672	18	39
39,673 – 41,760	19	42
41,761 – 43,848	20	45
43,849 – 45,936	21	48
45,937 – 48,024	22	51
48,025 – 50,112	23	52
50,113 – 52,200	24	52
52,201 – 54,288	25	52
	etc.	

## **EXAMPLE OF SEVERANCE PAY FOR LESS THAN FULL-TIME EMPLOYEE**

Average number of hours worked in previous calendar year: 1,980

Full-Time employee hours: 2,088

Proportion (or percentage)  $\frac{1,980}{2,088} = 94.8\%$

.948 x \$S.P. = \$ Gross amount to be paid

S.P. = Severance payment from schedule

### **Section J. Deferred Compensation.**

Employees who are laid off from State employment and who have been enrolled in the State's Deferred Compensation Program shall be provided with a written explanation of their options regarding their contributions made to the Plan. Such written explanation shall fully outline and be only limited by governing Internal Revenue Service (IRS) Regulation 457 and the State's IRS approved Deferred Compensation Plan.

### **Section K. Reimbursement Rates.**

Employees shall be entitled to travel reimbursement at the rates and in accordance with the Standardized Travel Regulations outlined in the DTMB Guide Policy 0420.01 which are in effect on the date(s) of travel.

In the event the Civil Service Commission changes reimbursement rates for non-exclusively represented employees, the parties agree to meet to review such changes and may, by mutual agreement of the parties, amend these rates.

See Letter of Understanding.

### **Parking Charges While on State Business**

1. Reimbursement for parking charges is allowable, including metered parking, except that receipts are attached to the travel voucher if obtainable.
2. Daily parking permits for entry into State parks on official business are reimbursable. The purchase of annual State park permits is reimbursable, with approval of authorized Department officials.
3. Employees who are required to drive a privately owned car to a State car pool for the purpose of picking up a State car for official travel may be reimbursed for the parking of their private vehicles if free parking is not available. Such expense is reimbursable as a regular item of travel expense provided a State vehicle is requisitioned and used on the same day or days. This item is for parking costs that are caused by travel status: there will be no reimbursement for normal everyday parking costs that the employee pays when he/she is not in travel status.

**Section L. Qualified 401(K) Tax-Sheltered Plan.**

A qualified 401(K) tax-sheltered plan shall be available to employees in these Bargaining Units.

**Section M. Group Auto and Homeowners Plan.**

Employees in these Bargaining Units 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 N. Flexible Compensation Plan.**

The Employer shall maintain the current flexible compensation plan for employees in these Bargaining Units.

Employees in the Human Services and Administrative Support Bargaining Units are eligible to participate in the State of Michigan Dependent Care and Medical Spending Accounts authorized in accordance with Section 125 of the Internal Revenue Service Code.

**Section O. Children's Protective Services/Foster Care Rate.**

Employees in the Department of Human Services assigned exclusively to the Children's Protective Services (CPS) Program and who are classified as Services Specialists, College Trainees or Professional Trainees shall receive \$.46 per hour in addition to the regular rate while assigned to such program. Likewise, effective with the beginning of the first full pay period in October, 1994, Department of Human Services employees in those classes assigned exclusively to the Foster Care Program shall be eligible for the \$.46 premium. Eligibility for such payment for employees who are not exclusively assigned to the CPS or Foster Care Program but who carry CPS and/or Foster Care cases shall be determined in secondary negotiations.

Employees who qualify for the CPS/Foster Care rate shall be compensated for all hours in pay status including holidays and leave time used. The CPS/Foster Care rate shall be included in computing overtime rate.

**Section P. Child and Elder Care.**

The Joint Child Care Committee shall be expanded to the Joint Child and Elder Care Committee. The Committee shall review such issues as on-site child care programs, including parenting classes, tutorial programs, etc. The Committee shall continue to assess child care needs and programs to address these needs, including pilot on or near site child care. The Joint Committee will also explore an elder care information, referral and counseling service utilizing existing State resources. Child and elder care programs may be implemented by mutual

agreement. The Employer shall be responsible for the cost of such programs unless agreed otherwise.

**Section Q. Joint Employee Education, Training and Development Fund.**

A Joint Employee Education, Training and Development Fund shall be established. The level of funding will be composed of two (2) equal parts. Each party's contribution will be at the level of one (1) cent per hour for all hours in pay status. The funding will be made available effective the first day of each fiscal year based on all hours in pay status during the previous fiscal year. \*See Letter of Understanding.

**Section R. Dependent and Long Term Nursing Care.**

The parties agree to work cooperatively to provide assistance in identifying and referring employees and dependents to appropriate custodial care facilities and to agencies for custodial care at home.

**Section S. Effective Dates.**

This Article shall be effective October 1, 2014, unless otherwise specified. This Agreement satisfies the parties' obligation to bargain over Article 43, Compensation, for Fiscal Year 2014-2015 and 2015-2016.