

REVISED SEBAC 2011 AGREEMENT
-between-
STATE OF CONNECTICUT
-and-
STATE EMPLOYEES BARGAINING AGENT COALITION (SEBAC)

In order to assist in resolving the financial issues currently facing the State of Connecticut while preserving public services, the State of Connecticut and the State Employees Bargaining Agent Coalition agree to the following provisions. This agreement shall amend and supersede the previous SEBAC 2011 Agreement..

I. SAVINGS AND TRANSFORMATION

The parties have explored and will continue to explore and, where appropriate, implement strategies to:

- a. Harness the creativity and experience of front-line bargaining and non-bargaining unit state employees to improve the efficiency and effectiveness of state government;
- b. Streamline and flatten organizational structures to concentrate on service delivery;
- c. Examine and redress barriers to the most efficient use of in-house resources to address agency and cross-agency needs;
- d. Discourage the use of outside contractors and consultants when internal capacity exists or can reasonably be developed; and
- e. Make best efforts to ensure that vendors and service providers doing business with the state do so at reasonable rates of return and under terms that reflects the shared sacrifice being asked from all sectors of Connecticut society.

As part of this process, the following steps will be taken:

- a. Establish a Joint Labor Management Information Technology Committee as soon as possible that will consider, among other things, utilizing new technologies and reducing licensing procurement and consulting costs. This Committee shall be headed by the Chief Information Officer of the State.
- b. Establish a Joint Labor Management Committee, no later than September 1, 2011, which will begin to explore the issues, outlined in subparagraphs (a) – (d) above, except issues that impact on matters of collective bargaining.
- c. The Governor will issue an Executive Order or similar appropriate directive to state agencies that will implement subparagraph (e) above, no later than June 1, 2011.

II. MODIFICATIONS TO THE CURRENT SEBAC PENSION AND HEALTH CARE AGREEMENT

Reaffirmation of the Independence of the Plans. The parties reaffirm that the State Employee Pension and Health Care plans are set forth in contract, and are intended to and shall remain independent of any other pension or health care plans that may or may not be created by state government. Neither the legislature nor the governor shall have the ability to include the state employees' health care plan in Sustinet or any other program.

A. Health Care Preservation and Enhancement of Current Plans and Joint Efforts.

Except as specifically referenced herein, all the provisions of 1997-2017 Pension and Health Care Agreement, as amended, shall apply. None of the benefit levels, access requirements, including doctors and hospitals or basic plan structures are modified by this agreement. Any impact on current retirees shall be based on their voluntary participation except as specifically provided herein. There shall be no increase in costs affecting current retirees as a result of this agreement. Changes affecting future retirees shall be effective October 2, 2011. There is no change in current plans except as specifically noted otherwise below.

There shall be no additional costs to employees from choosing the health enhancement program, but there will be increased premium shares and a deductible for those who decline to enroll in, or fail to comply with (after appropriate notice), the health enhancement program. As is currently the case under the State Health Plan, any medical decisions will continue to be made by the patient and his or her physician.

1. The parties shall :

- a. Institute a \$35.00 Emergency Room Copayment when there is a reasonable medical alternative and the individual is not admitted to the hospital;
- b. Require both medical vendors (currently Anthem and Oxford/United) to implement existing plan rules consistently.
- c. Maximize the opportunity for members to choose to use patient-centered medical homes;
- d. Provide appropriate medical follow-up to minimize hospital readmissions post-surgery and/or other initial hospital stay;
- e. Provide for purely voluntary participation in Obesity reduction and Tobacco cessation programs;
- f. Make the current pharmacy mail in program for maintenance medications:
 - i. Mandatory after the first prescription for a new medication for active employees and current retirees under the age of 65, and after October 2, 2011 for new retirees. Each copayment for active employees and new retirees after October 2, 2011 is one for each ninety (90) day supply.

- ii. Voluntary for current retirees age 65 or over. Once such individuals opt in at any open enrollment, continuing participation is mandatory. There shall be no copayments for current retirees who begin participating in the Pharmacy Mail in program;
- iii. Participants may at their option choose to receive their mandatory mail order at any local pharmacy that wishes to participate in the maintenance drug network.
- g. Implement the following Pharmacy copayments for actives and new retirees after October 2, 2011: \$5/10/25 (generic/preferred brand/other brand) for maintenance drugs (except for the lower copayment for listed diseases under the health enhancement plan set forth in 2c) and \$5/20/35 for non-maintenance drugs.

2. Health Enhancement Program

This voluntary enhancement program shall be made available to all state employees and retirees (including all enrolled dependents) during each open enrollment as part of all of the Point of Enrollment and Point of Service plans currently available. All benefits and requirements will be the same as currently available to state employees, retirees (including all enrolled dependents) except as specifically written below. It shall include a written commitment (Attachment B1) to the requirements of the program in order to be admitted and remain admitted to the program, including agreed upon health assessments and screenings designed to provide early diagnosis and appropriate information to patients so that they and their doctors can choose the best treatment of any illness; This program is designed to enhance the ability of patients with their doctors to make the most informed decisions about staying healthy, and, if ill, to treat their illness. As is currently the case under the State Health Plan, any medical decisions will continue to be made by the patient and his or her physician. See Attachment B 3

- a. Cost: There shall be no additional costs to employees for choosing the Health Enhancement Program. The premium share for employees and retirees shall be as determined by the existing Pension and Health Care Agreement.
- b. Copayments shall be waived (Diabetes) or reduced (\$0/5/12.50) for drugs prescribed for the following chronic conditions:
 - i. Diabetes, both Type 1 and 2
 - ii. Asthma and COPD
 - iii. Heart failure/heart disease
 - iv. Hyperlipidemia
 - v. Hypertension
- c. Office visit copayments shall be waived for treatment and monitoring of the conditions in subparagraph 2b above;

- d. Participants in the Health Enhancement program will be expected to participate in the disease counseling and education programs outlined in Attachment B 3.
- e. Participants will also be expected to adhere to the medically approved schedule for screenings and wellness visits with waiver or rebate of copayments for such services as set forth in Attachment B2.
- f. Participants who are covered by the plans dental program shall be required to get two free dental cleaning per year.
- g. Participants who choose not to adhere to the requirements of the Health Enhancement program will be given appropriate notice and opportunity to improve. The financial incentives for participation in the health enhancement program shall be removed from members who themselves or whose covered dependents fail to comply with the requirements of the program. They may return to the Health Enhancement Program only upon coming into compliance and no sooner than the first day of the month following their demonstration of compliance. Removal from the program shall not, in any case, be based upon the decision of any patient as to the treatment they receive, or on the progress or lack of progress in the treatment of their illness. It shall not be based on any other factor whatsoever except for the refusal of the patient to get required tests and screening, and if applicable, to participate in one of the five (5) listed disease counseling and education programs. Any removal shall be only upon prior notice to and the review by the Health Care Cost Containment Committee. The HCCCC will resolve all disputes about compliance. The parties recognize that the implementation of the Health Enhancement Program will raise legitimate and unanticipated issues of compliance such as the inability to schedule wellness physical examinations and screenings within a specific time frame. The parties therefore agree that disputes will be decided on a standard of fairness and the opportunity available to the member or his or her enrolled dependents to substantially comply with the requirements of enrollment in the Health Enhancement Program.
- h. No member otherwise in compliance with the Health Enhancement Program shall be charged additional premium or otherwise disadvantaged because he or she – despite making best reasonable efforts – is unable to achieve the compliance of a covered dependent not in that member's legal custody pursuant to a divorce decree or legal separation agreement.
- i. No insurance vendor shall receive any financial incentive or benefit from the admission of any member to, or the removal of any member from the health enhancement program. The program shall be designed to encourage and reward participation of members in the program and not to remove the financial incentive from any member except one who chooses after appropriate notice and opportunity to correct, not to comply with the specific written requirements of the program.

- j. Patients in one of the listed disease education and counseling programs shall receive a \$100 cash payment if the member and all dependents comply in a given year with their commitment to the health Enhancement Program. Pay is the same for each class of coverage, i.e., same for individual, one plus one, family or FLES.

3. Impact for Employees and Future Retirees Declining the Health Enhancement Program

Employees, and future retirees after October 1, 2011, who decline participation in the Health Enhancement Program or who are removed from participation pursuant to 2g, would pay an additional \$100 per month in premium share. This additional cost shall be the same for individual, one plus one, families, and "FLES" coverage. There will also be a \$350 per person annual deductible, maximum \$1400 for families, for services not otherwise covered by copayments. No family shall be disadvantaged for the purposes of this maximum by the use of FLES status.

4. Dental Plan

The present dental plans shall continue to be offered to state employees. The premium share for employees and retirees shall be as determined by the existing Pension and Health Care Agreement. There shall be no limit on periodontal care for members who are in the Health Enhancement Program.

B. Retiree Health Care

1. **Premium Structure for New Retirees (retiring after October 1, 2011)** -- Current premium structure of retiree health care remains unchanged for those choosing the health enhancement program. Declining by the retiree, or failing after appropriate notice to comply with the health enhancement program by either the retiree or their covered dependents, will result in a premium share increase of \$100 per month.
2. **Health care premiums for Early Retirees** – The parties have agreed to a grid, Attachment C, where health care costs (for health care eligible individuals) are imposed on individuals who elect early retirement until they reach their normal retirement date, or age 65, whichever is earlier. The grid will also be applied to individuals who are eligible for a deferred vested benefit (for health care eligible individuals) that elect to receive their benefit before age 65 until they reach age 65 or their normal retirement age, whichever is earlier. No early retirement health care premium will be charged for any employee who has 25 years of service as of July 1, 2011 who retires before July 1, 2013.
3. **Employee Contribution to Retiree Health Care Trust Fund (OPEB)** – Employees currently paying the three percent (3%) contribution into the Retiree Health Care Trust Fund will continue to pay such amount. All such employees shall pay the three percent (3%) contribution for a period of ten (10) years or retirement, whichever is sooner. All individuals hired on or after July 1, 2011 shall pay the three percent (3%) for a period of ten (10) years or retirement, whichever is sooner, even if they had periods of prior state service. Individuals who are not paying the three percent (3%) contribution on June 30, 2013, shall begin paying a contribution. For these individuals, the contribution shall be

phased in paying 1/2% effective the first day of pay period after July 1, 2013; increased to 2.0% effective the first day of pay period after July 1, 2014 and increased to 3.0% effective the first day of pay period after July 1, 2015. The contribution would continue for ten (10) years for all employees or until retirement, whichever is sooner. Effective July 1, 2017, the State will begin to contribute into the Retiree Health Care Trust Fund in an amount equal to amount contributed by employees in each year. The trust fund shall not be used to pay the retiree health care costs of any employee already retired prior to the effective date of this agreement. The obligation to use the funds solely to pay the retiree healthcare costs of individuals contributing to the funds (or to return the funds to individuals contributing but not qualifying for retiree health care) shall be permanent and irrevocable, notwithstanding the expiration date of this agreement. The Trust Fund shall be administered by the State Treasurer.

4. The following shall replace the provision entitled “Retiree Insurance for Employees hired after July 1, 1997” in SEBAC V as amended by the provisions of the 2009 SEBAC Agreement.

Retiree Health Insurance: Employees with 10 or more years of actual state service as of July 1, 2009 shall be entitled to retiree health care under the practice in effect under the terms the Pension and Health Care Agreement, as amended, but prior to the changes effected by SEBAC 2009 and this agreement. Employees with fewer than ten years of actual state service as of July 1, 2009, shall be subject to the requirements of SEBAC 2009, including the rule of 75 for deferred vested retirees, and shall also require 15 years of actual state service, except that no current employee who would have otherwise been eligible for retiree healthcare under the provisions of SEBAC 2009 shall be denied eligibility for retiree healthcare due to the 15 year requirement. All other employees shall be required to meet the rule of 75 and to have 15 years of actual state service unless they transition directly from employment to normal or early retirement. Such employees who transition directly to normal or early retirement shall not be required to meet the Rule of 75 but shall be required to have 15 years of actual state service. An employee who is eligible for and begins receiving a Disability Retirement Benefit shall be entitled to health insurance as a retired state employee regardless of his/her number of actual state service. Nothing herein restricts the ability of an employee to begin receiving his/her retirement or deferred vested pension at an earlier time in accordance with plan provisions. An employee who terminates state service and does not immediately begin to receive his/her pension shall be entitled to the same health insurance benefits as active employees receive at the time he/she begins to receive pension payments. Provided, however, laid off employees and employees who leave state service because there is not a fair assurance of continued employment shall be entitled to retiree health insurance at such time they are entitled to and begin receiving an Early or Normal Retirement Benefit under the plan. Nothing herein shall change the method of calculation of service for part time faculty of the constituent units of higher education.

C. SERS Pension

- 1. Salary Cap** – The maximum salary that can be considered as part of an individual’s pension benefit is the amount outlined in Section 415 of the Internal Revenue Code.
- 2. COLA** – The minimum COLA shall be two percent (2.0%) and the maximum COLA shall be seven and one-half percent (7.5%) for those individuals retiring on or after October 2, 2011.
- 3. Early Retirement Reduction Factors** – For individuals retiring on or after October 2, 2011, the early retirement reduction factor shall be changed to six percent (6%) for

each year before the individual would be eligible to take unreduced Normal Retirement.

4. **Current employees who retire after July 1, 2022** – The following changes do not apply to individuals who retire under the Hazardous duty provisions of the plan. Normal Retirement eligibility increases from Age 60 and 25 Years of Benefit Service or Age 62 and 10 Years of Benefit Service to Age 63 and 25 Years of Benefit Service or Age 65 and 10 Years of Benefit Service. This change affects all years of benefit service earned on or after July 1, 2011. By July 1, 2013, current employees may make a one-time irrevocable election to begin paying the actuarial pension cost of maintaining the normal retirement eligibility that exists in the present plan which is scheduled to change effective July 1, 2022. The cost shall be established by the Plan's actuaries and shall be communicated to employees by the Retirement Division. Such election shall be made on a form acceptable to the Retirement Commission and shall indicate the employee's election to participate or not to participate. In the event the employee fails to make an election, he/she shall not be eligible to participate. In the event the employee makes a successful claim to the Retirement Commission of agency error, the employee shall make payments in accordance with usual practice.
5. **Tier II, IIA and Tier III Breakpoint** – The parties will meet and discuss a modification to the Breakpoint that will be effective for service earned on and after July 1, 2013. The revised breakpoint will be designed so that the pension amount for individuals earning under the current breakpoint will be increased. The cost of such change in Breakpoint shall not increase the Employer Normal Cost more than .5% of payroll in any year. The formula change and costs shall be provided by the Plan's Actuaries. In the event the parties are unable to agree on the revised Breakpoint, the matter shall be referred to the arbitrator appointed under the terms of the Pension Agreement and governed by the provisions of CGS sec. 5-278a and the terms of this agreement.
6. **Tier III** – A new retirement tier shall be established, known as Tier III, for individuals hired on or after July 1, 2011. The plan shall be the same as Tier IIA, including the employee contribution, with Normal Retirement eligibility Age of 63 and 25 years of benefit service or Age 65 and 10 years of benefit service. Early Retirement eligibility shall be Age 58 and 10 years of benefit service and Hazardous Duty Retirement eligibility shall be the earlier of age 50 and 20 years of benefit service or 25 years of benefit service, regardless of age. In order to qualify for a Deferred Vested Benefit, the individual must have 10 or more years of benefit service. In all cases, the benefit shall be calculated on the individual's highest five year average salary.
7. **Hybrid Defined Benefit/Defined Contribution Plan for Employees in Higher Education** – Individuals hired on or after July 1, 2011 otherwise eligible for the Alternate Retirement Plan (hereinafter referred to as "ARP") shall be eligible to be members of the new Hybrid Plan in addition to their existing choices. Individuals who are currently members of the ARP shall be eligible to join the Hybrid Plan on a one time option at the full actuarial cost. The Hybrid plan shall have defined benefits identical to Tier II/IIA and Tier III for individuals hired on or after July 1, 2011, but shall require employee contributions three percent (3%) higher than the

contribution required from the Applicable Tier II/IIA/III Plan. An employee shall have the option, upon leaving state service, of accepting the defined benefit amount, or electing to receive a return of his/her contributions to the Hybrid Plan, plus a five percent (5%) employer match, plus four percent (4%) interest (hereinafter referred to as the "cash out option" . In the event the employee elects the cash out option, he/she shall permanently waive any entitlement they may have to health insurance as a retired state employee unless they convert the cash out option to a periodic payment as would be required under the current ARP plan.

8. Continuation of Overtime Presumptions and Implementation of Additional Covered Earnings Rules

The parties' understanding that all overtime in certain units is mandatory for purposes of Sections 5-162(b), 5-192(f)(c), and 5-192(z)(c) of the general statutes shall continue. Effective July 1, 2014, the language of those sections shall be changed to that reflected in attachment D.

- D. Monitoring of funding status of the Pension and Retiree Healthcare Plans.** The Health Care Cost Containment Committee and the Pension Commission shall on a quarterly basis report to the parties on the progress of achieving full funding with respect to the Retiree Healthcare, and the Pension Plans, respectively. No additional cost shall accrue to either party or the fund as a result of such monitoring.

III. SCOPE (OJE) and FIVE-YEAR AUDIT DATES

The parties have agreed that the current practice for five (5) year reviews will continue and OJE adjustments may be resolved for jobs which the Union believes have substantial changes in duties through interim bargaining and, if necessary, arbitration (rather than through the Master Evaluation Committee). This will be applied to all OLR OJE-covered units. New positions will be subject to bargaining and arbitration one year after their creation and an individual being in the position, whichever is later. The implementation date for results of any five (5) year audit or arbitration shall be deferred to no earlier than July 1, 2013. There shall be no retroactivity prior to July 1, 2013 and no new costs created by bargaining or arbitration shall take effect prior to July 1, 2013. This provision shall not prevent the implementation of OJE adjustments agreed to or ordered prior to the effective date of this agreement.

IV. JOB SECURITY

- A. Job Security for Office of Labor Relations -Covered Units.** The following job security provisions shall apply to all OLR Covered units which agree or have agreed to contracts or modified contracts in accordance with the 2011 Agreement Framework including the provisions for wages and other changes which are summarized in Attachment A.

1. From the July 1, 2011 and through June 30, 2015, there shall be no loss of employment for any bargaining unit employee hired prior to July 1, 2011,

including loss of employment due to programmatic changes, subject to the following conditions:

- a. Protection from loss of employment is for permanent employees and does not apply to:
 - i. employees in the initial working test period;
 - ii. those who leave at the natural expiration of a fixed appointment term, including expiration of any employment with an end date;
 - iii. expiration of a temporary, durational or special appointment;
 - iv. non-renewal of a non-tenured employee (except in units where non-tenured have permanent status prior to achieving tenure);
 - v. termination of grant or other outside funding specified for a particular position;
 - vi. part-time employees who are not eligible for health insurance benefits.
 - b. This protection from loss of employment does not prevent the State from restructuring and/or eliminating positions provided those affected bump or transfer to another comparable job in accordance with the terms of the attached implementation agreement. An employee who is laid off under the rules of the implementation provisions below because of the refusal of an offered position will not be considered a layoff for purposes of this Agreement.
 - c. The State is not precluded from noticing layoff in order to accomplish any of the above, or for layoffs outside the July 1, 2011-June 30, 2015 time period.
2. The Office of Policy and Management and the Office of Labor Relations commit to continuing the effectiveness of the Placement & Training Process during and beyond the biennium to facilitate the carrying out of its purposes.
 3. The State shall continue to utilize the funds previously established for carrying out the State's commitments under this agreement and to facilitate the Placement and Training process.

B. Implementation Provisions for SEBAC 2011 Job Security for OLR Covered Units.

The process outlined in this section is a supplement to the October 18, 2005 Placement and Training Agreement and is designed to govern the procedure utilized in situations where there are employees covered by the Placement and Training Agreement who are impacted by a decision to close a state facility or make other programmatic changes which would have resulted in the layoff of state employees but for the Job Security Provisions of SEBAC 2011, and transfers necessary to deal with workload issues necessitating the transfer of state employees to different work units, locations or facilities. The provisions hereunder shall expire as of June 30, 2015, unless extended by mutual agreement of the parties. The State will continue to provide the longest possible

advance notice as provided in Section 7d of the Placement and Training Agreement to the unions and employees impacted by such decisions. The process described below shall be known as the Job Security Implementation ("JSI") Process.

1. There shall be a three-phase process as follows:
 - a. **Phase I.** The State shall use its best efforts to attempt to combine the placement and transfers of individuals in the event of multiple closings and programmatic changes occurring within a the same period of time to maximize the likelihood of success.
 - i. Initially affected employees would enter the Placement and Training (P&T) process.
 - ii. May use normal P&T rights.
 - iii. In addition, the Secretary of OPM shall use best efforts to make comparable jobs available within acceptable geographic radius (defined below). Such jobs will typically be in the affected employees' bargaining unit.
 - iv. Comparable jobs within the same bargaining unit shall be initially offered to affected employees on the basis of layoff seniority as defined in their collective bargaining agreement and, if necessary, state service.
 - v. Any affected employee not accepting a comparable job then goes to Phase II.
 - b. **Phase II.** The collective bargaining agreement (CBA) process begins. Initially affected employees and/or secondarily affected employees may then exercise their rights under the CBA. The CBA process ends when either (1) the affected employee(s) has a comparable job; or (2) the affected employee(s) choose to waive further contractual displacement rights and enter Phase III.
 - c. **Phase III.** Finally any remaining affected employee(s) would enter the P&T process.
 - i. May use normal P&T rights.
 - ii. In addition, the Secretary of OPM uses best efforts to make comparable jobs available within acceptable geographic radius (defined below). Such job will typically be in the affected employees' bargaining unit.
 - iii. Comparable jobs within the same bargaining unit shall be initially offered to affected employees on the basis of layoff seniority as defined in their collective bargaining agreement and, if necessary, state service.
 - iv. If no comparable job available within the acceptable geographic radius, the finally affected employee(s) will be offered other jobs within the acceptable geographic radius on a temporary basis until comparable job available, and are red-circled in original pay-grade.

- v. Employee may be offered training through the P&T Committee as a way of moving employee to a position comparable to the one lost.
 - vi. No employee shall have a right to a promotion under this process.
 - vii. Affected employee refusing an assignment within the acceptable geographic radius during Phase 3 of the process may be laid off, but will have all usual rights of laid off employees.
- 2. Relevant definitions which apply to this process only and shall not be utilized for any other purpose:
 - a. "Comparable job" means one with similar duties and the same or substantially similar biweekly salary range. The requirement to offer a comparable job shall not be met if the target job requires a hazardous duty retirement covered employee to move to non-hazardous duty retirement employment, or vice versa.
 - b. "Acceptable geographic radius" for Phase I means a one way commute equal to the greater of his/her present commute or thirty (30) miles from his/her work location at the time of notice. During Phase III, acceptable geographic radius means a one-way commute equal to the greater of his/her present commute or thirty (30) miles from his/her home. In the event that there is no opportunity within the applicable thirty (30) mile measurement, the State will provide an opportunity within a fifty (50) mile radius based upon the applicable measurement. In the event an opportunity becomes available prior to July 1, 2017 within the applicable thirty (30) mile limitation, the impacted individual shall be offered such position before it is offered to an individual with lesser rights. In the event the individual declines such position within the applicable thirty (30) mile measurement, the State has no further obligation to offer another position to such individual based upon the geographic restriction.
 - c. Manner of measurement. The parties have agreed to utilize MapQuest, shortest distance for positions offered in Phase I and MapQuest, shortest time for positions offered in Phase III.
- 3. **Priority, Working Test Period Issues, and Related Issues**
 - a. Employees needing positions through the process outlined in this Section B (as compared to the normal P&T process) have priority over other claimants to position based on the SEBAC 2011 job security provisions. Provided, however, seniority under the CBA may be utilized for the purpose of shift selection in the target facility.
 - b. Where a job is offered to comply with the rules of this Section which would require the completion of a working test period, failure of the employee to successfully complete that working test period will return the employee to the process outlined in this Section B, unless the reasons for the failure would constitute just cause for dismissal from state service. The process outlined in this Section B terminates as of June 30, 2015, or when there is no employee remaining with rights to the process, whichever is later.
- 4. **Dispute Resolution**

- a. "Work now, grieve later" applies as usual to JSI related grievances.
- b. Placement & Training Committee to convene for emergency advisory procedure if employee claims he or she is being inappropriately laid off in violation of the JSI procedure.
- c. Any arbitration necessary to resolve a claim that an employee is being denied a suitable comparable assignment under this agreement shall receive priority processing for purposes of assignment of an arbitrator, a hearing date, and resolution of the arbitration. Any dispute or arbitration under this agreement shall be under the SEBAC agreement process.

5. Transfer Implications

- a. Where staffing disproportions other than through agency consolidations, the process outlined in this Section B will be used to eliminate the necessity of a transfer (directly or through layoff notice). If there is more than one employee in the impacted classification, the State shall ask the employees in layoff seniority order and, in the event there are no volunteers, the junior employee shall be transferred.
- b. In cases where involuntary transfers occur, affected employees shall have the right of first refusal to return to their prior geographic locations prior to an equivalent position being offered at the prior geographic location to a less senior person.

C. Job Security for Units Not Covered by OLR.

Job security for other units has been or shall be negotiated on a unit-by-unit basis consistent with the 2011 Agreement Framework, including the provisions for wages and other matters which are summarized in Attachment A.

V. ADDITIONAL CONTRIBUTIONS BY THE STATE TOWARDS UNFUNDED LIABILITY IN PENSION AND/OR RETIREE HEALTH CARE

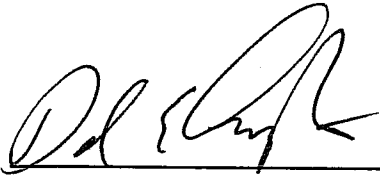
The Governor has authorized the Chief Negotiator for the State to communicate the Governor's commitment to appropriate consideration of additional state contributions towards long-term unfunded liabilities of the state, including pension and retiree health care, in years where there exists a state surplus..

VI. TENTATIVE AGREEMENT, SUBJECT TO RATIFICATION AND APPROVAL BY THE GENERAL ASSEMBLY

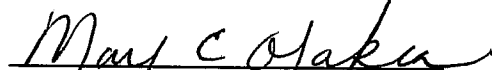
By their signatures below, the parties indicate that this tentative agreement has been approved by the Governor, and preliminarily recommended by SEBAC Leadership for ratification by the membership, subject to the employer(s) offering appropriate unit agreements to the bargaining units. SEBAC's final approval is subject to a post-membership vote by SEBAC Leadership in accordance with SEBAC rules. This agreement is further subject to the approval of the General Assembly in accordance with the provisions of Connecticut General Statutes §5-278(b).

VII. DURATION.

The provisions of the current SEBAC Agreement shall be extended until June 30, 2022.



Daniel E. Livingston, Chief Negotiator
SEBAC



Mark E. Ojakian, Chief Negotiator
State of Connecticut

Dated this 22nd day of July, 2011.

ATTACHMENT A

State of Connecticut and SEBAC – Recommended Agreement on Savings, Transformational and Financial Issues and Framework for Job Security (hereinafter referred to as the “2011 Agreement Framework”) concerning Wages and Other matters

The State and SEBAC recognize that wages and other matters are negotiated on a bargaining unit basis by the union designated as the exclusive bargaining representative for that unit. However, the State and SEBAC have agreed that the following parameters shall apply to all units seeking the job security protections of the SEBAC 2011 Agreement.

A. The following parameters shall apply to wage agreements through June 30, 2016:

1. **Wage increases for FY 2011-12 and FY 2012-13** – Except as provided below, no state employee who is represented by a bargaining unit that is part of SEBAC will receive any increase in salary or payments for either of the next two fiscal years deriving from a General Wage, step increase, annual increment, payment for individuals who were at their top step as a bonus, a merit increase or any similar payment for the FY 2011-12 and FY 2012-13. As this agreement was not ratified prior to the time FY 2011-12 payments may have been made to some employees, effective the first day of the pay period following ratification of this agreement any payment referred to above for FY 2011-12 shall cease and the employees’ salary shall be the same as it was prior to such increase. In the event any lump sum payment was made to any such employee, the value of the lump sum payment shall be divided by twenty-three (23) and the resultant amount shall be deducted from the employee’s pay in equal amounts over the next twenty-three (23) pay periods.

Individuals entitled to a promotion in accordance with the rules governing these subjects as outlined in the Connecticut General Statutes or their collective bargaining agreement shall receive increase in wages due to such promotion in accordance with past practice. Members of the P3A bargaining unit shall be entitled to share in the contractually created Merit Pool fund in the amount and manner provided in the contract and past practice.

2. **Wage increases for FY 2013-14, FY 2014-15 and FY 2015-16** – Provide a Three percent (3%) increase plus step increases, annual increments or their equivalent in those units that have them as part of their collective bargaining agreement. Non-increment units will receive additional payments in accordance with the parties’ usual practice. Correctional Supervisors (NP-8) shall receive an increase of three and one-half percent (3-1/2%) for the FY 2013-14 as they had previously negotiated that amount in their existing collective bargaining agreement. Provided, however, the wage increases for FY 2013-14 shall be delayed by the number of pay periods the increases were paid to employees in FY 2011-12 prior to ratification of the agreement. For example, if employees receive increased payments for three (3) pay periods prior to ratification of this agreement, the increases for FY 2013-14 shall be delayed for three pay periods after

July 1, 2013. Provided, however, employees will be made whole for the difference in percentage between the July 2011 increase received, and the wage increase effective July 2013.

3. **Funds and other payments** - All other funds (e.g., tuition reimbursement) and other wage payments e.g., shift differential, allowances, etc., shall remain in place and continue in the same amounts presently in the respective collective bargaining agreement, except to the extent otherwise called for in the collective bargaining agreements. The current collective agreements shall be extended until June 30, 2016 and unexpended fund amounts shall roll over year to year. Any unexpended funds shall lapse or shall not lapse as of June 30, 2016, in accordance with present rules.
4. **Captains and Lieutenants, Supervisors in the Department of Public Safety (NP-9)** – This unit will negotiate and arbitrate the provisions of their collective bargaining agreement through June 30, 2016. They will be governed by the other portions of the SEBAC 2011 agreement as outlined herein.
5. **University of Connecticut Health Center (AAUP)** - This unit will negotiate a new contract which will be submitted as part of this Agreement or separately in the event this agreement is not ratified by SEBAC. If ratified, this unit will be governed by the other portions of the SEBAC 2011 Agreement as outlined herein.

B. Longevity

1. **New Employees** – No employee first hired on or after July 1, 2011 shall be entitled to a longevity payment; provided, however, any individual hired on or after said date who shall have military service which would count toward longevity under current rules shall be entitled to longevity if they obtain the requisite service in the future.
2. **Current Employees** – No service shall count toward longevity for the two (2) year period beginning July 1, 2011 through June 30, 2013. Effective July 1, 2013, any service accrued during that period shall be added to their service for the purpose of determining their eligibility and level of longevity entitlement if it would have counted when performed.
3. **Capped units** – Individuals in units with capped longevity shall not receive a longevity payment in October, 2011.
4. **Uncapped units** – The employer representative and the bargaining unit with uncapped longevity shall meet and discuss the issue of longevity. The parties shall agree on a procedure by which individuals in those units shall contribute an amount equal in value to the amount that was contributed in the Capped units. Default is that uncapped units will give up longevity using the Executive Branch Bargaining unit schedule.

- C. **Non-economic Terms of contracts.** Unions that do not agree to extend their bargaining agreement unchanged can open up to a maximum of eight (8) issues that have *de minimus* cost and are identified no later than August 31, 2011. The Union must notify the Office of Labor Relations or the appropriate employer representative within two weeks of the date the Tentative Agreement is signed of its intent to open the contract as to noneconomic issues. In the event the union decides to reopen their contract, the State may likewise open up to a maximum of eight (8) issues with a *de minimus* cost. Negotiation shall begin on these issues no earlier than September 1, 2011, unless otherwise agreed to by the parties. Only these issues may be submitted to interest arbitration.
- D. **Expiration date of individual collective bargaining agreements.** All individual collective bargaining agreements shall expire effective June 30, 2016

ATTACHMENT B – Specifics Relating to Health Enhancement Program

B1 -- Consent to Participate

My enrolled spouse and dependents and I agree to participate in the State of Connecticut Health Enhancement program sponsored by my employer, the State of Connecticut. Information regarding my personal health and the health of my dependents will continue to be protected by all applicable state and federal laws and regulations.

I and my enrolled dependents agree to comply with the requirements of the program including the applicable schedule of physical examinations, the applicable schedule of preventive screenings and participation in any of the five disease counseling and education programs should I or any dependent be diagnosed with one or more of the five listed chronic diseases (Diabetes, Chronic Obstructive Pulmonary Disorder or Asthma, Hypertension, Hyperlipidemia (high cholesterol), or coronary artery disease (heart disease/heart failure) I understand my participation may be revoked should I not comply with my commitment to the health enhancement program. I understand and agree that my revocation will make me responsible for higher premium co-shares of \$100 per month, a \$350 per participant per year deductible, and would make me ineligible for reductions in the co-pays for certain prescriptions and office visits.

I recognize that I am required to sign this authorization as a condition of my participation and the participation of my enrolled dependents, if any, in the Health Enhancement Program.

☐ I accept the terms of the Health Enhancement Program as listed in the open enrollment materials.

B2 -- Required Screenings

While the State Employee Health Plan will continue to cover an extensive schedule of periodic physical wellness examinations and screenings which I may continue to access as covered services under the health plan, participants in the Health Enhancement program agree to comply with the following minimum schedule of physical wellness exams and the following specific schedule of screenings in order to be compliant with the Program :

Scheduled Preventive Physical Examinations

Well Child Visits:

Birth to 1 6 exams (1month, 2 months, 4 months, 6 months, 9 months, 12 months)

Ages 1-5 one per year

Ages 6 -17 once every year

Adult Wellness Physical Examinations:

Ages 18- 39 every three years

Ages 40- 49 every two years

Ages 50 + every year

Preventive Screenings

Cholesterol screenings every five years from ages 20-29(typically done through a blood test in conjunction with the schedule of wellness physicals above.) every two years from Ages 40-50; every year from Ages 50 +

Clinical breast examination for women by their health care provider every three years; mammograms as recommended by your physician; one screening mammogram for every female member who is between age 35 and 39.

Cervical cancer screening every three years commencing at age 21

Colorectal screenings beginning at age 50 consisting of screening options as decided by your physician which options include colonoscopy every ten years; CT colonoscopy which may be an appropriate alternative to a colonoscopy; or annual fecal occult blood test.

Vision examination: every two years

Dental cleanings: two free cleanings per year for participants. Participants not enrolled in dental coverage through the State Health Plan do not have to meet this screening requirement.

As to all of the above listed and described screenings, no employee or enrolled dependent shall be required to get a listed and described screening which is against the recommendation of a physician or other health care professional.

B3 . Disease Counseling and Education Programs

As is currently the case under the State Health Plan, any medical decisions will continue to be made by you and your physician.

Employees and their enrolled dependents in the Health Enhancement Program will have available and agree to participate in disease counseling and education programs which consist

of the following components and these are the components you must meet to fulfill your commitment to the Health Enhancement Program. These programs only apply to those employees and their enrolled dependents in the disease states listed in the description of the Health Enhancement Program and in the authorization letter signed by the employee indicating his or her desire to be in the Health Enhancement Program.

You will be contacted by a health care counselor familiar with the specific program applicable to your condition or conditions who will explain current strategies to control the disease; you will receive materials to help you and your enrolled dependents to better understand and control or eliminate the disease condition; and you will be provided a variety of on-line and/or printed support tools and materials to further assist you.

Attachment C -- Health Care Premiums for Certain Early Retirees

Years of Service	Yrs Early	5	4	3	2	1
	15	40.00%	32.00%	24.00%	16.00%	8.00%
	16	37.00%	29.60%	22.20%	14.80%	7.40%
	17	34.00%	27.20%	20.40%	13.60%	6.80%
	18	31.00%	24.80%	18.60%	12.40%	6.20%
	19	28.00%	22.40%	16.80%	11.20%	5.60%
	20	25.00%	20.00%	15.00%	10.00%	5.00%
	21	22.00%	17.60%	13.20%	8.80%	4.40%
	22	19.00%	15.20%	11.40%	7.60%	3.80%
	23	16.00%	12.80%	9.60%	6.40%	3.20%
	24	13.00%	10.40%	7.80%	5.20%	2.60%
	25	10.00%	8.00%	6.00%	4.00%	2.00%

Note 1: Actual healthcare premium percentages are prorated by months. If fewer than 15 years of service, use 15. If over 25, use 25. If more than 5 years early, use 5.

Note 2: The premium for any given employee will be capped at 25% of the person's actual pension benefit, except that the person's actual benefit will be prorated for employees who are less than full-time. No early retirement health care premium will be charged for any employee who has 25 years of service as of July 1, 2011 who retires before July 1, 2013

Attachment D – Statutory Changes with Respect to Caps in Covered Earnings

The following shall take effect on July 1, 2014:

Sec. 5-162. Retirement date and retirement income. (a) The retirement income for which a member is eligible shall be determined from his retirement date, years of state service and base salary, in accordance with the schedule in subsection (c) or (d) below, whichever is appropriate. (b) On and after January 1, 1984, "base salary" means the average covered earnings received by a member for his three highest-paid years of state service, disregarding any general temporary reduction or any reduction or nonpayment for illness or other absence which does not exceed ninety days; and "covered earnings" means the annual salary, as defined in subsection (h) of section 5-154, received by a member in a year, limited by one hundred thirty percent (130%) of the average of the two previous years' covered earnings; except that the limit shall be 150% for those individuals earning mandatory overtime. Current practice in those units where all overtime is presumed mandatory for this purpose shall be maintained. The limit does not apply to earnings for calendar years before 1984 or for the first three full or partial years of employment. The Retirement Commission may adopt regulations in accordance with chapter 54 determining the procedure to be followed for a member who was not employed on a full-time basis for the entire two previous years used to develop such limit.

Sec. 5-192(f)(c) and Sec. 5-192(z)(c). "Covered earnings" means the annual salary, as defined in subsection (h) of section 5-154, received by a member in a year, limited by one hundred thirty percent (130%) of the average of the two previous years' covered earnings; except that the limit shall be 150% for those individuals earning mandatory overtime. Current practice in those units where all overtime is presumed mandatory for this purpose shall be maintained. Because compensation may be artificially reduced, for example as a result of leaves or absence on Workers Compensation, the appropriate year's compensation will be substituted for any year when the compensation is artificially reduced. The limit does not apply for the first three full or partial calendar years of employment. The Retirement Commission may adopt regulations in accordance with chapter 54 determining the procedures to be followed when the member was not employed on a full-time basis for the entire two previous years used to develop such limit.

Attachment E:

Retiree Health Care for Teachers Retirement System Covered Employees

(1) any payments towards retiree health care by TRS covered state employees under section 10-183(b)(7) of the general statutes shall count against the retiree health care contribution otherwise due from that employee for that year; (2) for purposes of computing any health care premium for an employee retiring before his or her normal retirement age, a TRS covered employees normal retirement date shall be the earlier of the dates he or she could retire normally under TRS or the date he or she could have retired normally were he or she a SERS covered employee; and (3) in all other respects, a TRS covered employee shall be treated like a SERS employee with the same hire date for purposes of eligibility for and/or payments towards retiree health care.

Attachment F – Actuarial Cost of Maintaining Current Normal Retirement Age Beyond June 30, 2022

Use the Charts below to calculate the cost (beginning July 1, 2013) of maintaining the current normal retirement age beyond 6/30/2022. This is a one-time decision that must be made before July 1, 2013. Extra contributions will not be returned to employees who leave before 2022 (except those employees who left without vesting under current plan rules). Employees who work until the new retirement age will have their excess contributions, without interest, returned upon reaching that new normal age.

<i>If you would have 25 years of Service Before You Turn 62</i>				
As of June 1, 2022, how many months until you have 25 years of service and at least age 60				
Months before 60	Fill in your months	Multiply by	Added Contribution to Maintain Retirement Age	
36 or more	36	.02%	0.72%	of pensionable earnings
35 or fewer		.02%		of pensionable earnings

<i>If you would NOT have 25 years of Service Before You Turn 62</i>				
As of June 1, 2022, how many months until your 62nd birthday?				
Months before 62	Fill in your months	Multiply by	Added Contribution to Maintain Retirement Age	
36 or more	36	.02%	0.72%	of pensionable earnings
35 or fewer		.02%		of pensionable earnings

Example 1: I am currently 47 years old with 20 years of service. I will therefore reach 25 years of service before I turn 62. I use the top chart:

Step 1: Let's say as of June 1, 2022, I will be 58 years and 3 months old. That means it is 21 months until I reach age 60. I will already have 25 years of service at that point, so that means I missed my current normal retirement age by 21 months.

Step 2: I multiply 21 months by .02% which gives me .42% (.0042). That means if I want to avoid the increase in normal retirement age, I would pay an additional .42% starting on July 1, 2013 until I retire. (if I'm Tier II, that's all I pay, if I'm Tier IIA, I'd pay 2.42% total).

Example 2: I am currently 50 years old with 2 years of service. I will therefore NOT reach 25 years of service before I turn 62. I use the bottom chart:

Step 1: Let's say as of June 1, 2022, I will be 61 years and 3 months old. That means it is 9 months until I reach age 62. I missed my current normal retirement age by 9 months.

Step 2: I multiply 9 months by .02% which gives me .18% (.0018). That means if I want to avoid the increase in normal retirement age, I would pay an additional .18% starting on July 1, 2013 until I retire. (if I'm Tier II, that's all I pay, if I'm Tier IIA, I'd pay 2.18% total)

Example 3: I am currently 25 years old with 2 years of service. I will therefore reach 25 years of service before I turn 62. I use the top chart:

Step 1: Let's say as of June 1, 2022, I will be 36 years and 3 months old. That means it more than 36 months until I reach age 60. I will need to buy the full 36 months.

Step 2: I multiply the maximum of months by .02% which gives me .72% (.0072). That means if I want to avoid the increase in normal retirement age, I would pay an additional .72% starting on July 1, 2013 until I retire. (if I'm Tier II, that's all I pay, if I'm Tier IIA, I'd pay 2.72% total)

Example 4: I am currently 48 years old with 12 years of service. I will therefore reach 25 years of service before I turn 62. I use the top chart:

Step 1: Let's say as of June 1, 2022, I will be 60 years and 3 months old. But I will not reach 25 years of service until August of 2023. I will need to buy the full 13 months because I missed my normal retirement age by 13 month.

Step 2: I multiply the 13 months by .02% which gives me .26% (.0026). That means if I want to avoid the increase in normal retirement age, I would pay an additional .26% starting on July 1, 2013 until I retire. (if I'm Tier II, that's all I pay, if I'm Tier IIA, I'd pay 2.26% total)

ATTACHMENT G

The parties have jointly agreed that the Questions and Answers below aptly describe the provisions of the agreement:

Question	Answer
Will state employees who opt into the Health Enhancement Program (HEP) in SEBAC 2011 have to change doctors?	No. Nothing in the plan changes including choice of doctors, hospitals or treatments. You add the health enhancement program to your current plan.
Is it true that some local pharmacies will no longer be able to fill prescriptions for state employees if the SEBAC 2011 agreement is ratified?	Only partly. There is a new mandatory mail order program, but it affects only "maintenance medications" – prescription drugs you take for a long period of time. Other medications, like antibiotics for strep throat, will continue to be available through the local pharmacies. Even for maintenance medications, the first order for any prescription will be available at the local pharmacy. Renewals will be delivered by mail to your home, with a 90-day supply available for a single co-pay. In addition, all CVS's, and any other local pharmacy that wishes to participate in the maintenance drug network, may serve as a mail drop for those members wishing to pick their mail order prescription up at a pharmacy, rather than receive them at home.
Under the Health Enhancement Program, who will decide if a participating state employee is making the best decisions about their own health care?	You, the state employee, along with your doctor, just as you do now. The HEP is an effort to get the most number of state employees the best information about their health status, and assumes that most people, given the right information, will make the best treatment choices. There are no penalties for making the wrong treatment choices.
If there are no treatment requirements for participating state employees, what does the Health Enhancement Program require?	You must sign a written commitment to get the applicable physicals and screenings listed in the agreement, and if you have one of five listed illnesses to sign up for disease counseling and education. You do not make any promise, and will not be judged on whether you actually follow any recommended treatment approach or take any particular medication.
Can insurance companies play "gotcha" with state employees participating on the Health Enhancement Program to raise their rates?	No. The State is self-insured, so the insurance vendors are simply paid fees to administer our claims. Those fees will be unaffected whether you choose to participate in the HEP or not.

If a state employee has one of the Health Enhancement Program's five listed diseases, do they have to let a third party make their healthcare choices -- or pay an extra \$100 per month?

No. If you have one of the five listed illnesses, and you choose to participate in the HEP, you will get free office visits and reduced pharmacy co-pays for your illness . You will also get disease counseling and education through programs already administered by our current insurance carriers. But counseling and education means what it says – you will get information about your illness and telephone suggestions from a nurse practitioner or other health care professional connected to the disease counseling and education program. You are not required to follow these -- the decision about what treatment to get is up to you and your doctor.

How are employees that weren't paying 3% for retiree healthcare going to begin contributing? And what if they leave state service without qualifying or want to waive coverage?

Starting in 2013, current employees who were not already paying 3% of their salary towards retiree healthcare will start to pay ½% that July, increasing to 2% in July of 2014, and 3% in July of 2015. They will contribute for 10 years, or until they retire, whichever happens first. They get their contributions back if they retire without qualifying for retiree healthcare. And if they can show they have retiree healthcare available from another employer, they can waive coverage.

I'm confused by the wording of the new 15-year requirement for retiree healthcare. I understand it will affect all new employees. Is there any way to say more simply how it will affect current employees?

Current employees do not have to meet the 15-year requirement in order to be eligible for retiree health care. New employees do.

Regarding the new chart of retiree healthcare premium shares for employees who choose to retire before their normal retirement age, is that in addition to the premium share they would currently pay if they choose the POS plan?

No. This premium is instead of the previously existing premium shares.

Is the retiree health care chart for early retirement in addition to the \$100 a month future retirees would pay if they choose not to enroll in the Health Enhancement Program?

The \$100 a month payment would be in addition to any other premium share owed by a retiree who declines to enroll in the Health Enhancement Program.

Does the language in the new tentative agreement “the maximum salary that can be considered as part of an individual’s pension benefit is the amount outlined in Section 415 of the Internal Revenue Code indicate the parties’ agreement that hazardous duty members who retire at younger ages are appropriately subject to a lower maximum pension?”

No. The Agreement reflects the current federal maximum salary cap for pension purposes. This agreement does not affect the separate federal issue of which hazardous duty employees are covered by the police and fire exemption. The SEBAC unions are jointly seeking to apply the police and fire exemption to all hazardous duty employees to the maximum extent allowed by federal law.