



State Employees Bargaining Agent Coalition

- > Administrative & Residual Union Local 4200/AFT
- > AFT Connecticut
- > American Association of University Professors – Connecticut State University
- > American Association of University Professors – UCONN
- > American Federation of State, County, & Municipal Employees - Council 4
- > Congress of Connecticut Community Colleges/ SEIU Local 1973
- > Connecticut Association of Prosecutors
- > Connecticut Employees Union Independent/ SEIU Local 511
- > Connecticut Federations of School Administrators Local 61
- > Connecticut Police and Fire Union/IAFF-IUPA
- > Connecticut State Police Union
- > CSEA SEIU Local 2001
- > International Brotherhood of Police Officers/SEIU Local 731
- > New England Healthcare Employees Union, District 1199/SEIU
- > UCONN Health Center Faculty-AAUP

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The State Employees Bargaining Agent Coalition

Signed Tentative Agreement to Save Jobs & Benefits for State Workers

May 27, 2011 (Updated June 9)

Leaders of the State Employees Bargaining Agent Coalition (SEBAC) met Friday, May 27 and voted to recommend a tentative SEBAC agreement (SEBAC TA) with the Malloy Administration to be sent to union members. That agreement covers pension and healthcare benefits, but also includes a recommended framework for agreement on wages and other issues to individual bargaining units.

A signed copy of the tentative agreement is attached to this update. Two additional attachments, a glossary, and a signed joint statement on the protection of state employees' healthcare benefits under the agreement are also included.

As part of that process, the state will offer individual agreements to each bargaining unit that are consistent with the framework in the SEBAC TA. Those individual units that reach agreement with their employers will bring those agreements to their members for ratification, along with the SEBAC Agreement.

The job security provisions of the overall framework are available only to unions that reach agreements on their individual contracts, which are consistent with the framework. All members will have a vote on the overall SEBAC agreement, but only members of a particular bargaining unit vote on their own unit contracts.

In the next few days, it is important that each member communicate with his or her union leadership to learn more about the provisions of the SEBAC TA, and the details of any bargaining unit agreement they may have. It is crucial that members take an active role to make sure they cast an informed ballot.

The votes on the SEBAC TA and any unit agreements will each be held in accordance with the rules of the particular unions, but here are the next steps that will affect everyone:

- Holding informational meetings for members to review final details and have their questions answered. Most of those meetings will be on a bargaining unit basis, but there will also be a statewide meeting on healthcare and grievance issues on June 4 from 2:00 PM to 5:00 PM at the State Armory in Hartford.
- Members vote on ratification of the SEBAC TA, and on their individual bargaining unit's TA, depending on bargaining unit rules; and
- SEBAC leadership cast final votes on the SEBAC TA, after individual bargaining units' steps are completed.

There has been much discussion about the healthcare changes contained in the tentative agreement, much of it by those who, unfortunately, either did not understand, or deliberately distorted, the basic parts of the agreement.

Those parts are now fully in writing for you all to review. For instance (and quoted text comes directly from the TA):

- “None of the benefit levels, access requirements, including doctors and hospitals or basic plan structures are modified by this agreement.”
- “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.”
- All state employees will continue to be covered by the same vendors as currently, with the same choice of the point of plans (point of service or point of enrollment).
- There are some changes in rules designed primarily to keep members healthier by giving them the information they need about their health status, and any medical issues. That is the purpose of the new Health Enhancement Program. “There is no change in current plans except as specifically noted otherwise below. “
- We'll have the same health, prescription, and dental vendors with the HEP as we do now. We engage in a bidding process every few years for providers for the State Health Plan's medical, pharmacy and dental programs.
- The State Health plan is not Sustinet or part of Sustinet. Nothing in the ratification of SEBAC 2011 has anything to do whatsoever whether Sustinet ever becomes the law. No matter what happens with SEBAC 2011, no state law about Sustinet or pooling could affect state employee benefits or our plan without the ratification of SEBAC.
- While we have always been supportive of health reform, we have insisted, and will always insist, that health reform not have any negative impact on the benefits or plan of our members, nor change the fact that our plan is collectively bargained between the State and SEBAC and under the control of our joint Health Care Cost Containment Committee.

There are dozens of other myths out there: “Kentucky Plan”, “Managed Care,” even John Rowland, no friend of state employees, is spreading myths and rumors. Get the facts. Read the TA. Talk to your union leaders. Of course we want members to vote yes – we believe in the proposed agreement – but most of all we want members to vote based on facts, not mythology or rumor.

For information on bargaining unit-specific discussions, contact your local union leadership.

Access the latest clips at the Questions and Answers video section at the [InThisTogetherCT](http://www.InThisTogetherCT.org) website.

Ultimately, the overall tentative SEBAC agreement calls for sacrifices from our members, but preserves our jobs and the vital public services we deliver during the worst economic downturn since the Great Depression.

Now is the time for the union members to decide. To learn more about SEBAC's campaign for a better budget and a livable state with great public services visit [**www.InThisTogetherCT.org**](http://www.InThisTogetherCT.org).

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. The parties have signed the 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”) This agreement shall amend and supersede the 2011 Agreement Framework.

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 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

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 September 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 September 2, 2011 for new retirees. Each copayment for active employees and new retirees after September 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 (retired as of September 1, 2011) who begin participating in the Pharmacy Mail in program;
 - iii. Participants may at their option choose to receive their mandatory mail order at any CVS pharmacy.

- g. Implement the following Pharmacy copayments for actives and new retirees after 9/2/11: \$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 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, to comply with the specific written requirements of the program.
- i. 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 September 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** – New Retirees (retiring after September 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 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 September 2, 2011.
3. **Early Retirement Reduction Factors** – For individuals retiring on or after September 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.

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

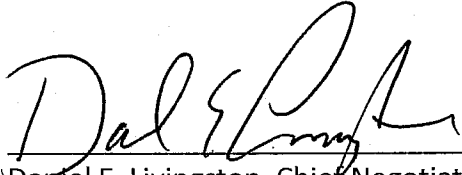
The Governor has authorized the Chief Negotiator for the State to communicate the Governor's commitment to appropriate consideration of additional state contributions towards long-term unfunded liabilities of the state, including pension and retiree health care, in years where there exists a state surplus..

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

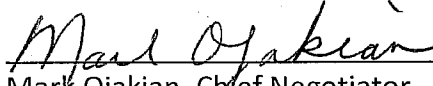
By their signatures below, the parties indicate that this tentative agreement has been approved by the Governor, and preliminarily recommended by SEBAC Leadership for ratification by the membership, subject to the employer(s) offering appropriate unit agreements to the bargaining units. SEBAC's final 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 Ojakian, Chief Negotiator
State of Connecticut

Dated this ^{29th} day of May, 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.

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.
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

Yrs Early		5	4	3	2	1
Years of Service	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. If you make this one time election, the calculated amount will be deducted from each of your biweekly paychecks and based upon your earnings for retirement purposes. These extra contributions will not be returned to you if you leave before 2022 (except if you leave before five years of vesting service under current plan rules) or retire as a result of a disability. If you work until the new retirement age, you will have your contributions paid for this purpose, returned to you, without interest, once you retire at the new retirement eligibility. No return of contributions is made in the event of your death, except to the extent normally required under current plan rules.

<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%	earnings for retirement purposes
35 or fewer		.02%		earnings for retirement purposes

<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%	earnings for retirement purposes
35 or fewer		.02%		earnings for retirement purposes

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 non-hazardous duty, 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 non-hazardous duty, 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 non-hazardous duty, 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 non-hazardous duty, that's all I pay, if I'm Tier IIA, I'd pay 2.26% total)

GLOSSARY

Centers of Excellence: For certain complex medical and surgical procedures, both current insurance companies have a list of medical centers where the positive outcomes and results from such surgeries exceed the outcomes of other medical centers. These outcome results are provided to each physician who is recommending surgery for a patient and they are informed that a member has the option to agree to have the service performed at one of these centers. It is not a program that must be followed. It is an option for the member. The covered expenses are the same no matter where the surgery is performed.

Health Care Cost Containment Committee or HCCCC: A Joint labor-Management Committee established in 1982 under the SEBAC agreement. The Committee has six Union representatives selected to reflect the diverse mixture of SEBAC unions and an equal number of management representatives. The HCCCC has jurisdiction over the administration and operation of the state employee health plan. Disputes are resolved by a neutral arbitrator. The Committee is staffed by the Office of the State Comptroller and the Comptroller is responsible to procure health care coverage consistent with the terms and conditions of the state employee health plan as set forth in the SEBAC agreement. The HCCCC meets the first Monday of every month.

Maintenance Drugs: Maintenance drugs are prescriptions commonly used to treat conditions that are considered chronic or long-term. These conditions usually require regular, daily use of medicines. Examples of maintenance drugs are those used to treat high blood pressure, heart disease, asthma and diabetes. The typical supply is for 90 days.

Medical Homes: A Medical Home describes a physician's practice that is integrated and coordinated with all aspects of a member's health care. These physician offices are usually open during the evenings and for some limited hours on the weekend. In a medical home, your primary care physician is linked electronically to any specialist you may be referred to or to a lab or facility that performs a test ordered by your physician, such as a blood test. Also, a practice that is a medical home is linked to the hospital system and receives notice of your admission and discharge from such a facility. The goal of a medical home practice is to give your physician up to date and accurate medical information so that your treatment can be more effective and based on as much information as possible. An example of a practice that is operating on a medical home basis are those physicians associated with ProHealth Physicians.

Prescription Formulary: Typically, prescription drugs are categorized as either Generic, or Preferred Brand, or Non-preferred Brand. Typically, these are divided into three tiers of member co-pays. Active employees currently have a three Tier program of \$5-\$10-\$25 which will change to \$5-\$20-\$35 for non-maintenance drugs and remain at \$5-\$10-\$25 for maintenance drugs. Employees and their

dependents who enroll in the Health Enhancement Program will pay \$0-\$5-\$12.50 for maintenance drugs associated with the five chronic conditions covered by the Program. Diabetes medication will continue to be provided at no cost to all members of the State Plan.

Self-Insured: The State Employee Health Plan has for most of its history (except for most years under the Rowland administration) as a self-insured plan -- meaning that like most large employers, the ultimate responsibility for paying medical claims is by the employer, and insurance companies simply administer the claims on a set fee per covered member basis. Insurance carriers under self-insured plans do not make extra money by raising or lowering premiums, or by granting or denying claims. They make their money automatically from the set fee per member per month schedule

State Employee Bargaining Agent Coalition or "SEBAC": SEBAC is the shorthand way to refer to the statutorily mandated coalition created in 1986 by Public Act 86-411 which required that collective bargaining by unionized state employees with respect to pensions and health care be done on a coalition basis with the State.

State Employee Health Plan: The State Plan consists of the schedule of benefits and co-pays, co-insurances, deductibles and premium cost-sharing percentages that apply to the state employees, active and retired. It also refers to access standards that must be met as to hospitals and other providers such as primary care physicians and specialists if an insurer is to be considered qualified to submit a bid to administer the claims for the state employee health plan. The Plan is currently maintained on a self-insured basis by the State of Connecticut as part of the SEBAC agreement to do so.

The State Plan benefits of the State Plan remain unchanged in this proposed agreement except for the institution of a \$35 co-pay for an emergency room visit that does not result in admission to the hospital and except for a change in the charge for non-maintenance prescription drugs from the current \$5-\$10-\$25 to \$5-\$20-\$35 for those drugs. Employees will continue to select coverage as an individual or on a two person basis or on a family basis (3 or more). There is also a coverage available known as Family Less Employed Spouse or FLES which represents coverage where both spouses are state employees.

Plan Administrators: Those companies who bid on the state employee health plan when it is put out to bid which is typically done by the HCCCC every 2-3 years. Current administrators are Anthem and United Health Care who are paid a fee to administer the benefits and to process the claims of the medical plan. The pharmacy benefits are administered and processed by CVS/Caremark. Thus, the medical plan and the pharmacy plan is a self-funded arrangement. The dental benefits are administered by United Healthcare for the Basic and Enhanced Plan offerings and by CIGNA for the dental health maintenance plan.(Dental HMO)

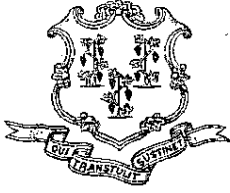
Point of Service (POS); Preferred Plan(POS); Point of Enrollment (POE); Point of Enrollment Gatekeeper POE-G: Since 1997, active and retired state employees can choose between a Point of Service Plan, a Point of Enrollment Plan or a Point of Enrollment with a Gatekeeper feature. A Point of Service Plan (POS) allows members to use in-network providers but also to go out of network but you pay more for out of network services. In a Point of Enrollment plan (POE) you must use in-network providers except in the case of emergencies. In a Point of Enrollment Gatekeeper Plan, you must receive prior approval from your primary physician for referrals to specialists within the network. The Preferred Plan is also a Point of Service Plan but is closed to new enrollees since July 1, 2009. All the Plans cover the same services and supplies. The difference is essentially whether you can go out of network. Both Anthem and United offer POS plans, POE Plans and POE Gatekeeper Plans. All of these plans will continue to be offered and are not effected by this proposed agreement.

Health Enhancement Program: This new program is based upon the assumption that when you get people the most accurate information about their health status and potential treatments, most people will make choices that will enhance their overall health and save money for both health plan participants and the plan. Employees will continue to choose any plan offered by any plan carrier, but will also be given the opportunity to elect to participate, along with any covered enrollees, in the Health Enhancement Program which will be an additional component of which plan the employee selects. Participation in the Health Enhancement Program is voluntary. Participation in the Program will result in lower annual employee premiums (a savings of \$1,200 per year) and lower prescription co-pays for certain maintenance drugs and no co-pays for office visits associated with certain conditions such as diabetes and asthma. The employees in the program will also not be subject to an annual deductible of \$350.

Office of Labor Relations (OLR): The State Agency that is part of the Office of Policy and Management (OPM) and is responsible for negotiating the collective bargaining contracts for bargaining units in the Executive Branch of government. Excludes the Judicial Branch, the Division of Criminal Justice and the Higher Education units.

Section 415 of the Internal Revenue Code: The provision of federal law that among other things limits the amount of annual pension a retiree may receive under retirement plans such as those in effect for state employees. The current limit is \$245,000 per year.

Mandatory Mail Order for Maintenance Drugs: The process by which maintenance drugs will be dispensed. The process will be that the maintenance drugs and the refills will now be delivered to the member by mail. Members who wish to pick up their mail order maintenance drugs may elect to do so at any CVS pharmacy. Otherwise, these prescriptions will be dispensed through the mail.

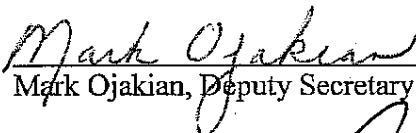


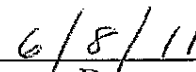
STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

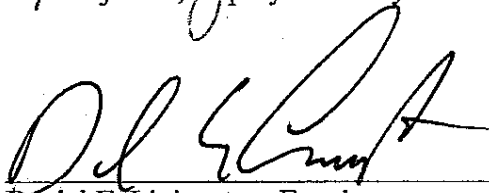
JOINT STATEMENT

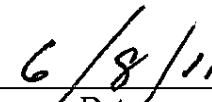
The parties recognize that substantial confusion has been created by the existence of various pending or recent pieces of legislation concerning health care. Notwithstanding any such legislation, past, present or future, for the duration of this Agreement, SEBAC 2011 provides that no health care changes will take place without mutual consent between the state and the employees unions for at least five more years, until 2022.

No consent by SEBAC to any changes not set forth in this agreement shall be implied by or derived from this Agreement, and the inclusion of this provision shall not be implied to be consent by SEBAC to any change in the future to the state employee benefit program without the required authorization in accordance with SEBAC's bylaws.


Mark Ojakian, Deputy Secretary of OPM


Date


Daniel E. Livingston, Esquire
Chief Negotiator for SEBAC


Date