


STATE OF CONNECTICUT
-and-
STATE EMPLOYEE BARGAINING AGENT COALITION (SEBAC)

**RECOMMENDED AGREEMENT ON FINANCIAL ISSUES – AND FRAMEWORK FOR JOB SECURITY TO BE VOTED
ON BY SEBAC 4/6/09**

| AREA | RECOMMENDED AGREEMENT | SAVINGS OR (COST) | | |
|---------|---|-------------------|----------|----------|
| | | FY09 | FY10 | FY11 |
| Health | Prescription co-pays increased to \$5 for generic, \$10 for preferred/formulary brand name and \$25 for other brand name; parties cooperate to produce efficient structure to produce rebates, phase in for those currently taking non-preferred drugs without medical reason; applicable to active employees and those who retire after 7/1/09; heightened level of mandatory generic substitution for actives and retirees. | -- | \$18.00 | \$22.00 |
| | Premium cost sharing: Effective 7/1/09, \$350 increase at each level, converted to percentage. | -- | \$20.50 | \$22.43 |
| | Close Preferred plan to new entrants; actives and retirees (who leave after June 30, 2009) who do not have it now may not elect in any future open enrollment; future retirees may elect it only if enrolled as an active at time of retirement. | -- | Future | Future |
| | Preventive Services: Well child care visits – continue \$0 co-pay Adult Physical Examinations per carrier/plan schedule – decrease to \$5 Routine gynecological examinations, including examinations and pap smear per carrier/plan schedule – decrease to \$5 | -- | (\$2.00) | (\$2.00) |
| Pension | Retirement Incentive Program: For full and part-time employees age 55 with 10 years of service; hazardous duty with 20 years of actual service; comparable credit for TRS; \$6,000 incentive for those in ARP; ARP and sick/vacation payouts deferred, paid in three installments – 2012-2014 | \$11.00 | \$101.00 | \$93.00 |
| | Deferral of State's contributions to SERS and OPEB | \$64.50 | \$64.50 | -- |

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|----------------|---|--------|---------|----------|
| Retiree Health | Rule of 75 for retiree health care for deferred vested retirees covering all new employees and current employees who have less than 10 years of actual State service as of July 1, 2009. Ten years actual state service required for retiree healthcare for direct retirees hired on or after July 1, 2009. No change in rules for disability retirees or in SEBAC 5 language concerning impact of lay off or expectation of continued employment. | Future | Future | Future |
| | Active employees contribute 3% during first 10 years of employment; applies to current employees with less than 5 years, but with credit for years already worked, and to new hires. For employees who leave with less than ten years of service, contributions are refundable. Refunds for those who leave prior to 7/1/12 not payable until 7/1/12, with 3% interest from date of separation to 7/1/12, and may be made in three installments if refund exceeds \$5,000. Contributions after 7/1/13 go to Trust Fund. Contributions prior to 7/1/13 available to reduce budgeted general fund payments to retiree health care. | -- | -- | \$7.80 |
| Wages | <p>2008-09: Unsettled contracts get 3% GWI on time; annual increments and previously negotiated top step bonuses on time. Settled contracts no change. NP-2 arbitration award as revised by agreement.</p> <p>2009-10: Hard freeze (no GWI, AI or lump sum*) for higher education units** and unsettled contracts. Those with previously settled contracts, may take "hard freeze" or "soft freeze" -- no GWI, get AI or previously negotiated top step bonus. NP-4 AIs on time.</p> <p>* Some units may choose to delay an increment in 2009-10 to pay for all -- or if the savings are insufficient -- part of a lump sum in 2010-11, or <i>visa versa</i> ..</p> <p>**Community College unions to have further discussion, but may not change overall financial parameters and subject to overall review.</p> <p>2010-11: For those that took a hard freeze in FY2010:</p> <ul style="list-style-type: none"> -- Those with settled contracts for 2009-10 "slide" those increases into 2010-11. -- Those with no contract, pattern of 2.5% GWI on time, AI or equivalent delayed 3 months (only for units which would have AIs or equivalents); status quo top step bonuses delayed 3 months. <p>The other units get the GWI they gave up in FY2010.</p> | -- | \$92.50 | \$134.07 |

| | | | | |
|--------------|---|----------------|----------------|-----------------|
| Other | Furlough days (treated like voluntary schedule reduction) or equivalent; what constitutes equivalent to be discussed. One day to be taken prior to June 1, 2009. Three in each of the next two fiscal years. Where possible, offices closed for long weekends; where not possible, units may take delays in AIs in lieu of furlough day(s) to produce equivalent savings. | \$10.65 | \$29.40 | \$29.40 |
| | Voluntary Leaves and Schedule Reductions through June 30, 2009. | \$6.60 | -- | -- |
| | Placement and Training -- funding | (\$2.50) | (\$5.50) | |
| | Defer second round 5 year audit/MEC (or the non-DAS equivalent of the MEC), SCOPE payments to 7/1/11; no retroactivity | -- | \$6.00 | \$6.00 |
| TOTAL | | \$90.25 | \$324.4 | \$312.70 |

WAGES FOR 2011-2012, 2012-2013:

For those with prior negotiated/arbitrated contracts, who took a freeze during FY '10 year, "slide" any 2010-11 increases to 2011-12, and any 2011-12 increases to 2012-13. If there was no contract for 2010-11, increases for 2011-12, with a pattern of 2.5% general wage increases on time, annual increments or equivalent with 3 month delay (only for units which would have AI or equivalent) and *status quo* top step bonuses with 3 month delay.

NOTE:

Work-outs of equivalencies for furlough days must be done prior to closing the agreement.

Unit language issues must be worked out prior to closing this agreement. It is understood that such issues will not involve any more than *de minimus* cost as we agree in principle that the economics will be closed out through FY2012.

Language above and below written in summary form meant to be replaced by more formal language prior to the closing of this agreement.

SUMMARY OF RECOMMENDED JOB SECURITY PARAMETERS

Note: OLR Units only-to be followed by Job Security Work Out for other Parts of Coalition

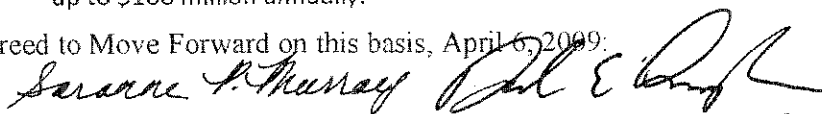
State would agree to SEBAC's demand for no loss of employment, including loss of employment due to programmatic changes, subject to the following conditions:

- Applicable only to those hired prior to July 1, 2009.
- Applicable only through end of biennium (6/30/11).
- Protection from loss of employment is for permanent employees; does not apply to:
 - employees in the initial working test period
 - those who leave at the natural expiration of a fixed appointment term, including expiration of any employment with an end date;
 - expiration of a temporary, durational or special appointment
 - non-renewal of a non-tenured employee (except in units where non-tenured have permanent status prior to achieving tenure);
 - termination of grant or other outside funding specified for a particular position
 - part-time employees who are not eligible for health insurance benefits
- Does not prevent the State from restructuring and eliminating positions provided those affected bump or transfer to another comparable job. . An employee who is layed off under the rules of a CBA or the P&T provisions because of the refusal of an offered position .will not be considered a layoff for purposes of this agreement. SEBAC to agree to enhanced flexibility in placing employees whose positions are eliminated in the event of programmatic layoff. OPM/OLR commits to continuing the effectiveness of P&T during and beyond the biennium to facilitate the carrying out of its purposes. Particular understandings with respect to the operation of the P&T Committee and its relationship with individual unit CBA's to be worked out prior to the closing of this agreement.
- State not precluded from noticing layoff in order to accomplish any of the above, or for layoffs outside the biennium.
- State at its option may convert from insured to self-insured for health benefits.

SEBAC would agree that if the revenues projected in the final FY2010 and FY2011 budget fall more than \$300 Million [definition of what is included in revenues to be discussed], or if the savings assumed for the RIP do not materialize [measure to be worked out], the following will occur:

- Emergency convening of SEBAC and State representatives to consider potential savings in addition to those listed below.
- Joint measures taken to encourage voluntary schedule reductions.
- Effective date of SCOPE delayed to FY2012.
- The State's contribution to unfunded liability (pension and/or OPEB) may be reduced by up to \$100 million annually.

Agreed to Move Forward on this basis, April 6, 2009:



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