



SUMMARY OF TENTATIVE SEBAC AND CONTRACT CHANGES – MAY 23, 2017

BARGAINING UNIT CONTRACTS Members Must Approve for Layoff Protection

Language – as negotiated by individual bargain units.

Wages:

- 2 years hard zeros with no AIs (annual increments) or Lump Sums 7/1/16-6/30/18
- 7/1/18: 2000 “bonus” **or** top step lump sum to those already eligible plus \$1, 000. (All pensionable “bonus” paid in July not considered part of base salary.) Top step lump sum paid on increment date. Bonus prorated for part-time employees.
- 7/1/19: **3.5% General Wage Increase*** (GWI) & AIs and top step lump sums on time, additional 2% for units without AIs and lump sums
- 7/1/20: **3.5% General Wage Increase*** (GWI) & AIs and top step lump sums on time, additional 2% for units without AIs and lump sums

*Units may use part of the GWIs for pay scale restructuring to be negotiated at bargaining table.

Longevity:

- April 2018 payment to be made in July 2018. **No other changes to Longevity for the life of the contract.**

Furlough Days:

- 3 days to be taken between 7/1/17-6/30/18. The manner of taking them is to be negotiated by the bargaining units. **No impact to pension calculation.**

Job Security:

- **No layoffs or privatization through 6/30/21**

SEBAC AGREEMENT ON HEALTH & PENSION: Extended 5 years to 6/30/2027

Healthcare for Active Employees:

Minimal Premium Cost Share Increases:

- 7/1/19: 1% but not over 15%
- 7/1/20: 1% but not over 15%
- 7/1/21: 1% but not over 16%

Minor Plan Design Changes (7/1/17 or as soon as practicable thereafter)

- Standard formulary implemented to prevent Rx price gouging. (Doctor is the final appeal step)
- Non-HEP Rx – 5/10/25/40.
- ER - \$250 waived if admitted or no other care available.

Healthcare for Future Retirees Retiring after 10/2/17:

Premium Cost Share:

- No change for hazardous duty retirees, or normal retirees retiring with 25 years or more of service.
- All others – POE increases from 0% to 1.5%, POS increases from 1.5% to 3%
- 7/1/22 Hazardous Duty retirees will pay 3%, non-haz duty will pay 5%

Medicare covered retirees:

- The premium remains 0.
- Effective 7/1/22 the State will continue to pay the Normal Medicare part B premium but high income earners will pay additional charges.

Medicare Advantage:

- Effective 1/1/18, no reduction in benefits.

Pension Changes for Current Employees:

Pension Payments:

- 7/1/17: **contribution increases by 1.5%**. May reduce the retiree healthcare (OPEB or Other Post Employment Benefits) contribution by 1.5% and then pay the Retiree Healthcare Fund back by paying an added .5% beginning 7/1/19 for 4 years. If you leave state service prior to the four years, payment will be taken from accruals or other sources.
- *For ARP (Higher Education) Participants: 7/1/17* employer contribution reduced from 8% to 7.25%. Employee may make up difference.
- 7/1/19: **additional 0.5%** towards the pension.
- *For ARP (Higher Education) Participants: 7/1/19*, employer contribution reduced to 7.0%. Employee may make up difference.

Pension benefits:

- No change for those retiring before 7/1/22.
- 7/1/22 COLA (cost of living adjustment) modified to track the CPI (consumer price index).
- 1st COLA payment to be received 30 months after retirement instead of the current average of 12 months.

Disability Retirement:

- Required to apply for SSDI at no cost and to appeal denial if Retirement Division suggests it.
- Plan provision penalizing spouses is removed.
- Effective for all retirees upon amending spousal penalty.

Miscellaneous:

- CDL physical exams provided at no cost at designated facilities.
- 2 years of sheriff time may be purchased for retirement eligibility if transferred to a hazardous duty position after 7/1/99

Pension Changes for New Employees:

New Tier 4 Pension:

- ARP – employer contributions reduced to 6.5%. Employees can contribute an additional 1.5%.
- SERS haz and non-haz pay 3% more than Tier 3. (If pension does not meet the rate of return of 6.9%, employees may pay up to 5.65%)

Hazardous Duty:

- 25 years of service regardless of age.
- 1% employer contribution to a DC plan, employee mandatory 1%, voluntary up to 5%.
- 25 year OT averaging.
- OT effect on base-pay pension not greater than 60%.

Non Hazardous Duty:

- Defined Benefit plan multiplier is 1.3%, no breakpoint
- 1% employer contribution to DC, mandatory 1% employee contribution, voluntary up to 5%. OT effect on base-pay pension not greater than 60%.
- 25 year OT averaging.

Healthcare:

- Immediately pay agreed-upon increase to premium cost shares but not over 16%.
- Contribute to retiree medical fund for 15 years.

**NO CHANGES TO CURRENT RETIREE BENEFITS OTHER THAN MEDICARE ADVANTAGE
(THE VEHICLE BY WHICH PLAN BENEFITS ARE DELIVERED)**