

Keypoints of the Revised SEBAC/4C's Agreement

Changes to the original TA are marked in red.

	July 1, 2011	July 1, 2012	July 1, 2013	July 1, 2014	July 1, 2015
Wages GWI	2.5% will cease and increase recovered by delaying July 2013 GWI	0	3% slightly delayed	3%	3%
Step/Lump Sum	no	no	yes	yes	yes
Furlough Days	0	0	0	0	0
Longevity	level frozen Oct payment reduced; Apr at 2011 level	level frozen Oct & Apr payments at 2011 level	unfrozen	unfrozen	unfrozen
Contribute to Retiree HC Currently paying 0 Currently paying 3% Note: Everyone will contribute the equivalent of 3% for 10 years. So those paying currently will finish sooner.	0 3%	0 3%	0.5% 3%	2% 3%	3% 3%

Job Security

- ◆ Layoff notices rescinded or averted
- ◆ No layoffs for 4 years (until June 30, 2015)

Health Care

- ◆ Agreement extended through 2022
- ◆ Current annual changes in premium schedule (approx. 5% in 2011)
- ◆ No change in Health Care Plan choices or benefits covered; cannot be put in Sustinet
- ◆ New voluntary Health Enhancement Program (see Agreement for more details)
 - Requires employees to get annual physicals, dental cleanings, & age-appropriate diagnostic tests
 - Disease Management Program for those with Diabetes, COPD, Asthma, Hypertension, Hyperlipidemia, Heart Failure. Program includes free office visits and reduced pharmacy co-pays (generic: no co-pay; preferred brand name: \$5 co-pay; no-preferred name brand: \$12.50)
 - Increased premium of \$100 per month and a \$350 per person deductible for those who choose not to participate in the Health Enhancement Program (\$1400 max family deductible)
- ◆ Mail-order delivery for maintenance medications, where allowable. For maintenance drugs co-pays remain at current level (\$5/\$10/\$25); Employees receive a 90-day supply. Can be received at local participating pharmacies.
- ◆ Changes in co-pays for non-maintenance drugs to encourage use of generics (generic: \$5 co-pay; preferred brand name: \$20 co-pay; no-preferred name brand: \$35)
- ◆ New \$35 co-pay for emergency room visits that do not result in a hospital admission, but only if there was a reasonable alternative to the emergency room available to the member.

Pension

- ◆ Agreement extended through 2022
- ◆ Normal Retirement Age
 - No change in Tier I retirement ages
 - No change for Tier II or IIA until after July 1, 2022
 - After July 1, 2022, normal retirement age increases by 3 years (age 65 with 10 years of service; age 63 with 25 years)
 - Purchase option to keep current normal retirement age; available in 2013 at actuarial cost
- ◆ Early Retirement Subsidy (No effect on those who work until normal retirement age)
 - Effective 10/2/11, employees will be charged 6% for each year they retire early (up from 3%)
 - Effective 10/2/11, employees who retire early will have to share in the cost of their health care premium (amount to be determined); this will not apply to any employee with 25 years of service as of July 1, 2011 who retires before July 1, 2013
 - No change for Early Retirement for disability retirees
- ◆ Pension COLA
 - No COLA delay
 - Those who retire after Oct. 1, 2011, same COLA formula but the range changes from 2%-7.5% (currently 2.5%-6%)
- ◆ New Tier III for new hires that mirrors Tier II/IIA, but adds 3 years to normal and early retirement ages and changes final average earning computation to 5 rather than 3 years

New Hybrid Retirement Plan for New Employees & Current ARP Participants

- ◆ Employees can choose or switch to a new Hybrid Defined Benefit/Defined Contribution type plan
- ◆ Option upon leaving state service of accepting the defined benefit amount or electing to receive a return of employee contributions to the hybrid plan plus a 5% match, plus 4% interest.
- ◆ Purchase option for past service at full actuarial cost
- ◆ Benefits identical to Tier II/IIA but requires employee contribution 3% higher than Tier II/IIA plan

Please Note: To avoid the changes in the tentative agreement (except mail order of prescriptions), a member's last day of work would have to be September 30 and retirement effective October 1, 2011. (Former dates were Aug. 31 and Sept. 1).