

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
EMPLOYMENT RELATIONS COMMISSION
LABOR RELATIONS DIVISION

In the Statutory Arbitration Between:

CITY OF BIRMINGHAM

MERC Act 312
Case No. D08 B-0237

-and-

POLICE OFFICERS ASSOCIATION OF
MICHIGAN,

Before: Chairperson A. Robert Stevenson

FILED
MERC
D08 B-0237
A. ROBERT STEVENSON
CHAIRPERSON

STIPULATED AWARD

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The above-referenced parties hereby stipulate and agree to the Act 312 arbitration award set forth herein.

1. The parties' new contract shall be in effect from July 1, 2008 to and including June 30, 2013.
2. The parties' new contract shall be the same as the parties' prior contract (in effect from July 1, 2002 – June 30, 2008) except as amended by the provisions of this Act 312 arbitration award.
3. Exhibit "A" shall be amended to reflect the following wage adjustments:

7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
2.5%	1.0%	0%	0%	0%

Adjustments and payments to be made within 30 days after the contract is signed.

4. Revise Article XIII – Longevity Bonus by adding a new Section 13.4 to provide as follows:
 - 13.4 Employees hired after June 30, 2011 shall not be eligible for longevity payments.

5. Revise Article IX Insurance, Section 9.2 Calendar Year Deductible by adding the following provision at the end of the paragraph:

Effective January 1, 2012, the calendar year deductible shall be \$350 per person /\$700 per family.

Revise Exhibit I Calendar Year Deductible, p.1 (Active Employees and Retirees Under 65) and Exhibit I, p. 4 (Retirees 65 and Older) by adding the following provision at the end of the provision:

Effective January 1, 2012, the calendar year deductible shall be \$350 per person /\$700 per family.

6. Out of Pocket Maximum

Revise Article IX Insurance, Section 9.2 Out of Pocket Maximum on Deductible and Co-Insurance by adding the following new provision:

Effective January 1, 2012, the Network Out of Pocket Maximum shall be \$550 per person/\$1150 per family. The Non-Network Maximum shall be \$1,000 per person/\$2,000 family.

Revise Exhibit I p. 1 (Active Employees and Retirees Under 65) and Exhibit I, p.4 (Retirees 65 and Older) Out of Pocket Maximum by adding the following provision:

Effective January 1, 2012, the Network Out of Pocket Maximum shall be \$550 per person/\$1150 per family. The Non-Network Maximum shall be \$1,000 per person/\$2,000 family.

7. Revise Article IX Insurance, Section 9.2 Calendar Year Deductible by adding the following provision at the end of the paragraph:

Effective January 1, 2013, the calendar year deductible shall be \$400 per person /\$800 per family.

Revise Exhibit I Calendar Year Deductible, p.1 (Active Employees and Retirees Under 65) and Exhibit I, p. 4 (Retirees 65 and Older) by adding the following provision at the end of the provision:

Effective January 1, 2013, the calendar year deductible shall be \$400 per person /\$800 per family.

8. Out of Pocket Maximum

Revise Article IX Insurance, Section 9.2 Out of Pocket Maximum on Deductible and Co-Insurance by adding the following new provision:

Effective January 1, 2013, the Network Out of Pocket Maximum shall be \$600 per person/\$1200 per family. The Non-Network Maximum shall be \$1,000 per person/\$2,000 family.

Revise Exhibit I p. 1 (Active Employees and Retirees Under 65) and Exhibit I, p.4 (Retirees 65 and Older) Out of Pocket Maximum by adding the following provision:

Effective January 1, 2013, the Network Out of Pocket Maximum shall be \$600 per person/\$1200 per family. The Non-Network Maximum shall be \$1,000 per person/\$2,000 family.

9. Revise Article IX Insurance, Exhibit I, Prescription Drug Benefits pp. 3 and 3.1 (Active Employees and Retirees under 65) and Exhibit I, p.4 (Retirees 65 and Older) by adding the following new provision at the end of the Prescription Drug provision to provide as follows:

Effective January 1, 2012, the above provisions shall be amended to provide that the Generic Co-pay shall be \$15.00 and the Brand Name Co-pay shall be \$20.00.

Effective January 1, 2013, the above provisions shall be amended to provide that the Generic Co-pay shall be \$15.00 and the Brand Name Co-pay shall be \$25.00.

10. Article IX, Insurance, Section 9.2, fifth paragraph (Contract, p. 7.1) shall be revised by adding the following new provision at the end of the paragraph:

Effective January 1, 2012, (for payments in December 2012), the cash payment equivalent shall be changed from 33-1/3% to \$1,750 per year (2 person)/\$3,250 per year (family) for waiving coverage effective for payments made in 2012.

11. Revise Article IX Insurance, Section 9.2, Health Care Reimbursement Account (Contract, p. 8) by adding the following new provision:

Effective January 1, 2012, Article IX Insurance, Section 9.2, Health Care Reimbursement Account shall be increased by \$200 to \$950. The HRA is eliminated for employees hired after July 1, 2011.

12. The parties shall enter a Letter of Understanding to be executed at the same time the collective bargaining agreement is executed providing as follows:

It is understood and agreed by the parties that the City shall implement the provisions of PA 152 effective August 1, 2012. The City shall implement the hard dollar cap provisions. The City may, at its option, offer one or more additional health plans which may be elected by individual unit members.

13. Article X Retirement, Section 10.5 (a), Health Insurance for Retirees shall be revised by adding the following new provision at the end of the Section 10.5 (a):

Employees retiring after February 15, 2012, shall make the following retiree health insurance contributions: Retiree contributions for health insurance shall be \$60 per month for each individual under age 65 for whom coverage is provided and \$30 per month per individual over 65.

14. Revise Article X Retirement, Section 10.5 Health Insurance for Retirees, by adding the following new Section:

Employees hired after July 1, 2011, shall, in lieu of the above-referenced health insurance, shall be covered under the Birmingham Employees Retirement Health Savings Plan administered by the ICMA (or equivalent). The City shall contribute 2% of earnings. The Employee shall contribute 2% of earnings. The Employee will become vested in employer contributions upon 7 years of service.

15. Article X Retirement shall be revised by adding the following new Section 10.10:

Employees hired after July 1, 2011 shall not be covered under the Birmingham Employees Retirement System current defined benefit retirement plan. Employees hired after July 1, 2011 shall be covered under the Birmingham 401(a) defined contribution plan as administered by the ICMA (or equivalent). The City and the employee shall make contributions as follows:

Employer: 12% of earnings

Employee: 5% of earnings

Employee vesting in employer contributions will be upon 7 years of service.

New hires in the defined contribution plan will be included in the defined benefit plan for duty and non-duty disability and death benefits and actuarially funded.

Duty Disability

- a) The City's liability for the retirement disability benefit shall be offset by the lifetime annuity value of the employee's 401(a) defined contribution retirement account, determined as of the effective date of the employee's disability related separation from service.
- b) Upon the employee's disability-related separation from service, the employee will elect whether to draw on the balance in the defined contribution account to supplement the employee's net disability payment.

Non-Duty Disability

- a) The City's liability for the retirement disability benefit shall be offset by the lifetime annuity value of the employee's 401(a) defined contribution retirement account, determined as of the effective date of the employee's disability-related separation from service.
- b) Upon the employee's disability-related separation from service, the employee will elect whether to draw on the balance in the defined contribution account to supplement the employee's net disability payment.

16. This stipulated award is entered by the Panel Chairperson and the parties' authorized representatives.

Dated: December 5, 2011

A Robert Stevenson
Chairperson

William Birdseye
Union Delegate

Dennis B. DuBay
City Delegate

16. This stipulated award is entered by the Panel Chairperson and the parties' authorized representatives.

Dated: December 5, 2011

S. Ant Starr
Chairperson

Union Delegate

Peris B. DeMay
City Delegate