

COLLECTIVE BARGAINING AGREEMENT

BETWEEN



AND

**MICHIGAN ASSOCIATION OF PUBLIC EMPLOYEES
EXECUTIVE GROUP**

JULY 1, 2008 – JUNE 30, 2013

TABLE OF CONTENTS

ARTICLE 1	Agreement.....	1
ARTICLE 2	Recognition	1
ARTICLE 3	Union Rights.....	2
ARTICLE 4	Dues Checkoff.....	3
ARTICLE 5	Agency Shop.....	4
ARTICLE 6	Seniority.....	4
ARTICLE 7	Stewards	5
ARTICLE 8	Grievance Procedure.....	6
ARTICLE 9	Management Rights	8
ARTICLE 10	Hours of Work.....	10
ARTICLE 11	Bereavement Leave	10
ARTICLE 12	Vacation	11
ARTICLE 13	Holidays	11
ARTICLE 14	Medical and Dental Coverage.....	12
ARTICLE 15	Life Insurance.....	13
ARTICLE 16	Sick Leave.....	14
ARTICLE 17	On-Duty Disability.....	15
ARTICLE 18	Off-Duty Disability.....	16
ARTICLE 19	Pension and Retirement.....	17
ARTICLE 20	Jury Duty.....	20
ARTICLE 21	Travel Expense Reimbursement.....	20
ARTICLE 22	Scope of Agreement.....	20
ARTICLE 23	Severability Savings	21

ARTICLE 24	Additional Benefits.....	21
ARTICLE 25	No Strike - No Lockout	22
ARTICLE 26	Educational Assistance	22
ARTICLE 27	Residency	23
ARTICLE 28	Performance Pay.....	23
ARTICLE 29	Compensatory Time	24
ARTICLE 30	Wages.....	24
ARTICLE 31	General.....	25
ARTICLE 32	Termination of Agreement.....	26
APPENDIX A	Salary Schedule	
APPENDIX B	Dental Coverage	
APPENDIX C	Community Blue Plan 10 Benefits-at-a-Glance-	
APPENDIX D	Community Blue Plan 7 Benefits-at-a-Glance	

ARTICLE 1
AGREEMENT

1.1 This Agreement is made and entered into by and between the CITY OF STERLING HEIGHTS, Macomb County, Michigan, (hereinafter referred to as the "Employer"), the persons holding the Sterling Heights Administrative Positions of City Development Director/Assistant City Manager, Police Chief, Fire Chief, Community Relations Director, Finance & Budget Director, Public Works Director and City Clerk/Assistant City Manager (hereinafter referred to as the "Employees"), and the MICHIGAN ASSOCIATION OF PUBLIC EMPLOYEES (MAPE), (hereinafter referred to as the "Union").

1.2 MAPE is recognized by the City of Sterling Heights as the official sole bargaining agent to represent the Sterling Heights Administrators referenced in Article 1.1.

1.3 The Employer and the Union are desirous of continuing to work harmoniously together to promote and maintain high standards of conduct, efficiency and service and to provide such high quality service for the benefit of the residents of the City of Sterling Heights.

1.4 This agreement supersedes and cancels all previous agreements, verbal or written, or based on alleged past practices between the City and the Union and constitutes the entire agreement between the parties. Any amendment or agreement supplemental hereto shall not be binding upon either party unless executed in writing by the parties hereto.

ARTICLE 2
RECOGNITION

2.1 The Employer recognizes MAPE as the exclusive bargaining representative of the persons holding the positions referenced in Article 1.1, for the purposes of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment in that bargaining unit.

2.2 The purpose of this Agreement is to set forth in writing all of the understandings and agreements reached between the parties and to provide an orderly and equitable means of resolving all future differences that may arise.

2.3 The City reserves the right to reassign duties to maintain the efficiency of the Management organization. However, if duties are added or reassigned to members of the Union, the City is willing to meet and negotiate rates of pay for those additional responsibilities.

ARTICLE 3
UNION RIGHTS

3.1 The Union Chairperson shall be afforded reasonable time during regular working hours, without loss of pay, for the processing of grievances provided that this does not interfere with or disrupt the operations of the department.

3.2 The Union, in contract negotiations, may be represented by not more than two (2) local Union representatives. In addition, the Union may be represented in contract negotiations by counsel and MAPE Union representatives. Two (2) Union representatives per session will be paid for hours worked if negotiations occur during the representatives' regularly scheduled work hours.

3.3 All employees are "at will" and shall serve at the pleasure of the City Manager. Appointments to positions shall be a one-time appointment by the City Manager with confirmation by City Council. In the event the City Manager determines that the Employee's services are to be involuntarily discontinued after the first year of service, the Employee shall be entitled to have his or her wages and benefits continued for 150 work days (150 days x 8 hours). Employees will be represented by the Union for collective bargaining purposes only not for any discipline or discharge proceedings.

The employer recognizes that those persons serving as Police Chief or Fire Chief, who have been promoted from within the ranks of employment with the City, have the right to request the Act 78 Commission demotion to their formerly held position and rank. All other rules or regulations under Act 78 do not apply while they are members of this Bargaining Unit. Further, if such a request for demotion is granted, they shall not be eligible for any continuation in wage and benefits as contained in this Agreement. If an individual is hired for the position of Police Chief or Fire Chief, not due to promotion, they shall have no right to request a demotion or any other rights under Act 78.

3.4 The Union may schedule meetings on city property insofar as such that meetings are not disruptive of the efficient operation of the Employer's business subject to the approval of the City Manager or designate, which approval shall not be arbitrarily or unreasonably withheld. These meetings will be held during times other than scheduled work hours.

ARTICLE 4

DUES CHECKOFF

4.1 After the effective date of this Article and thereafter during the life of the collective bargaining agreement, and to the extent the laws of the State of Michigan permit, the City agrees to deduct from the pay of employees who are Union members, the regular, usual, periodic and uniform dues of the Union levied in accordance with the Constitution and By-Laws of the Union and which are uniformly required, or in the alternative, the service fee provided, however, that the Union shall first present to the Employer a certified check-off list consisting of a statement of the amount of dues and/or service fees certified by the Treasurer of the Union together with written authorization on a suitable form signed by the employee allowing such deductions and payment to the Union at least thirty (30) days prior to the date on which the dues and/or service fees are to be deducted.

4.2 The Union shall be fully responsible for the validity and correctness of the certified check-off list and authorizations, and the Union shall indemnify and save the Employer harmless against any and all claims, demands, suits or other forms of liability that may arise out of or by reason of action taken or not taken by the Employer in reliance upon such certified check-off list and authorization.

4.3 Dues shall be deducted in amounts determined by the Union from each month and shall be remitted to the Treasurer of the Union within fourteen (14) days thereafter with a list of the employees from whom dues have been deducted. In cases where a deduction is made that duplicated a payment that an employee already has made to the Union, or where a deduction is not in conformity with the provisions of the Union's Constitution and By-Laws, refunds to the employee will be made by the Union.

4.4 An employee shall cease to be subject to check-off deductions beginning with the month immediately following the month in which the employee is no longer a member of the bargaining unit.

4.5 The City shall not be liable to the Union by reason of the requirements of this collective bargaining agreement for the remittance or payment of any sum other than those constituting actual deductions made from wages earned by employees. Deductions shall be made only in accordance with the provisions of this Agreement.

4.6 Employees who tender the dues or service fee shall be deemed to have met the conditions of this Article if they are not more than thirty (30) days in arrears in payment.

4.7 The Union shall accept into membership each employee who becomes eligible to be a member of the collective bargaining unit and who tenders to the Union the periodic dues uniformly required as a condition of acquiring or retaining membership in the Union.

ARTICLE 5

AGENCY SHOP

5.1 The City, upon receipt of a payroll deduction authorization form signed by the employee, will deduct from that employee's wages the amount due to the Union and will forward same to the Treasurer of the Union monthly. Failure of an employee to complete the "Authorization for Check-off of Dues" form shall result in the Employer automatically deducting dues from the employee's paycheck in compliance with MCL 408.477.

5.2 All members of the bargaining unit shall, as a condition of employment, become members of the Union within thirty (30) days of employment or entering or re-entering the bargaining unit or pay a service fee for designated chargeable costs to the Union incurred in its representation of non-members.

5.3 The City, upon receipt of a written notice from the Union that an employee who has not paid the required service fee, shall terminate the employment of said employee within thirty (30) days from the date of said notice unless said employee re-instituted the payment of the service fee prior to the thirty (30) day period.

ARTICLE 6

SENIORITY

6.1 All employees shall acquire seniority based on their most recent starting date of full time employment with the City of Sterling Heights.

6.2 An up-to-date seniority list shall be furnished to the Union after execution of this Agreement and annually thereafter.

6.3 An employee shall lose seniority and thus shall be terminated for the following reasons:

- A. If the employee quits, resigns or retires.
- B. If the employee is discharged.

- C. If the employee is absent from work for three (3) working days without properly notifying the Employer, unless the reason for such absence is a permitted absence under the provisions of this collective bargaining agreement. Upon expiration of the three (3) day period, the Employer will send written notice to the employee by registered mail (return receipt requested) to the employee's last known address that seniority has been forfeited and thus employment has been terminated.
- D. If the employee does not return to work at the end of an approved leave without a reasonable and valid excuse.
- E. If an employee is unable to return to work after 18 months from the date of a non-duty connected disability or 24 months for a duty connected disability.
- F. At the sole discretion of the Employer, Sections C, D or E above may be waived.

ARTICLE 7

STEWARDS

7.1 The Union shall designate one member of the Executive Board as steward. The authority of the steward shall be limited to, and shall not exceed, the following duties and activities:

- A. Investigation and presentation of grievances.
- B. Transmission of messages and information which shall originate with and are authorized by the local Union or its officers.
- C. Communicating with MAPE Representatives and/or legal counsel regarding Union business and/or grievances.
- D. Attending meetings which relate to grievances, mediation, arbitration, fact-finding, unfair labor practice hearings or court proceedings.

7.2 The Union steward and/or MAPE representative shall represent employees and shall be authorized to resolve grievances and other employee matters on behalf of such employees in any step of the Grievance Procedure provided for in this Agreement. Such resolved grievances shall be final and binding on the Employer, employees and the Union.

ARTICLE 8
GRIEVANCE PROCEDURE

8.1 A grievance is defined as an alleged violation of a specific article of this Agreement. Only the following articles contained therein shall not be grievable:

- A. Disciplinary action taken against an employee, including discharge, shall not be grievable because they are "at-will" employees.
- B. Performance Pay

8.2 Procedure:

Step One Prior to filing a formal grievance, the employee or Union steward shall attempt to settle the Grievance by discussing the issue with the City Manager within ten (10) business days or knowledge of its occurrence. If the parties are unable to informally resolve the matter, it shall proceed to Step Two.

Step Two A formal written grievance stating the specific article and section of this Agreement alleged to be violated, together with the facts giving rise to the grievance, the relief requested and signed by the employee, must be filed with the City Manager, within ten (10) business days of the Step One meeting. The City Manager shall meet with the aggrieved employee and the Union at a time and date mutually agreeable to the parties. The City Manager shall consider the matter and will give a written reply within thirty (30) calendar days from the date of submission of the grievance to the City Manager or within seven (7) calendar days of the meeting, whichever is less.

Step Three In the event the decision rendered in Step Two is not satisfactory to the employee or to the Union, either the employee or the Union (on behalf of the employee) may invoke binding arbitration by filing a demand with the City Manager. Such demand for arbitration shall be submitted within twenty-eight (28) calendar days after receipt of the Step Two answer or expiration of the Step Two time limits.

8.3 Any grievance not advanced to the next step by the Union within the time limit in that step shall be deemed abandoned. If the Employer does not answer a grievance within the time limits prescribed in this Article, the grievance will be considered automatically referred to the next step of the Grievance Procedure. Time limits may be extended by mutual agreement in writing.

8.4 Any agreement between the Employer and the Union is binding on all members affected and cannot be changed by an individual employee.

8.5 The parties will use Federal Mediation and Conciliation Service (FMCS) to mutually select an arbitrator who will utilize American Arbitration Association (AAA) rules, confer with the parties, hold a hearing promptly and will issue a decision, in writing, not later than thirty (30) days from the date the hearing is completed. The arbitrator will set forth findings of fact, reasons and conclusions on the issue(s) submitted.

8.6 The Arbitrator shall limit the decision strictly to the interpretation or enforcement of this Agreement, and;

- A. Shall have no authority to require the City to purchase buildings, equipment or material.
- B. Shall have no power to add to, subtract from, alter or modify any of the terms of this Agreement.
- C. Shall have no authority to grant a wage increase or decrease, except in cases of arbitration of new positions established by the City between contract periods.
- D. Shall have no power to substitute his discretion for the City's discretion in cases where the City has been given discretion by this Agreement.
- E. Shall have no power to decide any question, which under this Agreement is within the responsibility of Management to decide. In rendering decisions, an Arbitrator shall have due regard to the responsibility of Management and shall so construe this Agreement that there would be no interference with such responsibilities except as it may be specifically limited by this Agreement.
- F. Shall have no authority to grant any relief for any period of time whatsoever prior to the execution date of this Agreement. This shall not be the case, however, with regard to grievances over wages, hours or other terms or conditions of employment, which were timely filed prior to the execution date of this Agreement.
- G. The Arbitrator shall be without authority to require the City to delegate, alienate or relinquish any powers, duties, responsibilities, obligations or discretion, which by State law or City Charter the City cannot delegate, alienate or relinquish.
- H. The decision of the Arbitrator in a case shall not require a retroactive wage adjustment in another case, except by express agreement of the parties.
- I. The decision of the Arbitrator shall be final and binding upon the City, the Union and the affected employee(s) and there shall be no appeal of the Arbitrator's decision if made in accordance with his jurisdiction and authority under this Agreement.

- J. In the event a case is appealed to the Arbitrator and the Arbitrator finds that he has no power to rule on such a case, the matter shall be referred back to the parties without decision or recommendation on the merits of the case.

8.7 Fees and Expenses at Arbitration. The fees and expenses of the arbitrator, except all filing fees, shall be equally shared by the parties. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expenses of the witness called by the other.

8.8 There shall be no reprisals of any kind by the Union or the Employer taken against the grieving employee, any party in interest or the steward or the Union or any other participant in the procedure set forth here by reason of such participation, but the foregoing shall not be interpreted to mean that the Employer waives any discipline of the grieving employee for the transactions or occurrences out of which the grievance arose.

ARTICLE 9

MANAGEMENT RIGHTS

9.1 The City on its own behalf and on behalf of its electors, hereby retains, and reserves unto itself, without limitation, all powers, rights, authority, duties and responsibilities conferred upon and vested in it by the laws and the constitution of the State of Michigan and of the United States. Further, all rights which ordinarily vest in and are exercised by employers except such as are specifically relinquished herein are reserved to and remain vested in the City, including but without limiting the generality of foregoing and right to:

- A. Manage its affairs efficiently and economically, including the determination of quality and quantity of services to be rendered, the control of materials, tools and equipment to be used and the discontinuance of any services, material or methods of operation.
- B. Introduce new equipment, methods, machinery or processes, change or eliminate existing equipment and institute technological changes, decide on materials, supplies, equipment and tools to be purchased.
- C. Subcontract or purchase any or all work, processes or services, or the construction of new facilities or the improvement of existing facilities.
- D. Determine the number, location, and type of facilities and installations.
- E. Determine the size of the work force and increase or decrease its size.
- F. Hire, assign and lay off employees to reduce the work week or the work day or effect reductions in hours worked.

- G. Permit municipal employees not included in the bargaining unit to perform bargaining unit work in cases of emergency.
- H. Direct the work force, assign work and determine the number of employees assigned to operations.
- I. Establish, change, combine or discontinue job classifications and prescribe and assign job duties, content, and classification.
- J. Determine lunch, rest periods and cleanup times, the starting and quitting time and the number of hours to be worked.
- K. Establish work schedules.
- L. Discipline and discharge employees.
- M. Adopt, revise and enforce working rules and carry out cost and general improvement programs.
- N. Transfer, promote and demote employees from one classification, department or shift to another.
- O. To select employees for promotion or transfer to other positions and to determine the qualifications and competency of employees to perform available work.

9.2 Nothing in this Article is intended to limit any other rights of Management not expressly included in this Article where the exercise of such right is not in conflict with any other provisions of this Agreement.

ARTICLE 10

HOURS OF WORK

10.1 The regular work week shall consist of five (5) work days commencing on Monday and ending on Friday. The employer reserves the right to deviate from the established work schedule in cases of emergency.

10.2 The normal work day consists of eight (8) hours of work with a one (1) hour unpaid lunch break. Normal hours are 8:00 a.m. to 5:00 p.m. daily. Management reserves the right to change work hours. The City will give prior written notice to the Union of any change of normal work week hours and, if requested, will meet with the Union to discuss the changes.

10.3 Flex time scheduling, including the starting and quitting time, may be utilized with prior approval by the City Manager.

10.4 Employees called into work during non-scheduled working hours, or who are required to continue work immediately after the regular quitting time, shall be allowed adequate uncompensated time off to eat while performing such duties.

ARTICLE 11

BEREAVEMENT LEAVE

11.1 With the death of a spouse, child or stepchild, father, mother, father-in-law, mother-in-law, a regular full time employee on request will be excused and receive payment for up to five (5) days work during the period commencing with the date of death and ending with the day after the funeral provided the employee attends the funeral. When death occurs in the remainder of the immediate family, i.e. stepfather, stepmother, sister, brother, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandparents, grandchildren, payment may be authorized for up to three (3) working days. Employees shall be entitled to pay for one (1) day to attend the funeral of the following family members: aunt, uncle, niece, and nephew. If the funeral for the above is to be held more than 250 miles from the metropolitan Detroit area, leave will be granted for up to five (5) days for immediate family members only.

ARTICLE 12

VACATION

12.1 Vacation Leave. All regular, full-time employees shall be entitled to paid vacation time on their anniversary date as follows:

<u>Years of Service</u>	<u>Days Credited</u>
1 to 9	15
10 to 11	18
12 to 19	20
20 to 24	23
25 or more	25

Vacation days can only be accumulated in the amount not to exceed thirty (30) days, except that employees will have the following year to use the vacation credited for the year just earned and have the option of being paid for up to thirteen (13) days of unused vacation days in excess of 30 at 100%.

12.2 No employee shall be eligible to take vacation time until the vacation time has been earned. Vacation time may not be taken in the same year based upon monthly accrual except in emergencies as approved in writing by the City Manager.

12.3 Employees who lose time due to on-the-job disability under Worker's Compensation shall receive vacation as though time was worked up to a maximum of one year.

12.4 In the case of retirement, resignation or death of an employee, the employee's estate will be paid for all vacation days which have accumulated to the employee's credit, plus a pro-rata share of vacation earned for any months of the year of retirement, resignation, or death.

ARTICLE 13

HOLIDAYS

13.1 All employees will be eligible to receive holidays off with pay under the following regulations. Paid holidays are designated as:

New Year's Day	Thanksgiving Day
Good Friday	Day after Thanksgiving
Memorial Day	December 24 th
Fourth of July	Christmas Day
Labor Day	December 31 st
Veterans' Day	Martin Luther King, Jr. Day*

* Martin Luther King, Jr. Day shall be taken as a floating holiday within the fiscal year to be used by the employee with advanced approval of the City Manager.

13.2 Should a full paid holiday fall on Saturday, then the Friday preceding that day will be taken as the paid holiday; and if the full paid holiday falls on a Sunday, then the Monday following shall be taken as a paid holiday.

ARTICLE 14

MEDICAL AND DENTAL COVERAGE

14.1 The City shall provide dental coverage at no cost to the employee. See Appendix B for coverage description and limits.

14.2 Medical and Hospitalization Coverage: The basic medical and hospitalization coverage for all employees of the bargaining unit as of July 1, 2008 shall be Blue Cross/Blue Shield Community Blue 10. Appendix C titled "Community Blue PPO Benefits-at-a-Glance Plan 10" is a summary of covered services including deductibles, co-pays, and co-pay dollar maximums.

Employees shall have the option to select COPS Trust or Health Alliance Plan (HAP) coverage as optional health care providers. The illustrative rates determined by the base coverage, currently Blue Cross/Blue Shield Community Blue Plan 10, shall be the rates used to determine any excess cost an employee would be responsible to pay. Employees electing any option that becomes more expensive than the base coverage will have the difference in illustrative rate deducted from their payroll check on a monthly basis.

The medical coverage for Health Alliance Plan (HAP) remains the same. However, employees selecting this option will be responsible for co-pays as follows: \$10.00 office visit, \$10.00 urgent care, and \$25.00 emergency room.

For all new employees hired after July 1, 2008, the basic medical and hospitalization coverage shall be Blue Cross/Blue Shield Community Blue Plan 7. Appendix D titled "Community Blue PPO Benefits-at-a-Glance Plan 7" is a summary of covered services, including deductibles, co-pays and co-pay dollar maximums. COPS Trust and Health Alliance Plan (HAP) will be available as an option as indicated above. Employees electing any option that becomes more expensive than the base coverage, Community Blue Plan 7, will have the difference in illustrative rate or premium deducted from their payroll check on a monthly basis.

Prescription drug coverage will be provided to employees receiving medical and hospitalization coverage. The generic co-pay will be \$5.00 and the brand name co-pay will be \$20.00. The City will carve out the prescription drug benefit from the health plans available under this Agreement to the extent allowed by the health plan offered and place the administration of the benefit with a Pharmacy Benefit Manager (PBM) selected by the City. The City reserves the right to change the PBM with 90 days' written notice.

14.4 Health Insurance Allowance. The Employer has a program to coordinate and to eliminate overlapping health care coverage. Each full-time employee or retiree who chooses not to join an Employer-sponsored health care plan, and whose spouse or parent has coverage provided, shall be paid One Thousand Five Hundred (\$1,500) Dollars each year for every year that the spouse or parent has coverage. Payments will be made annually, in December, to each employee who has not been on any Employer-sponsored Health Care Program, except that payments will be prorated monthly to meet the dates the employee first participates and/or ends participation in this program.

14.5 Employees shall be required to show proof that a spouse or parent has medical care coverage that includes the employee and their dependents before said employee will be declared eligible to receive the One Thousand Five Hundred (\$1,500) Dollars annual payment.

14.6 Employees or retirees whose spouse or parents' medical care plans cease to cover the employee/retiree and their dependents, must re-enroll in an Employer-sponsored Medical Care Plan. In such cases, the employee shall be allowed to enroll in an Employer sponsored plan immediately subject to the appropriate health insurance carrier's implementation.

14.7 Bi-Annual Physical Exam. Employees shall be required to submit to a bi-annual physical check-up at a hospital facility designated by the City. The cost of the bi-annual physical exam shall be borne by the Employer. The employee shall also have the option of having this exam performed by his or her own physician; however, the City's cost shall not exceed that paid to its provider.

14.8 The City will provide a maximum reimbursement of One Hundred Fifty Dollars (\$150.00) to each employee for eye examinations and prescription eyewear each fiscal year beginning with the 2008/09 fiscal year. Receipts must be provided to the City for processing the reimbursement.

ARTICLE 15

LIFE INSURANCE

15.1 Life insurance and Accidental Death and Dismemberment Coverage will be carried for each employee by the Employer at no cost to the employee. The coverage shall be in the amount of two (2) times the employee's annual salary for the Life Insurance and the same level of coverage for the Accidental Death and Dismemberment.

Reduction in benefit levels or coverage shall be determined by the policy. The City makes no assurances as to policy wording.

15.2 Life Insurance for Retirees. Members of this unit who have retired shall be provided Twenty Thousand (\$20,000) Dollars worth of term life insurance. The premium for said policy shall be paid by the City. This coverage shall be maintained by the Employer until the retiree reaches the age of seventy (70).

ARTICLE 16

SICK LEAVE

- 16.1
- A. All full-time regular employees shall accrue sick leave at the rate of one (1) day (eight hours) for all classifications, for each full month paid status of employment. Maximum sick leave earned per year shall be twelve (12) days.
 - B. Employees off sick shall be required to provide verification of an illness from a physician if requested by the City Manager. The Employer may require an examination of the employee following an illness or injury, by a doctor of Employer's choice on city time and city expense.
 - C. At the end of the first bi-weekly pay period ending in June, employees will have all days in excess of seven (7) days in their sick bank converted to personal time. If the personal time is not used by the end of the first bi-weekly period ending in June of the next year, the employee will receive compensation on the basis of fifty percent (50%) of their hourly rate.
 - D. Accumulated sick leave may be used in the following manner:
 - 1. Acute personal illness or incapacity over which the employee has no reasonable control.
 - 2. Absence from work because of exposure to a contagious disease which, according to public health standards, would constitute danger to health of others by the employee's attendance at work.
 - 3. Employees may utilize sick leave in one (1) hour increments based upon the following criteria: 1) employees must request the leave in advance, indicating on the request for leave the doctor's/dentist's name and address, 2) the employee may be required to provide the Employer with a receipt from the doctor and/or dentist.
 - E. Employees using sick leave during a period that includes a scheduled holiday will be paid for the holiday. The employee cannot be paid for both on the same day, nor will the employee be charged for a day of sick leave.
 - F. No employee can draw more than the 40 hours of sick leave during a weekly period.
 - G. An employee absent for more than one month, with the exception of paid vacation and paid leave of absence, will earn a sick leave day for the first month only.

- H. Upon the employee's death or retirement, the City will pay one hundred (100%) percent of the accumulated unused sick and/or personal bank. If an employee resigns from City employment, the employee will be paid fifty (50%) percent of the accumulated unused sick and/or personal bank.

ARTICLE 17

ON-DUTY DISABILITY

17.1 For loss of time on account of injury or illness arising out of and in the course of employment with the City for which an employee is receiving Worker's Compensation disability benefits, an employee shall receive full pay for up to thirty (30) calendar days without drawing on sick leave accumulation for any one injury or illness, but shall not be allowed on a reoccurrence of the same injury or illness.

17.2 During the first twenty-four (24) months of such a Worker's Compensation disability, the Employer will continue to provide medical, prescription, and dental coverage and life insurance at no cost to the employee. Sick leave will be earned only during the first month.

17.3 If an employee is unable to return to work after 24 months from the date of the duty-connected disability, the Employer shall cease to provide the individual the benefits outlined in the paragraph above. If there is leave time remaining, such leave time shall be paid to the employee calculated at the rate the employee was paid at the time of the disability. Accrued vacation time and sick and personal leave will be compensated at one hundred percent (100%).

17.4 **Disrupted Injury/Illness.** If there is a dispute as to the duty relatedness of an employee's disability, that issue shall be submitted to the Michigan Bureau of Worker's Compensation for a determination of whether the employee's disability arose out of and in the course of employment as those terms are defined under the Worker's Disability Compensation Act. The parties' recourse from that determination will be that provided by law and does not preclude any administrative or judicial appeals. In the event of a contested Worker's Compensation claim, disability insurance benefits may be available, depending on terms and conditions of the policy.

17.5 Employees who lose time on account of injury or illness arising out of and in the course of employment with the City shall continue as a seniority employee for a period of 24 months from the date of such disability. An employee who is unable to return to work at the end of the 24 month period, shall cease to be a seniority employee.

17.6 Employees who lose time due to on-the-job disability under Worker's Compensation shall receive their vacation as though the time was worked up to a maximum of one (1) year.

ARTICLE 18
OFF-DUTY DISABILITY

18.1 At no cost to the full-time regular employee, the Employer will provide disability insurance. The terms of this insurance appear in Appendix E. The City provides no guarantees or assurances regarding the disability policy eligibility.

18.2 Employees who lose time from work on account of non-duty injury or illness may utilize available sick leave and during the short-term disability waiting period of seven (7) days. Vacation and/or compensatory time may be approved for utilization upon exhausting the available sick time. During the first six (6) months of a non-duty connected disability, the Employer will continue to provide medical, prescription, and dental coverage and life insurance. Sick and vacation leave will be earned only during the first month of non-duty connected disability.

18.3 If an employee is unable to return to work after six (6) months from the date of the non-duty connected disability, the Employer shall cease payment for the fringe benefits set forth in the preceding paragraph, except as may be required by law.

18.4 The City will continue a non-duty disabled employee's health coverage, when a disputed Worker's Compensation claim has been filed, for a maximum of 18 months or until the disputed claim is decided, whichever is earlier. Should the injury be determined to be not work related, then the employee shall pay the cost for those excess months of coverage back to the City over an equal amount of time that the coverage was provided.

18.5 If an employee is unable to return to work after twelve (12) months from the date of the non-duty connected disability, all remaining leave time shall be paid to be employee based upon the hourly rate the employee was earning at the time of the disability. The remaining unused sick leave will be computed at fifty (50%) percent. Accrued vacation and personal time will be compensated at one hundred (100%) percent.

18.6 An employee who is unable to return to work after eighteen (18) months from the date of the non-duty connected disability shall cease to be a seniority employee.

ARTICLE 19
PENSION AND RETIREMENT

19.1 Defined Benefit Plan: A Defined Benefit Pension Plan will be provided to all members of the bargaining unit hired by the City prior to November 1, 1997, per Chapter 41 Article 2 of the City of Sterling Heights Code of Ordinances, including those benefits provided in Section 41-55 thereof. For the purposes of this article, the term "retiree" is defined as any employee who retires by virtue of fulfilling the age and service requirements for retirement and who immediately upon leaving the Sterling Heights employment receives retirement benefits from a duly established City of Sterling Heights Retirement System. Employees who retire as a result of a duty-connected disability are likewise included. The age and service requirements for the above mentioned employees are as follows: age and service requirements equal to years of service plus age totaling 75 or more. However, those employees who are members of this Bargaining Unit as of June 30, 2008 shall be eligible to fulfill the age and service requirements equal to years of service plus age totaling 70 or more for retirement.

19.2 Effective July 1, 2008, the provisions of Public Act No. 88 of the Michigan Public Acts of 1961, as amended (Reciprocal Retirement Act) shall be applied in the calculation of years of service when determining the years of service plus age qualifications contained in this Article.

19.3 Those employees who currently meet the age and service requirements for retirement shall have a one-time, irrevocable option to convert from participation in the defined contribution plan to the defined benefit plan. An employee exercising this option shall have ten (10) days from the effective date of this Agreement to notify the City of the election to convert and thirty (30) days after notification of the election to pay into the General Employees Retirement System (GERS) the conversion amount determined by the following formula:

[Amount received by eligible employee upon withdrawal from the pension plan plus the five percent (5%) required contribution contributed by employee to the defined contribution plan plus interest on those amounts compounded annually at the average yield earned by the assets of the defined benefit plan during the period of the eligible employee's participation in the defined contribution plan] plus [amount contributed by the City to defined contribution plan on behalf of the eligible employee].

Failure of an eligible employee to timely notify the City of an election to exercise the conversion option or pay the conversion amount shall constitute a waiver of the conversion option. An eligible employee who waives the option to convert shall remain as a participant in the defined contribution plan under the defined contribution plan section of this Agreement.

19.3 The pension multiplier is 2.3% for those members who retire under this agreement excluding the Police and Fire Chiefs. Final average compensation shall be based on the best three (3) years of the last ten (10) years. Final average compensation shall include all taxable income received, excluding allowances and reimbursements, in computing employee contribution and final average compensation, and shall include income paid into any deferred compensation plan. Pension shall be vested after ten (10) years of service.

19.4 In the event of an employee's death who has ten (10) or more years of service, survivor pension benefits will be provided to the deceased employee's spouse in accordance with Section 41-34 of the City of Sterling Heights Code of Ordinances.

19.5 A retiree who elects to receive a reduced retirement income based upon the joint and survivor method wherein the retiree's spouse shall be eligible to receive said reduced pension income, for the remainder of the spouse's life should the retiree predecease said beneficiary, may on a one-time basis, revert to one hundred (100%) percent of the amount provided said retiree for a straight life pension should the designated beneficiary predecease the retiree. Any extra cost associated with a retiree's election of this "Pop-Up" provision, will be paid by the employee, in the form of a further reduced pension amount determined by the G.E.R.S. Actuaries.

19.6 A private letter ruling by the IRS has recognized that the contributions made by employees are tax deferred and is hereby adopted by reference.

19.7 Annuity Withdrawal. Members in the Bargaining Unit shall have available to them, in addition to the retirement options already in place for the defined benefit pension plan, an annuity withdrawal option as follows:

- A. Definition. The annuity withdrawal is the option that allows members to withdraw their accumulated contribution (with interest) at retirement and thereby forfeit the portion of their retirement allowance which was financed by their contributions.
- B. A member wishing to elect this option must make written application to the General Employees' Retirement System Pension Board no later than thirty (30) days prior to the effective date of their retirement. The thirty (30) day notice may be waived at the sole discretion of the Pension Board, however, under no circumstance can it be increased.
- C. The parties agree that the Merrill-Lynch Bond Index will be used for the purposes of computing the annuity withdrawal option. The most current index prior to the member's retirement date shall be used. This option is only available for normal service retirement. A member who elects the annuity withdrawal option shall have their annual pension reduced accordingly as determined by the Pension Board Actuaries.
- D. Employee contributions for prior municipal service or military service buybacks are not included in an annuity withdrawal.
- E. Duty disabled retirees shall be allowed the option to take their annuity withdrawal under this Section at the time of their duty disability retirement rather than at the time of conversion to a regular service retirement.

19.8. Defined Contribution Plan: All new employees of the City hired after November 1, 1997 who become members of the Bargaining Unit shall receive retirement benefits through a defined contribution plan established by the City of Sterling Heights per Chapter 41, Article 1 of the Sterling Heights Code. Such new members will not be entitled to the retirement benefits provided pursuant to Chapter 41, Article 2 of Sterling Heights Code of Ordinances. Such defined contribution plan benefits shall be in lieu of all pension entitlements provided in the City of Sterling Heights Charter or Chapter 41 of Sterling Heights Code of Ordinances. Employer's contribution to the Defined Contribution Plan shall be 7% of base wages. Employee's contribution to the Defined Contribution Plan shall be a minimum of 5% up to a maximum voluntary contribution as determined by Federal law based on gross employee earnings. The employee contribution amount will be determined by the employee on an annual basis in December for use in the following calendar year.

19.9 Medical Coverage for Retirees. The Employer will provide medical, hospitalization, and prescription coverage (collectively "retiree medical coverage") to retired employees/spouses equal to the medical coverage at the time of retirement; provided, however, that all employees hired by the City after July 1, 2008 who become members of this bargaining unit shall be required to pay fifty percent (50%) of the illustrative rate for retiree medical coverage for which they are eligible upon retirement. If payment is not made by the fifteenth (15th) of the month retiree medical coverage shall be canceled effective the first (1st) of the following month.

Retiree medical coverage is available to employees by virtue of fulfilling the requirements for a service retirement as follows:

Effective July 1, 2008, the requirements to qualify for retiree medical benefits during retirement for employees of this bargaining unit as of July 1, 2008 shall be years of service plus age totaling seventy (70) or more. For those employees hired after July 1, 2008, the requirements for retiree medical coverage shall be years of service plus age totaling seventy-five (75) or more.

The spouse of a deceased retiree shall continue to receive retiree medical coverage as long as the spouse continues to receive a pension from the City, and does not remarry. In the case of a defined contribution plan retiree, the spouse will continue to receive retiree medical coverage as long as the spouse does not remarry.

Upon reach age sixty-five (65) or eligibility for Medicare, the retired employee and/or spouse must apply for Medicare. The City will provide complementary coverage with riders to provide a continuation of benefit level. The retiree is responsible for any costs associated with Medicare.

In the event a retired employee obtains employment from an employer who provides hospitalization and medical coverage, the retiree shall not be covered by the City's hospitalization and medical for the duration of said employment, but shall be reinstated upon termination of said employment.

Upon the job related death of any employee covered by this Agreement, the Employer shall provide, at no cost to the surviving family, a medical and hospitalization policy for the family of the deceased as is provided to current employees. This policy shall remain in effect until the spouse remarries.

19.10 Post Employment Health Plan. Effective with the signing of this Agreement or as soon thereafter as possible, the City will adopt a Post Employment Health Plan (PEHP) allowing employees hired after July 1, 2008 to accumulate assets to pay for medical expenses in retirement on a tax-free basis. For eligible employees, the City will contribute One Thousand Dollars (\$1,000) on an annual basis (prorated with each biweekly pay) to this Plan.

19.11 Effective July 1, 2008, the City will contribute \$900 annually to each employee's established deferred compensation account. This payment will be prorated throughout the year and deposited in the employee's account with their bi-weekly pay.

ARTICLE 20

JURY DUTY

20.1 Employees who are called upon to serve jury duty shall be compensated with their regular pay. The employees, for all other purposes, shall be treated as if they worked for that period.

20.2 The employee shall endorse and submit any check for compensation received for jury duty to the City.

ARTICLE 21

TRAVEL EXPENSE REIMBURSEMENT

21.1 The City may assign an unmarked City automobile, including insurance, maintenance and gasoline, to members of the Bargaining Unit at the sole discretion of the City Manager. In lieu of a City automobile, employees shall receive two hundred fifty (\$250.00) dollars quarterly.

ARTICLE 22

SCOPE OF AGREEMENT

22.1 The provisions of this Agreement can be amended, supplemented, rescinded, or otherwise altered only by mutual agreement in writing and ratified by the governing parties.

ARTICLE 23

SEVERABILITY SAVINGS

23.1 If any article or section of this Agreement or any riders thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction or if compliance with or enforcement of any article or section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and any rider thereto or the application of such article or section to this Agreement and any persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restricted, shall not be affected thereby.

23.2 In the event that any article or section is held invalid or if compliance with or enforcement of any article or section has been restrained, as set forth in Section 23.1, the parties affected thereby shall enter into immediate collective bargaining upon the request of either party hereto for the purpose of arriving at a mutually satisfactory replacement for such article or section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement within sixty (60) days after the beginning of the period of invalidity or restraint, either party shall be permitted all legal recourse in support of its demands.

ARTICLE 24

ADDITIONAL BENEFITS

24.1 The Police Chief and Fire Chief shall receive vacation time, clothing allowance, additional holidays and pension benefits in such amounts as may be provided for in the collective bargaining agreements affecting Fire Fighters for the Fire Chief, and Police Command Officers for the Police Chief. The Police Chief and Fire Chief may have the option to convert to a defined contribution plan as provided under this Agreement.

24.2 The City agrees to defend, indemnify and hold harmless employees covered hereunder, as to suits brought against those employees individually, for negligent acts committed during, out of, and in the course of their employment with the City.

24.3 For purposes of defining termination "in good standing," any employee covered by this agreement must have a minimum of one (1) year of employment with the City before qualifying for payout of any accrued time banks.

24.4 All employees will be allowed to participate in the City's Flexible Spending Program, including dependent care and medical savings accounts, in accordance with Federal laws. Reimbursement to employees shall be made on a monthly basis for all participants.

ARTICLE 25

NO STRIKE - NO LOCKOUT

25.1 Under no circumstances will the Union cause or authorize or permit its members to cause, nor will any member of the bargaining unit take part in any strike, sit-down, stay-in or slowdown or any violation of any State law. In the event of a work stoppage or other curtailment, the Union shall immediately instruct the involved employees, in writing, that their conduct is in violation of the contract, and that all such persons shall immediately cease the offending conduct.

25.2 The Employer will not lock out any employees of the bargaining unit during the term of this Agreement.

ARTICLE 26

EDUCATIONAL ASSISTANCE

26.1 The Educational Assistance Program is offered to encourage employees to improve their present job skills, thereby increasing their productive value to the City. Such a program will also assure the establishment of a quality work force, assisting employees in preparing for future advancement within the City.

26.2 The scope of the program does not include special seminars, or "short courses" of a few days duration which will continue to be considered on an individual and departmental training basis as in-service training.

26.3 The following provisions are established to govern the administration of the City's Educational Assistance Program:

- A. Applications for educational assistance may be made by any full-time employee and will be submitted to the City Manager for approval and be related to the employee's present job.
- B. Applications will not be considered if the employee is eligible for or receiving funds for the same course from any other source (GI bill, scholarships, vocational rehabilitation, etc.).
- C. Reimbursement shall be made only for course work completed at accredited high schools, trade schools, colleges, and universities.
- D. There shall be a 75 percent reimbursement for tuition, lab fees, and required textbooks to a maximum of \$3000/year based upon courses completed with a "C" or numerical equivalent, or for non-graded courses when the grade received is "satisfactory" or "passing."

ARTICLE 27

RESIDENCY

27.1 All members of the Bargaining Unit must reside in Macomb County and/or 20 miles of the City's municipal boundaries within six (6) months from date of hire.

ARTICLE 28

PERFORMANCE PAY

28.1 All employees will receive an annual performance payment based upon job performance and years of service. During the prior respective fiscal year, all employees shall have been evaluated by the City Manager. Those employees who receive a "meets expectations" or better shall be entitled to the performance pay the following July based upon the following schedule:

- 2 percent of base pay after 5 years of continuous service
- 4 percent of base pay after 10 years of continuous service
- 6 percent of base pay after 15 years of continuous service
- 8 percent of base pay after 20 years of continuous service
- 10 percent of base pay after 25 years of continuous service

28.2 Employees who receive a performance evaluation below "meets expectations" will not receive performance pay. Those employees not satisfied with their performance rating may appeal the decision in writing to the City Manager within five (5) days of the evaluation, outlining reasons for the appeal. A meeting will be held with the City Manager to discuss the issue and at the employee's option, a representative of MAPE may be present. A final written decision from the City Manager will be rendered within five (5) days of the meeting. This decision shall be final and binding.

ARTICLE 29

COMPENSATORY TIME

29.1 At the Employer's discretion, employees may be allowed compensatory time for all hours worked in excess of forty (40) hours in one work week. These hours are earned at the rate of one and one-half (1-½) hours for each additional hour worked. There shall be no maximum accumulation of compensatory hours.

29.2 Compensatory time may be taken by the employee subject to prior approval by the City Manager. Employees will be allowed to use compensatory time within a reasonable period after a request unless said time off would be unduly disruptive of normal work shift.

29.3 Employees shall be compensated at their regular hourly rate for all compensatory hours up to 200 hours. In addition, employees shall be compensated for up to 100 hours for compensatory time in excess of 250 hours. Example: An employee with 450 hours of compensatory time would receive pay for the first 200 hours, no pay for the next 50 hours (250 hours), an additional 100 hours pay (350 hours), and then no compensation for the last 100 hours.

29.4 An employee shall receive payment in lieu of unused accumulated compensatory time calculated at the end of the first biweekly pay period in June each year, and paid as soon as reasonably possible thereafter. However, at the employee's option, up to twenty (20) hours of compensatory time may be carried over into the next fiscal year. All hours not carried over into the next fiscal year, previously compensated or not used, shall be lost. Upon death, retirement or resignation, the employee or the employee's estate shall be paid for any unused hours up to the maximum established per this article.

ARTICLE 30

WAGES

30.1 Effective July 1, 2008, all positions shall receive a 2.25% increase, an annual increase of 2.5% in 2009, and 3% each year thereafter (see Appendix A).

The Police Chief and Fire Chief shall maintain a minimum salary of 7.5% more than the next subordinate position in their respective departments.

ARTICLE 31

GENERAL

31.1 The City agrees to produce and distribute to unit members and MAPE a copy of the ratified collective Bargaining Agreement plus ten (10) additional copies.

31.2 Employees may submit a request for travel and/or training for conferences or seminars that will increase the knowledge and expertise of the executive, in accordance with the City's travel and training policy.

31.3 Wages, hours and conditions of employment, legally in effect at the execution of this Agreement, shall except as improved herein be maintained during the term of this Agreement.

31.4 All members of the bargaining unit shall be required to participate in the City's direct deposit of payroll program.

31.5 Effective July 1, 2008, those members who have achieved a Master's Degree from an accredited college or university as determined by the U.S. Secretary of Education shall be entitled to an annual allowance of \$1,000 to be prorated with each bi-weekly pay.

31.6 This Agreement shall include any existing memorandums of understanding that the City and Union have agreed to carry forward and/or agreed upon contemporaneously with the approval of this Agreement.

ARTICLE 32

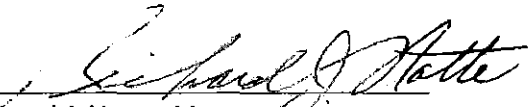
TERMINATION OF AGREEMENT

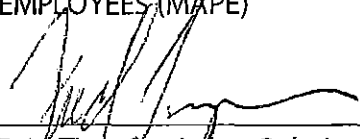
32.1 This Agreement shall remain in full force and effect from July 1, 2008, until midnight on June 30, 2013. The parties will commence negotiations 45 days prior to the contract expiration date.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives as of the day and year first written.

CITY OF STERLING HEIGHTS

MICHIGAN ASSOCIATION OF PUBLIC
EMPLOYEES (MAPE)


Richard J. Notte, Mayor


Fred Timpfer, Labor Relations Specialist


Mark D. Vanderpool, City Manager


Walter C. Blessed, President

Date: 6/8/08

July 1, 2008

2.25%

POSITION	A	B	C	D	E	F
<u>City Clerk/Assistant City Manager</u>						
<u>City Development Director/Asst. City Mgr.</u>						
<u>Finance & Budget Director</u>						
<u>Community Relations Director</u>						
<u>Public Works Director</u>						
ANNUAL	88,545	92,971	97,622	102,506	107,627	111,421
hrly	42.570	44.698	46.934	49.282	51.744	53.568
bi-wk	3405.60	3575.84	3754.72	3942.56	4139.52	4285.44
<u>Police Chief</u>						
<u>Fire Chief</u>						
ANNUAL	89,593	94,072	98,779	103,715	108,902	112,459
hrly	43.074	45.227	47.490	49.863	52.357	54.067
bi-wk	3445.92	3618.16	3799.20	3989.04	4188.56	4325.36

July 1, 2009

2.50%

POSITION	A	B	C	D	E	F
<u>City Clerk/Assistant City Manager</u>						
<u>City Development Director/Asst. City Mgr.</u>						
<u>Finance & Budget Director</u>						
<u>Community Relations Director</u>						
<u>Public Works Director</u>						
ANNUAL	90,758	95,295	100,062	105,069	110,319	114,206
hrly	43.634	45.815	48.107	50.514	53.038	54.907
bi-wk	3490.72	3665.20	3848.56	4041.12	4243.04	4392.56
<u>Police Chief</u>						
<u>Fire Chief</u>						
ANNUAL	91,834	96,424	101,248	106,308	111,625	115,271
hrly	44.151	46.358	48.677	51.110	53.666	55.419
bi-wk	3532.08	3708.64	3894.16	4088.80	4293.28	4433.52

July 1, 2010

3.00%

POSITION	A	B	C	D	E	F
<u>City Clerk/Assistant City Manager</u>						
<u>City Development Director/Asst. City Mgr.</u>						
<u>Finance & Budget Director</u>						
<u>Community Relations Director</u>						
<u>Public Works Director</u>						
ANNUAL	93,481	98,153	103,064	108,220	113,628	117,632
hrly	44.943	47.189	49.550	52.029	54.629	56.554
bi-wk	3595.44	3775.12	3964.00	4162.32	4370.32	4524.32
<u>Police Chief</u>						
<u>Fire Chief</u>						
ANNUAL	94,590	99,317	104,284	109,497	114,974	118,730
hrly	45.476	47.749	50.137	52.643	55.276	57.082
bi-wk	3638.08	3819.92	4010.96	4211.44	4422.08	4566.56

July 1, 2011

3.00%

POSITION	A	B	C	D	E	F
<u>City Clerk/Assistant City Manager</u>						
<u>City Development Director/Asst. City Mgr.</u>						
<u>Finance & Budget Director</u>						
<u>Community Relations Director</u>						
<u>Public Works Director</u>						
ANNUAL	96,285	101,098	106,156	111,467	117,037	121,162
hrly	46.291	48.605	51.037	53.590	56.268	58.251
bi-wk	3703.28	3888.40	4082.96	4287.20	4501.44	4660.08
<u>Police Chief</u>						
<u>Fire Chief</u>						
ANNUAL	97,427	102,296	107,413	112,781	118,422	122,291
hrly	46.840	49.181	51.641	54.222	56.934	58.794
bi-wk	3747.20	3934.48	4131.28	4337.76	4554.72	4703.52

July 1, 2012
3.00%

POSITION	A	B	C	D	E	F
<u>City Clerk/Assistant City Manager</u>						
<u>City Development Director/Asst. City Mgr.</u>						
<u>Finance & Budget Director</u>						
<u>Community Relations Director</u>						
<u>Public Works Director</u>						
ANNUAL	99,174	104,131	109,341	114,811	120,548	124,797
hrly	47.680	50.063	52.568	55.198	57.956	59.999
bi-wk	3814.40	4005.04	4205.44	4415.84	4636.48	4799.92
<u>Police Chief</u>						
<u>Fire Chief</u>						
ANNUAL	100,349	105,364	110,635	116,165	121,975	125,960
hrly	48.245	50.656	53.190	55.849	58.642	60.558
bi-wk	3859.60	4052.48	4255.20	4467.92	4691.36	4844.64

APPENDIX B

Blue Cross/Blue Shield Dental Plan

Coverage Description and Limits

The Blue Cross/Blue Shield of Michigan Dental Plan will pay reasonable charges for covered expenses with no deductible.

- Class I: Diagnostic services, preventive services, and palliative treatment are covered at 75 percent of reasonable charges.
- Class II: Restorative, endodontic, periodontic services, oral surgery, repairs, adjustments and relining of dentures and bridges and adjunctive general services are covered at 75 percent of reasonable charges.
- Class III: Construction and replacement of dentures and bridges are covered at 75 percent of reasonable charges.
- Class IV: Orthodontic services are covered at 50 percent of reasonable charges.

Each member is entitled to maximum benefits of \$1,000 every contract year.

Each member (up to age 19) has a lifetime maximum of \$2,000 available for orthodontic services.

Community BlueSM PPO

Benefits-at-a-Glance

Plan 10

This is intended as an easy-to-read summary. It is not a contract. Additional limitations and exclusions may apply to covered services. For an official description of benefits, please see the applicable Blue Cross Blue Shield of Michigan certificate and riders. Payment amounts are based on the Blue Cross Blue Shield of Michigan approved amount, less any applicable deductible and/or copay amounts required by the plan. This coverage is provided pursuant to a contract entered into in the state of Michigan and shall be construed under the jurisdiction and according to the laws of the state of Michigan.

	In-Network	Out-of-Network
Preventive Care Services – *Payment for preventive services is limited to a combined maximum of \$500 per member per calendar year		
Health Maintenance Exam – includes chest X-ray, EKG and select lab procedures	Covered – 100%*, one per calendar year	Not covered
Gynecological Exam	Covered – 100%*, one per calendar year	Not covered
Pap Smear Screening – laboratory and pathology services	Covered – 100%*, one per calendar year	Not covered
Well-Baby and Child Care	Covered – 100%* <ul style="list-style-type: none"> • 6 visits, birth through 12 months • 6 visits, 13 months through 23 months • 2 visits, 24 months through 35 months • 2 visits, 36 months through 47 months • 1 visit per birth year, 48 months through age 15 	Not covered
Immunizations	Covered – 100%*, up through age 16	Not covered
Fecal Occult Blood Screening	Covered – 100%*, one per calendar year	Not covered
Flexible Sigmoidoscopy Exam	Covered – 100%*, one per calendar year	Not covered
Prostate Specific Antigen (PSA) Screening	Covered – 100%*, one per calendar year	Not covered
Mammography		
Mammography Screening	Covered – 90% after deductible	Covered – 60% after deductible
	One per calendar year, no age restrictions	
Physician Office Services		
Office Visits	Covered – \$10 copay	Covered – 60% after deductible, must be medically necessary
Outpatient and Home Visits	Covered – 90% after deductible	Covered – 60% after deductible, must be medically necessary
Office Consultations	Covered – \$10 copay	Covered – 60% after deductible, must be medically necessary
Urgent Care Visits	Covered – \$10 copay	Covered – 60% after deductible, must be medically necessary
Emergency Medical Care		
Hospital Emergency Room	Covered – \$50 copay, waived if admitted or for an accidental injury	Covered – \$50 copay, waived if admitted or for an accidental injury
Ambulance Services – medically necessary	Covered – 90% after deductible	Covered – 90% after deductible
Diagnostic Services		
Laboratory and Pathology Services	Covered – 90% after deductible	Covered – 60% after deductible
Diagnostic Tests and X-rays	Covered – 90% after deductible	Covered – 60% after deductible
Therapeutic Radiology	Covered – 90% after deductible	Covered – 60% after deductible
Maternity Services Provided by a Physician		
Prenatal and Postnatal Care	Covered – 100%	Covered – 60% after deductible
	Includes care provided by a certified nurse midwife	
Delivery and Nursery Care	Covered – 90% after deductible	Covered – 60% after deductible
	Includes delivery provided by a certified nurse midwife	
Hospital Care		
Semiprivate Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies Note: Nonemergency services must be rendered in a participating hospital	Covered – 90% after deductible	Covered – 60% after deductible
	Unlimited days	
Inpatient Consultations	Covered – 90% after deductible	Covered – 60% after deductible
Chemotherapy	Covered – 90% after deductible	Covered – 60% after deductible
Alternatives to Hospital Care		
Skilled Nursing Care	Covered – 90% after deductible	Covered – 90% after deductible
	Up to 120 days per calendar year	
Hospice Care	Covered – 100%	Covered – 100%
	Limited to dollar maximum which is adjusted periodically	
Home Health Care	Covered – 90% after deductible	Covered – 90% after deductible
	Unlimited visits	

In-Network

Out-of-Network

Surgical Services

Surgery – includes related surgical services	Covered – 90% after deductible	Covered – 60% after deductible
Voluntary Sterilization	Covered – 90% after deductible	Covered – 60% after deductible

Human Organ Transplants

Specified Organ Transplants – in designated facilities only, when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504)	Covered – 100%	Covered – in designated facilities only
	Up to \$1 million lifetime maximum per transplant type	
Bone Marrow – when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504); specific criteria applies	Covered – 90% after deductible	Covered – 60% after deductible
Kidney, Cornea and Skin	Covered – 90% after deductible	Covered – 60% after deductible

Mental Health Care and Substance Abuse Treatment

Inpatient Mental Health Care	Covered – 50% after deductible	Covered – 50% after deductible
	Unlimited days	
Inpatient Substance Abuse Treatment	Covered – 50% after deductible	Covered – 50% after deductible
	Unlimited days, up to \$15,000 annual, \$30,000 lifetime maximum	
Outpatient Mental Health Care - Facility and Clinic - Physician's Office	Covered – 50% after deductible	Covered – 50% after deductible
	Covered – 50%	Covered – 50% after deductible
Outpatient Substance Abuse Treatment – in approved facilities	Covered – 50% after deductible	Covered – 50% after deductible
	Up to the state-dollar amount which is adjusted annually	

Other Services

Outpatient Diabetes Management Program (ODMP)	Covered – 90% after deductible	Covered – 60% after deductible
Allergy Testing and Therapy	Covered – 100%	Covered – 60% after deductible
Chiropractic Spinal Manipulation	Covered – 100%	Covered – 60% after deductible
	Up to 24 visits per calendar year	
Outpatient Physical, Speech and Occupational Therapy - Facility and Clinic - Physician's Office – excludes speech and occupational therapy	Covered – 90% after deductible	Covered – 90% after deductible
	Covered – 100%	Covered – 60% after deductible
	A combined 60-visit maximum per calendar year for physical therapy in the outpatient department of a hospital as well as in the physician's office	
Durable Medical Equipment	Covered – 90% after deductible	Covered – 90% after deductible
Prosthetic and Orthotic Appliances	Covered – 90% after deductible	Covered – 90% after deductible
Private Duty Nursing	Covered – 50% after deductible	Covered – 50% after deductible
Prescription Drugs	Not covered	Not covered

Deductible, Copays and Dollar Maximums

Note: If you receive care from a nonparticipating provider, even when referred, you may be billed for the difference between our approved amount and the provider's charge.

Deductible	\$250 per member, \$500 family per calendar year Note: Deductible waived if service is performed in a PPO physician's office.	\$500 per member, \$1,000 family per calendar year Note: Out-of-network deductible amounts also apply toward the in-network deductible.
Copays - Fixed Dollar Copays - Percent Copays	\$10 for office visits and \$50 for emergency room visits	\$50 for emergency room visits
	10% for general services, waived if service is performed in a PPO physician's office, and 50% for mental health care, substance abuse treatment and private duty nursing	40% for general services and 50% for mental health care, substance abuse treatment and private duty nursing Note: Services without a network are covered at the in-network level.
Copay Dollar Maximums - Fixed Dollar Copays - Percent Copays – excludes mental health care, substance abuse treatment and private duty nursing copays	None	None
	\$500 per member, \$1,000 family per calendar year	\$4,000 per member, \$8,000 family per calendar year Note: Out-of-network copays also apply toward the in-network maximum.
Dollar Maximums	\$1 million lifetime per covered specified organ transplant type and a separate \$5 million lifetime per member for all other covered services and as noted above for individual services	

Optional Riders

Rider CB-CSR, Cost Sharing Requirements	Changes the member's cost sharing requirements for out-of-state services. Note: This rider is available only to groups in the Upper Peninsula. When Rider CB-CSR is selected, Rider BCP will replace Rider BCP-PPO.
Rider CBC-MT, Copay Requirement for Manipulative Treatment	Imposes the same fixed dollar copay requirement for chiropractic and osteopathic manipulative treatment by a network provider as is required for all network physician office visits.
Rider CB-OV\$20, Office Visit Copay Requirement	Increases fixed dollar copay amount from \$10 to \$20.
Rider CB-OV\$30, Office Visit Copay Requirement	Increases fixed dollar copay amount from \$10 to \$30.
Rider CI, Contraceptive Injections, Rider PCD, Prescription Contraceptive Devices and Rider PD-CM, Prescription Contraceptive Medications	Adds coverage for contraceptive injections, physician-prescribed contraceptive devices such as diaphragms and IUDs, and federal legend oral or injectable contraceptive medications. Note: These riders are only available as a "package" with prescription drug coverage.
Rider XVA, Excludes Voluntary Abortions	Excludes benefits for voluntary abortions.

NEW HIRES



An independent licensee of the Blue Cross and Blue Shield Association

Community BlueSM PPO Benefits-at-a-Glance for City of Sterling Heights Plan 7

In-Network

Out-of-Network

Preventive Services – Limited to \$500 per calendar year

Health Maintenance Exam – includes chest X-ray, EKG and select lab procedures	Covered – 100%, one per calendar year	Not Covered
Annual Gynecological Exam	Covered – 100%, one per calendar year	Not Covered
Pap Smear Screening – laboratory services only	Covered – 100%, one per calendar year	Not Covered
Well-Baby and Child Care	Covered – 100% • Up to 6 visits per year, through age 1 • Up to 2 visits per year, age 2 through 3 • 1 visit per year, age 4 through 15	Not Covered
Immunizations	Covered – 100%, up through age 16	Not Covered
Fecal Occult Blood Screening	Covered – 100%, one per calendar year	Not Covered
Flexible Sigmoidoscopy Exam	Covered – 100%, one per calendar year	Not Covered
Prostate Specific Antigen (PSA) Screening	Covered – 100%, one per calendar year	Not Covered

Mammography

Mammography Screening	Covered – 90% after deductible	Covered – 80% after deductible
	One per calendar year, no age restrictions	

Physician Office Services

Office Visits	Covered – \$10 copay	Covered – 80% after deductible, must be medically necessary
Outpatient and Home Visits	Covered – 90% after deductible	Covered – 80% after deductible, must be medically necessary
Office Consultations	Covered – \$10 copay	Covered – 80% after deductible, must be medically necessary
Urgent Care Visits	Covered – \$10 copay	Covered – 80% after deductible, must be medically necessary

Emergency Medical Care

Hospital Emergency Room – approved diagnosis	Covered – \$50 copay, waived if admitted or for an accidental injury	Covered – \$50 copay, waived if admitted or for an accidental injury
Ambulance Services – medically necessary	Covered – 90% after deductible	Covered – 90% after deductible

Diagnostic Services

Laboratory and Pathology Tests	Covered – 90% after deductible	Covered – 80% after deductible
Diagnostic Tests and X-rays	Covered – 90% after deductible	Covered – 80% after deductible
Radiation Therapy	Covered – 90% after deductible	Covered – 80% after deductible

Maternity Services Provided by a Physician

Pre-Natal and Post-Natal Care	Covered – 100%, includes delivery care by a Certified Nurse Midwife	Covered – 80% after deductible, includes care provided by a Certified Nurse Midwife
Delivery and Nursery Care	Covered – 90% after deductible, includes delivery provided by a Certified Nurse Midwife	Covered – 80% after deductible, includes delivery provided by a Certified Nurse Midwife

Hospital Care

Semi-Private Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies	Covered – 90% after deductible	Covered – 80% after deductible
	Unlimited days	
Inpatient Consultations	Covered – 90% after deductible	Covered – 80% after deductible
Chemotherapy	Covered – 90% after deductible	Covered – 80% after deductible

Alternatives to Hospital Care

Skilled Nursing Care	Covered – 90% after deductible	Covered – 90% after deductible
	Up to 120 days per calendar year	
Hospice Care	Covered – 100%	Covered – 100%
	Limited to the lifetime dollar maximum which is adjusted annually by the state	
Home Health Care	Covered – 90% after deductible	Covered – 90% after deductible
	Unlimited visits	

Surgical Services

Surgery – includes related surgical services	Covered – 90% after deductible	Covered – 80% after deductible
Voluntary Sterilization	Covered – 90% after deductible	Covered – 80% after deductible

In-Network

Out-of-Network

Human Organ Transplants

Specified Organ Transplants – in designated facilities only, when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504)	Covered – 90% after deductible	Covered – in designated facilities only
	Up to \$1 million maximum per transplant type	
Bone Marrow – when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504); specific criteria applies	Covered – 90% after deductible	Covered – 80% after deductible
Kidney, Cornea and Skin	Covered – 90% after deductible	Covered – 80% after deductible

Mental Health Care and Substance Abuse Treatment

Inpatient Mental Health Care and Substance Abuse Care	Covered – 50% after deductible	Covered – 50% after deductible
	Unlimited days	
Outpatient Mental Health Care • Facility and Clinic	Covered – 50% after deductible	Covered – 50% after deductible
• Physician's Office	Covered – 50%	Covered – 50% after deductible
Outpatient Substance Abuse Care – in approved facilities	Covered – 50% after deductible	Covered – 50% after deductible
	Up to the state-dollar amount which is adjusted annually	

Other Services

Allergy Testing and Therapy	Covered – 100%	Covered – 80% after deductible
Chiropractic Spinal Manipulation	Covered – \$10 copay	Covered – 80% after deductible
	Up to 24 visits per calendar year	
Outpatient Physical, Speech and Occupational Therapy • Facility and Clinic	Covered – 90% after deductible	Covered – 90% after deductible
• Physician's Office – excludes speech and occupational therapy	Covered – 90% after deductible	Covered – 80% after deductible
	Up to a combined maximum of 60 visits per calendar year	
Durable Medical Equipment	Covered – 90% after deductible	Covered – 90% after deductible
Prosthetic and Orthotic Appliances	Covered – 90% after deductible	Covered – 90% after deductible
Private Duty Nursing	Covered – 50% after deductible	Covered – 50% after deductible
Prescription Drugs	Not Covered	Not Covered

Deductible, Copays and Dollar Maximums

Deductible	\$500 per member, \$1,000 family per calendar year Note: Deductible waived if service is performed in a PPO physician's office.	\$1,000 per member, \$2,000 family per calendar year Note: Out-of-network deductible amounts also apply toward the in-network deductible.
Copays		
• Fixed Dollar Copays	\$10 for office visits and \$50 for emergency room visits	\$50 for emergency room visits
• Percent Copays	10% for general services, waived if service is performed in a PPO physician's office, and 50% for mental health care, substance abuse care and private duty nursing *	20% for general services and 50% for mental health care, substance abuse care and private duty nursing * Note: Services without a network are covered at the in-network level.
Copay Dollar Maximums		
• Fixed Dollar Copays	None	None
• Percent Copays – excludes mental health care, substance abuse care and private duty nursing copays	\$1,000 per member, \$2,000 family per calendar year	\$2,000 per member, \$4,000 family per calendar year Note: Out-of-network copays also apply toward the in-network maximum.
Dollar Maximums	\$5 million lifetime per member for all covered services and as noted above for individual services	

* Note: If you receive care from a nonparticipating provider, even when referred, you may be billed for the difference between our approved amount and the provider's charge.

This is intended as an easy-to-read summary. It is not a contract. Additional limitations and exclusions may apply to covered services. For an official description of benefits, please see the applicable Blue Cross Blue Shield certificate and riders. Payment amounts are based on the Blue Cross Blue Shield approved amount, less any applicable deductible and/or copay amounts required by the plan. This coverage is provided pursuant to a contract entered into in the state of Michigan and shall be construed under the jurisdiction and according to the laws of the state of Michigan.