

AGREEMENT
BETWEEN
THE CITY OF ESCANABA
AND
TEAMSTERS LOCAL NO. 214, I.B.T.
WATER/WASTEWATER GROUP

Effective:
July 1, 2009
Through
June 30, 2012

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THIS AGREEMENT, made and entered into this 1st day of July, 2009, by and between the CITY OF ESCANABA, hereinafter referred to as the "Employer" and TEAMSTERS

UNION LOCAL NO. 214, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, located at Traverse City, Michigan, hereinafter referred to as the "Union".

PURPOSE AND INTENT: The general purpose of the Agreement is to set forth terms and conditions of employment and to promote orderly and peaceful labor relations for the mutual interest of the Employer, the employees and the Union.

The parties recognize that the interest of the Community and the job security of the employees depend upon the Employer's success in establishing a proper service to the Community. To these ends, the Employer and the Union encourage, to the fullest degree, friendly and cooperative relations between their respective representatives at all levels and among all employees.

ARTICLE 1
RECOGNITION, SECURITY AND UNION DEDUCTIONS

SECTION 1. The Employer recognizes and acknowledges the Union as the exclusive representative in collective bargaining with the Employer for all of the Water and Wastewater Treatment Plant employees that hold positions as listed on Schedule "A", excluding all others.

SECTION 2. Pursuant to and in accordance with all applicable provisions of Act 336 of the Public Acts of 1947, (known as the Hutchinson Act), as amended, the Employer does hereby recognize the Union as the exclusive representative for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment affecting all employees of the Employer included in the bargaining unit herein acknowledged.

SECTION 3. Membership in the Union is not compulsory. All employees, except temporary or part-time employees, have the right, hereby acknowledged, to join and maintain membership in the Union; however, neither party shall discriminate against any employee on the basis of membership or non-membership in the Union. A temporary employee shall be defined as an employee hired for a specific period of employment not greater than six (6) months; and a part-time employee shall be defined as an employee employed for work assigned for an average of not greater than twenty (20) hours per week during any consecutive four (4) week period.

SECTION 4. All employees in the bargaining unit covered by this Agreement shall, as a condition of continued employment, pay to the Union such initiation fee and regular Union dues as may, from time to time, be approved by the membership of the Union, or an amount of money equal to such initiation fee and regular Union dues. All new employees hired in classifications covered by the terms and provisions of the Agreement, and within the bargaining unit defined herein, shall commence payment of such fee and/or dues thirty-one (31) days following the termination of the six (6) month probation period hereinafter provided; and the payment of such fees and/or dues shall be a condition of continued employment. Permanent employees who fail

or refuse to perform the requirements set forth herein shall be separated from employment with the City.

SECTION 5. Any provision of this Agreement which may hereafter be found to be, or may hereafter become, invalid under the laws of the United States or of the State of Michigan shall be subject to renegotiation upon the request of either of the parties hereto.

SECTION 6. During the period of time covered by this Agreement, the Employer agrees to deduct from the pay of any employee governed by the terms and provisions hereof all dues and/or initiation fees of the Union, or amount equivalent thereto, and pay such amount deducted to the Union, provided, however, that the Union presents to the Employer written authorization signed by such employee, allowing such deductions and payments to the Union.

SECTION 7. The City and the union will honor all terms and conditions of this agreement and the rights of the City shall in no way conflict with the terms of this Agreement.

The union recognizes the prerogatives of the City to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority. The City has the right to determine when overtime work is required and schedule such overtime. The City reserves the right to discipline and discharge for just cause. The City reserves the right to lay off for lack of work or funds, or the occurrence of conditions beyond the control of the City. The City shall have the right to determine hours and shifts and reasonable schedules of work and the number of employees in any department and to establish the methods and processes by which such work is performed. The City shall have the right to establish, adopt, amend, promulgate and enforce uniform work rules for its departments.

SECTION 8. This Agreement does not in any way abridge the right and responsibility of the citizens of Escanaba, acting either through their elected representatives, or as a group, or singularly, from expressing their will and ideas relative to City policy, administration and financing as set forth in the City Charter and the Michigan Home Rule Act.

ARTICLE 2 SICK LEAVE

A. Sick leave will be accrued for all full-time employees at the rate of twelve (12) days per year during the term of this Agreement. Unused sick leave shall be allowed to accumulate without maximum limitation.

B. It shall be the responsibility of the Employer to maintain sick leave records and it shall be the responsibility of each employee to verify the record and notify the Employer if a discrepancy is noted. The Employer shall disclose to any employee the amount of unused sick leave credited to such employee, upon the request of the employee.

C. An employee shall be credited for accrued sick leave on the first day of each month following the date of the commencement of employment; except that no employee may use sick leave until he has been employed for six (6) months.

D. Employees retiring from the City's service under the City's retirement plan will be compensated for unused, accumulated sick leave in accordance with the following formula:

All unused sick leave accumulated over and above 500 hours shall be paid at one-half (½) of the employee's hourly rate at the last day worked, not to exceed \$1,800.

E. Each department head will be responsible for approving sick leave, and he may do so only for valid reason, and after an employee informs him of his intention not to report to work. Each employee shall be responsible to notify his department head of their intended absence, unless such employee is hospitalized, or otherwise unable to tender such notification. Written verification of illness by a physician shall constitute sufficient showing of valid reason for absence due to illness; however, the lack of such verification shall not, in and of itself, be evidence of abuse of sick leave.

F. The department head responsible for approving sick leave may require a doctor's examination for any employee requesting sick leave. The cost of such examination shall be paid by the City; and if upon such examination the examining doctor should determine the employee to be fit for duty, the employee will report for duty or be taken off sick leave, except, however, that any dispute arising hereunder shall be subject to grievance and arbitration procedure hereinafter set forth. If the employee is found to be fit for duty, the cost of such examination will be paid for by the employee. If the employee's doctor has a conflicting diagnosis, the City will continue to pay for the medical exam.

ARTICLE 3 FUNERAL LEAVE/PERSONAL DAY

A. FUNERAL LEAVE -Funeral leave will be granted in the event of a death in the immediate family, the immediate family being defined as follows: spouse, mother and father of spouse, mother and father of employee, children of employee, stepchildren of the employee, brothers and sisters of employee, brothers-in-law and sisters-in-law, grandmother and grandfather of employee, stepmother and stepfather of employee, sons-in-law and daughters-in-law, and grandchildren of the employee. Leave granted in the event of a death in the immediate family shall not be deducted from sick leave and shall be paid at the employee's regular rate. Duration of such leave shall be determined in the reasonable exercise of the Employer's discretion in light of the circumstances of each individual occasion for the taking of such leave.

B. PERSONAL DAY. Each employee will be granted two (2) "personal days" per fiscal year, which can be accumulated to no more than 4 days total. Advance notice (prior to the day it

will be utilized) is required, except in the case of an emergency, as it will assist department heads in their scheduling functions.

Department heads are urged to make every effort to allow employees the use of the time as requested. However, if the granting of a personal day results in staffing below minimum requirements, they should deny the request.

ARTICLE 4
LEAVE OF ABSENCE

A. Leave of absence may be obtained with the written permission of the City Manager for a period not to exceed one (1) year. The City Manager shall be the sole determiner of the necessity of the request for leave of absence, and his decision will be based on the value of the employee to the City, departmental needs and the purpose of the request.

B. Limited leave or time off without pay may be granted by the department head, if such approval will not impair the efficiency of the department, and providing such leave will not exceed forty (40) working hours.

C. The employer will comply with the provisions of the Family Leave Act.

ARTICLE 5
MILITARY LEAVE

A. Military leave shall be granted to present employees according to applicable State and Federal Laws.

ARTICLE 6
JURY DUTY LEAVE

An employee will be excused from work for jury duty and will be compensated at his or her regular rate of pay, less the amount received for serving as a juror, for all hours during which the employee is absent from work during his or her regular working hours as the result of such duty. The employee may choose to take annual leave if he desires, and retain all of his jury duty pay.

Employees assigned to the second shift, who do not attend work for any day that the employee has been selected for jury duty, shall receive compensation at the regular rate. Being called for duty, but not actually serving will not relieve an employee of their obligation to work their full shift. If an employee chooses to attend a portion of their shift on a day in which they have served on jury duty, they will not be entitled to any additional compensation beyond their "regular pay".

ARTICLE 7
SENIORITY

A. Seniority shall be defined for the purpose of this Agreement as the net credited service of the employee. Net credited service shall mean continuous employment with the Employer beginning with the date and hour on which the employee began to work after last being hired, less deductions for leave of absence or unauthorized absences, plus paid sick time, time off compensated by Workers' Compensation, time off due to service in the Armed Forces of the United States and other, authorized paid time off.

B. New employees will be considered probationary employees for a period of not less than six (6) months from the date of initial, continuous, full-time employment. An employee may be terminated at any time during the trial service period by the City Manager without the right of appeal or a hearing. During this probationary period, the employee will not be a Union member.

C. An employee's probation may be extended for another, consecutive period of six (6) months, for good cause, and upon written notice to the employee and Union, and in such cases, the provisions of Paragraph A and B above will apply throughout this extended period. Written notification, in such instances, shall be provided ten (10) days prior to expiration of the initial probationary period.

D. Seniority shall be on a departmental basis and the Employer will post departmental seniority lists annually. For the purpose of this provision, job classifications within the bargaining unit covered by this Agreement shall be assigned to particular departments as shown by the attached Schedule A.

E. In the event of layoff in any department, employees shall be laid off in inverse order of seniority in that classification, the employee in the department with the least seniority in that classification being the first laid off. This process is assuming that the remaining employees are qualified to do the work. Recall shall be on the basis of seniority, the last employee laid off to be the first recalled assuming that the recalled employee is qualified to do the work.

F. Employees laid off without misconduct on their part, and who request in writing within two (2) years after separation, shall have their names placed on either or both a general re-employment or department re-employment list, at the option of the employee. The rank of such employees on the list shall be determined by a combined rating, giving equal consideration to efficiency as demonstrated on the job and length of service with the Employer. The seniority and eligibility of all candidates on re-employment lists shall expire two (2) years from the date of separation. No employee who seeks to exercise the options herein provided shall be deemed thereby to have waived his seniority or any right to recall otherwise herein provided.

G. Employees who were laid off and obtained other City jobs, either through bumping or through the general employment lists, will have first right of refusal on their previous positions, if and when the position is reinstated.

H. Employees who obtain a new position, either through bumping, or the general re-employment list, will be paid at the rate of the new position held.

I. In the event of a layoff, employees will be allowed to cross-bump into other departments, if their job descriptions are similar, or the qualifications are less. Employees exercising this bumping right will be given two (2) weeks to demonstrate their ability to perform the required work.

J. An employee shall lose his seniority for the following reasons only:

(1) He quits:

(2) He is discharged and the discharge is not reversed through the procedures set forth in this Agreement.

(3) He is absent for three (3) consecutive working days without notifying the Employer and fails to show good cause for such lack of notification to the Employer, who shall send written notice to the employee at his last known address that he has lost his seniority, and that his employment has been terminated;

(4) He does not return to work within seven (7) days of mailing of written notice of recall by the Employer to the employee's last known address and fails to show good cause therefore; and

(5) A dispute arising as a result of the loss of any employee's seniority pursuant to the provisions of this subsection shall be subject to the grievance procedures hereinafter established, including arbitration.

K. An employee who is injured while on duty shall continue to accumulate seniority during their absence due to such injury, and shall be reinstated upon recovery to their former position with full seniority, provided the employee is physically qualified to return to work. However, if the employee has not returned to work after one year from the date of the medical diagnosis of injury, the employee will not continue to accumulate seniority. Employees will be able to return to their former position if they return to work within one (1) year from the date of injury. If after one year the employee has not returned to work, they will be placed upon a preferred eligibility list for rehire and offered the next open position.

L. Seniority will be a factor for consideration in selecting an employee for promotion in any department. The other two factors will be ability and qualifications. The department head will make the choice among the top three (3) candidates for the promotion, as determined by seniority, ability and qualifications.

M. Employees assigned to vacancies or new positions will be given a reasonable opportunity, not to exceed six (6) months, to demonstrate their qualifications and ability to fill such vacancies or positions. If the employee is unable to qualify for the new position, he shall be returned to his original classification, with no loss of seniority in the original classification, provided the original classification has not been deleted and provided further that if the original classification has been deleted, the employee may exercise his seniority rights to any other classification in the unit or department, except that if the employee is unable to qualify for the next job classification to which he chooses to exercise his seniority rights, his employment may be terminated.

N. Reclassification. When an employee's position expands in job duties and responsibilities, consideration will be given to reclassify the employee to a higher classification.

O. The Employer shall notify the Union, in writing, of the hiring, promotion, demotion, transfer, reclassification or termination of any employee covered by this Agreement, and such notice shall include the rate of pay of such employee or any change thereof.

P. Prior to any long-term layoffs, the Union will be given an opportunity to comment on the method and effects of any such layoffs; provided, however, that failure to reach specific agreements on said layoff will not prevent the Employer from initiating the layoff procedure according to the provisions contained in this Contract. However, the City will not subcontract any work which would cause the layoff of any bargaining unit employee.

Q. Job openings will be posted and filled as follows:

(1) Job openings will first be posted within the affected department as set forth in Schedule A.

(2) If three or more qualified applicants submit applications from within the affected department, no further postings will be allowed and the opening will be filled from these applicants. If two or less qualified applicants apply for the position, the City has the right, but not the requirement, to proceed to the next step, which would be posting the job to all members of the bargaining unit.

(3) If three or more qualified applicants submit applications from the first two posting steps, no further postings will be allowed and the opening will be filled from these applicants. If two or less qualified applicants apply for the position, the City has the right, but not the requirement, to proceed to the next step, which would be posting the job to all other full-time employees of the City.

(4) If three or more qualified applicants submit applications from the first three posting steps, no further postings will be allowed and the opening will be filled from these applicants. If two or less qualified applicants apply for the position, the City

has the right, but not the requirement, to proceed to the next step, which would be posting the job to all other qualified individuals.

ARTICLE 8
GRIEVANCE AND ARBITRATION

A. Grievances within the meaning of the grievance procedure and of this arbitration clause shall consist only of disputes about the interpretation or application of particular clauses of this Agreement. Neither party shall be obligated to negotiate on any grievance.

B. Step 1. - Any employee who believes he has suffered a grievance shall, with his steward, discuss the matter with his department head in an attempt to arrive at a satisfactory settlement. The Department Head shall make his decision and, within five (5) working days thereafter, advise the employee of said decision.

Step 2. - If no satisfactory settlement is reached at Step 1, the grievance shall be reduced to writing, in duplicate, and signed by the employee and his steward and both copies shall be presented by the steward to the department head within ten (10) working days after the date that the grievant either knew of the dispute or should have known of the dispute. If no agreement is reached by the parties, the Employer shall advise the Union and the aggrieved employee, in writing, as to the position of the Employer within ten (10) working days of having received the written grievance.

Step 3. - Within ten (10) working days of the Employer advising the Union that the matter cannot be resolved as described above, either party shall have the right to request, in writing, binding arbitration. Either party may ask the Federal Mediation and Conciliation Service (FMSC) to submit a list of persons eligible to serve as arbitrators. If, within ten (10) days from the receipt of the list, the parties have not agreed on a single arbitrator, such arbitrator shall be appointed by the Federal Mediation and Conciliation Service. In rendering a decision, the arbitrator will confine him or herself to the terms and conditions delineated in the Agreement. The rules of the Federal Mediation and Conciliation Service shall prevail in the proceedings.

The grievant and the Steward of jurisdiction may attend the arbitration proceedings during their regular work hours without the loss of pay. If, however, the grievant has been terminated, the grievant will not receive pay.

Each party will bear the expense of its representative. The expense of the arbitration shall be equally divided between the Union and the Employer. There shall be no suspension or refusal to handle work during the negotiations or arbitration.

By mutual agreement, mediation may be utilized as an intermediate step towards grievance resolution.

ARTICLE 9
WAGES AND PAY PERIODS

A. Annual increments shall take effect on the first day of each fiscal year. An employee appointed, promoted or reinstated prior to the first day of January in any fiscal year shall be eligible to receive an increment on the first day of the next succeeding fiscal year.

B. An employee appointed, promoted or reinstated on or after the first day of January in any fiscal year shall not be eligible to receive an increment until the first day of the second succeeding fiscal year.

C. No employee shall receive an increment which would result in his receiving an annual salary in excess of the maximum of the salary grade to which his position is allocated.

D. The City retains the option of advancing step increments based on the experience of employee and the needs of the City. The step increment will be advanced at the date of hire or at the end of six (6) months. Under no circumstances will advancements be made after six (6) months.

ARTICLE 10
HOLIDAYS

A. Holiday defined:

(1) Full Holiday - When used herein, the term "full holiday" shall mean a full twenty-four (24) hours, commencing at 12:00 Midnight of the eve of the holiday and ending at 12:00 Midnight on the night of the holiday.

(2) Half Holiday - When used herein, the term "half holiday" shall mean a period of twelve (12) hours commencing at 12:00 noon of the holiday and ending at 12:00 Midnight on the night of the holiday.

B. Conditions for granting pay on holidays: Employees shall receive no pay for holidays unless they work their scheduled work days preceding and succeeding such holiday, unless the employee is on approved paid time off or not scheduled to work. All employees shall be entitled to pay for holidays, subject to the conditions contained herein.

C. The following holidays will be recognized:

Full Holiday

New Years Day (January 1)
President's Day (third Monday in February)
Memorial Day (last Monday in May)

Independence Day (July 4)
Labor Day (first Monday in September)
Thanksgiving Day (fourth Thursday in November)
Day Following Thanksgiving Day
Christmas Day (December 25)

Half Holiday

Good Friday Afternoon
Christmas Eve Afternoon (December 24, p.m.)
New Years Eve Afternoon (December 31, p.m.)

D. Employees working holidays designated in Section C of this Article will be compensated as follows:

Full Holiday: Work during regular shift (Excluding Sunday): Rate - Base rate x 1-1/2 for hours worked + 8 hours holiday pay for full holiday. When a holiday falls on a Sunday, work during a regular shift will be paid at the base rate x 2. Not during regular shift hours: Rate - Base rate x 2-1/2 x hours worked.

Half Holiday: The same schedule shall apply as in a full holiday. No employee shall be required to work for more than four (4) hours on any half holiday without receiving holiday pay.

The employees required to work their regular shift on a day off granted in lieu of any holiday in Section C of this Article will be paid at time and one-half (1-1/2x) their regular rate.

E. Holidays falling on Saturday or Sunday will be observed on those days. Employees not scheduled to work on Saturday or Sunday shall receive eight (8) hours of such time to be used as designated by the City Manager.

F. If an employee is called out on one of the holidays listed below, they will be paid their base rate X 2½ for hours worked, regardless of whether the hours were during their “regular” shift: New Years Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

ARTICLE 11
VACATIONS

A. Vacation time with pay will be granted to all permanent, full-time employees who have completed one (1) year of service; said vacation to be credited to the employee on each anniversary date of City employment.

B. Vacation schedules are subject to the approval of the department head who is charged with the responsibility of insuring that vacation time granted will not seriously impair the operation of his department.

C. Vacation will be granted on the following schedule:

<u>Years of Service</u>	<u>Days Credited</u>
1	6
2 through 6	11
7 through 11	16
12 through 14	18
15 through 20	21
21	22
22	23
23	24
24 through 29	25
30 and over	30

D. Seniority, along with departmental personnel needs, will be the determining factors in the selection and/or assignment of periods of vacation to individual employees.

E. Any employee requesting vacation leave shall apply at least twenty-four (24) working hours in advance except for particular periods of time when the department head may deem it necessary to prepare schedules covering particular periods of time; said schedules to be prominently posted within the department for at least two (2) weeks.

F. Employees terminating their City employment will be entitled to pay for the unused and accrued portion of their vacation leave to the last date of their employment. The last date of said City employment is declared to be the last date on which an employee worked a full, eight (8) hour shift.

G. An employee will not be allowed to accumulate vacation time beyond two (2) years of credited vacation at the regular rate for that employee. Such time lost will not be regained by an employee subsequently using all or a portion of the previously credited vacation time.

The above provisions regarding vacation accrual will not be subject to exception unless:

- (1) For reasons of efficiency or emergency, the Employer forbids an employee from taking vacation time and there is subsequently insufficient time prior to the employee's anniversary date to prevent the loss of accrued vacation time.
- (2) Six (6) months prior to the accrual of excess vacation time, an employee remaining on the City payroll obtains a written exception from the City Manager, said exception to be only granted in the best interests of the City.

(3) Six (6) months prior to retirement, an employee receives an exception, in writing, from the City Manager.

(4) Reasons of health prohibit utilizing vacation during any given year.

ARTICLE 12
HOURS OF WORK, OVERTIME AND PREMIUM PAY

A. The provisions of this Article are intended to provide a base for determining the number of hours of work for which an employee shall be entitled to be paid at overtime rates and shall not be construed as a guarantee to such employee of any specified number of hours of work, either per day or per week, or as limiting the right of the City to fix the number of hours of work (including overtime) either per day or per week for its employees.

B. The standard week for computing pay will remain as it has in past practice.

C. Employees shall be allowed one fifteen (15) minute break during each four (4) hours of work.

D. Hourly employees working in excess of five (5) days (40 hours) during a standard week will be paid at a rate of one and one-half times (1-1/2x) their regular hourly rate or rates.

E. Hourly employees working more than eight (8) hours during any day will be paid at a rate one and one-half time (1-1/2x) the regular hourly rate or rates.

F. The hours of work in specific shift assignment shall be determined by the department head, shall be posted on the department's bulletin board, and may be adjusted by actual notice to any employee no less than twenty-four (24) hours in advance, or by mutual agreement between a department head and an employee.

G. Employees working on regular shift shall receive a shift differential of thirty-five (35) cents per hour for hours worked between the hours of 4:00 p.m. and 12:00 a.m. or 3:00 p.m. and 11:00 p.m. if that is the scheduled shift; and forty (40) cents per hour for hours worked between the hours of 12:00 a.m. and 8:00 a.m. or 11:00 p.m. to 7:00 a.m. if that is the scheduled shift.

H. A minimum of two (2) hours at time and one-half (1-1/2x) shall be paid an employee who returns to duty after having been released from regular day's work or on days other than his scheduled work days. An employee who answers an emergency call shall be considered as being on duty for the full two (2) hours, and another call within his two (2) hour period shall not entitle the employee to extra consideration beyond the time and one-half (1-1/2x) for actual time worked in excess of such two (2) hours.

I. Employees not scheduled to work on the day upon which a holiday falls will be paid a minimum of two (2) hours at the holiday rate for responding to emergency calls. An employee

scheduled to work on the day upon which a holiday falls, who is excused by reason of it being a holiday, shall be paid a minimum of two (2) hours at time and one-half (1-1/2x) for responding to emergency calls during the regularly scheduled hours from which he was excused. A minimum of two (2) hours at the holiday rate shall be paid to such employee for responding to emergency calls before or after his regularly scheduled hours. The provisions of this Section shall apply only to the holidays designated in Article 10, Section C, excluding the holidays designated in Article 10, Section F. of this Agreement; pay for emergency call-back on a day off given in lieu of a holiday in Article 10, Section C, will be governed by the provisions of Article 12, Section H. The employer, in determining which employee or employees to call out, will use seniority for contacting employees in the appropriate job classification.

J. Premium pay will be paid for employees working on any Sunday if the Sunday worked is within their regular workweek schedule; said premium pay to be computed as follows:

Regular rate of pay plus one-half (1/2) of this amount for hours worked. This premium rate is not to be figured on overtime pay or on any differential or other premium pay that might be over and above the regular rate of pay normally paid the employee.

K. Any other employee who undertakes the duties of a higher classification, shall be paid at no less than the minimum rate specified for such higher classification, provided that such employee shall have assumed the duties of said higher classification for three (3) consecutive eight (8) hour working days.

L. The Employer shall notify the Union immediately in the event that any new classification of employees covered by this Agreement shall be established, in which such event the parties shall establish the wage rate for such new classification by mutual agreement.

M. In computing hours to be applied in calculating overtime, all excused and paid hours will count as time worked.

N. Out-of-classification overtime will be by seniority between qualified employees.

O. Sunday overtime will be paid at double time (2X).

ARTICLE 13 DISCIPLINE AND DISCHARGE

An employee may be disciplined or discharged for just cause; provided that a finding by the Employer of just cause for the discipline or discharge of any employee covered by this Agreement shall be subject to the grievance procedure herein above set forth, including arbitration.

Once a year an employee may request a meeting with the City Manager, or his designee, to review the employee's personnel file. Upon mutual agreement, disciplinary records may be expunged. The City decision will not be subject to the grievance procedure.

ARTICLE 14
INSURANCE - HOSPITALIZATION, LIFE, DENTAL

A. The Employer agrees to pay the full premium of a hospitalization-medical-life insurance coverage group policy for the employee and family, including major medical. The plan will also include the Pharmacy Rider and the optical benefit. Insurance benefits will be provided as outlined in Schedule C, except that the City reserves the right to determine the provider of said benefits. Such coverage shall consist of the same coverage offered to members on 6/30/08, except that the coverage shall be modified by the addition of the "UP Blue" rider, which is also summarized in Schedule C. The Escanaba Municipal Employee's Insurance Committee shall meet as it sees fit, and bring forward any recommendations for change in the group policy it may desire; but implementation of any Committee recommendation shall be contingent upon approval by the Employer and the Union.

B. The Employer may change, amend, transfer or alter existing hospitalization, life or other insurance coverage, except that there shall be no reduction of any benefit without the mutual agreement of both the Employer and Union.

C. The Employer shall provide a Dental program for the employee and his family.

D. The employer will add an Insurance Rider which will allow employees to choose various supplemental insurance options through a designated carrier. This will be at the employee's own expense through payroll deductions.

E. Opt Out: Employees may choose pay in lieu of health insurance benefits, otherwise known as "opt out" pay. The amount of opt out pay shall be 40% of the City's cost for the applicable health policy. Opt out pay shall be calculated net of reductions for mandatory tax payments, i.e. FICA, FUTA, Unemployment Insurance, etc. Opt out amounts shall be established on January 1st of each year and shall remain in effect through December 31st. Opt out pay shall be subject to all terms and conditions contained in the City's Section 125 plan document. Employees may only opt out of health insurance benefits during the City's annual open enrollment period, or during a special open enrollment period, or in conjunction with a "qualifying event" as outlined in the City's Section 125 plan document.

In the event opt out pay is disallowed under Federal or State regulations, opt out employees will be returned to the applicable insurance policy; payments shall cease; and the City shall have no further liability for said payments.

ARTICLE 15
DISABILITY

An employee may be terminated from his employment in the event he becomes disabled as a result of disease, physical ailment or defect which, in the opinion of the City doctor and his department head, makes him unfit for the safe or efficient performance of his duties. For the purpose of this provision, disability shall be interpreted as any condition which has caused, or is likely to cause, an employee to be unable to safely and efficiently perform his duties for a period not less than six (6) months. In the event any employee wishes to dispute the findings or recommendation of the City doctor, he shall be entitled to obtain and present independent medical evidence, at the employee's expense. If such independent medical evidence does not support the recommendation of the City doctor, and the dispute or issue raised thereby cannot be resolved to the mutual satisfaction of the employee and the Employer, such dispute or issue shall be subject to the grievance procedures herein set forth, including arbitration.

All employees injured or incapacitated in the actual discharge of their duties, shall receive compensation and medical care in accordance with the provisions of the Michigan Worker's Compensation Act; and the Employer shall pay, in addition thereto, from the date of injury or incapacity, but not to exceed six (6) months for any one personal injury, a weekly sum equal to the difference between the weekly amount of compensation benefits paid to such employee and the wages payable at the employee's regular rate of pay for forty (40) hours of work per week; except that this provision shall not apply under the following circumstances.

- (1) When an employee suffering partial incapacity refuses to accept limited duties within his capacity to perform and at his regular rate of pay;
- (2) When employment terminates through death, retirement, or other reasons;
- (3) When injury results from the employee's misconduct.

ARTICLE 16
RETIREMENT

A. Employees hired prior to 7/1/06 who have attained 25 or more years of credited service and who are at least 55 years old will be eligible for full retirement pay through the Municipal Employee's Retirement System. Retirement benefits shall be as follows: MERS defined benefit (DB) plan with B3; F-55/25; FAC 3 option

Employees hired on or after 7/1/06 will be required to participate in the City's Defined Contribution Retirement Plan (DC plan). The terms of the DC plan shall be as follows: The City shall contribute an automatic 4% of an employee's gross pay (not including pay in lieu of insurance benefits) into the plan. The City will match up to an additional 3% pre-tax

contribution by the employee. Employees will vest in City contributions one year after the receipt thereof.

Employees hired prior to 7/1/06, who are participating in the MERS DB plan, will be given the option to convert into the DC plan. In exchange for converting to the DC plan, employees will receive a lump sum rollover in an amount to be determined by MERS.

B. All employees who have twenty-five (25) or more years of service or are retiring, shall receive a wristwatch valued at an amount not to exceed \$100.00, including cost of engraving, or shall have an option to receive \$100.00 toward the purchase of a bond.

C. Employees who have reached age 55 will be eligible for retirement bonus under the following schedule, upon retirement:

<u>Yrs. Service</u>	<u>Bonus Payment</u>	<u>Yrs. Service</u>	<u>Bonus Payment</u>
20	\$300	30	\$525
21	\$320	31	\$525
22	\$340	32	\$525
23	\$360	33	\$525
24	\$380	34	\$525
25	\$400	35	\$525
26	\$425	36	\$525
27	\$450	37	\$550
28	\$475	38 +	\$600
29	\$500		

D. An annual cost of living (COLA) increase will provide a 1% cost of living increase for retired employees. The COLA increase is effective on January 1st of each year and in order for employees to be eligible for a COLA increase, the effective date of retirement must be before August 1st of the preceding year. This provision shall not apply to employees hired after 6/30/06, and shall not apply to employees hired prior to 7/1/06 who have elected the DC plan in lieu of the DB plan.

ARTICLE 17
LONGEVITY PAY

After completing five (5) full years of service as of November 1, each employee receives annually, on the payday closest to December 1 (to be paid by separate check), longevity pay computed as follows:

<u>Years of Service</u>	<u>Not to Exceed</u>
After 5 years	\$200
After 10 years	\$350
After 15 years	\$450

After 20 years

\$550

ARTICLE 18
COMPENSATORY TIME

Employees may earn and accumulate compensatory time in lieu of overtime pay, at the option of the employee, for a period not to exceed two (2) regular forty (40) hour work weeks, or a total of eighty (80) hours. Compensatory time shall also be credited to an employee while in attendance, outside of regular hours of work, at school or classes which contribute to the improvement of skills or knowledge utilized in the performance of such employee's job duties, upon approval by the City Manager.

Compensatory time credited to employees, in lieu of over-time, shall be credited at the rate of one and one-half times (1-1/2x) the number of overtime hours worked.

Prior approval of the City Department Head must be obtained in order to accrue compensatory time. A notice of twenty-four (24) hours must be given by an employee to his Department Head requesting earned time off. The twenty-four (24) hour notice shall not be a mandate in the event of a proven emergency. A supervisor may grant compensatory time off for less than eight (8) hours at his discretion.

However, it is agreed that the granting of compensatory time off shall not unnecessarily interfere with the efficient operation of the department.

ARTICLE 19
GENERAL PROVISIONS

A. In the event that a dispute arises regarding past practice or custom and either party asserts that such past practice or custom constitutes a part of this Agreement, any dispute or issue arising as a result of such claim shall be subject to the grievance procedure herein above set forth, including arbitration.

B. All existing administrative regulations governing City policy will remain in effect and future administrative regulations which may from time to time be adopted. Said regulations are not to conflict with the provisions of this Agreement.

C. No person in the City classified service or seeking admission thereto shall be appointed, demoted or removed, or be in any way favored or discriminated against because of his political or religious opinions or affiliations or national origin.

D. All employees governed by this Agreement shall maintain a residence within 20 miles from the corporate City Limits of Escanaba.

E. If any Article or Section of this Agreement or any Supplements 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, the remainder of the Agreement and Supplements shall not be affected thereby and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such Article or Section.

F. It shall be expressly understood by both parties that this Contract may be revised, amended or otherwise altered to include new agreements, or affect changes in the existing contract language, when mutually agreed upon by the Union and the Employer.

G. It shall not be obligatory on either party to reopen negotiations during the agreed-upon period for effectuation of this Contract except as specified in Article 14, Section B.

H Words which impart one gender shall be applied to either gender where appropriate.

I. Sewer and Sanitation employees will be furnished with coveralls with the understanding that they will wear them at all times while on duty.

J. Employees will be required to comply with the provisions of the Michigan Commercial Drivers License requirements. Employees will be required to possess a valid driver's license and the appropriate endorsement (group designation) for the vehicle they are required to drive.

Fees for the renewal of the regular driver's license will be the responsibility of the employee. Any fees for required endorsements (designations) will be paid for by the Employer.

K. A City Safety Committee will be formed and a Water/Waste Water employee will serve on this committee.

L. Safety Shoes. All employees designated by the City will be required to wear approved safety toed shoes/boots at all times. To help defray the cost of this safety rule, the City will reimburse designated employees up to 25% of the cost of purchasing said footwear upon evidence of the purchase of qualifying footwear. This will be allowed once each fiscal year.

ARTICLE 20 TERM OF THIS AGREEMENT

The provisions of this Agreement shall become effective as of July 1, 2009. This Agreement shall continue in full force and effect until midnight, June 30, 2012, unless, not more than 150 days but at least 120 days prior to the end of its original term, or of any annual period thereafter, either party shall serve upon the other written notice that it desires termination, revision, modification, alteration, renegotiation, change or amendment, or any combination thereof, which shall have the effect of terminating this Agreement in its entirety on the expiration date in the same manner as a notice of desire to terminate, unless, before such date of termination, all subjects of this Agreement proposed by either party have been disposed of by agreement or by withdrawal by the party proposing amendment.

In the event of any notice above referred to, the parties shall begin to hold negotiation meetings no later than ten (10) working days following the receipt of such notice.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representative.

CITY OF ESCANABA

TEAMSTERS UNION LOCAL NO.214

BY _____

BY _____

James O'Toole, City Manager

Curtis Brown, Business Agent

(Date)

(Date)

BY _____

Dave Nelson, Negotiating Committee

(Date)

BY _____

Richard Hurd, Negotiating Committee

(Date)

BY _____

Art Beauvais, Negotiating Committee

(Date)

BY _____

Fred Hoehn, Negotiating Committee

(Date)

City of Escanaba
Teamsters 214 Labor Agreement
7/1/2009 to 6/30/2012
Schedule A
Job Classifications

<u>DEPARTMENT</u>	<u>CLASSIFICATION</u>
Water	Chief of Operations and Maintenance Operator F-1 Certified Operator F-2 Certified Operator F-3 Certified Operator F-4 Certified Operator S-1 Certified Operator S-2 Certified Operator S-3 Certified Operator S-4 Certified Maintenance Mechanic - Operator F-1 Maintenance Mechanic - Operator F-2 Maintenance Mechanic - Operator F-3 Maintenance Mechanic - Operator F-4 Distribution Supervisor Distribution Lead Worker Relief Operator Mechanic Water Wastewater F-1 Relief Operator Mechanic Water Wastewater F-2 Relief Operator Mechanic Water Wastewater F-3 Relief Operator Mechanic Water Wastewater F-4 Skilled Laborer
Wastewater	Chief of Operations and Maintenance Operator - Maintenance Mechanic A Certified Operator - Maintenance Mechanic B Certified Operator - Maintenance Mechanic C Certified Operator - Maintenance Mechanic D Certified Relief Operator - Mechanic A Certified Relief Operator - Mechanic B Certified Relief Operator - Mechanic C Certified Relief Operator - Mechanic D Certified Relief Operator Mechanic Water Wastewater A Relief Operator Mechanic Water Wastewater B Relief Operator Mechanic Water Wastewater C Relief Operator Mechanic Water Wastewater D

City of Escanaba
Teamsters 214 Labor agreement
7/1/2009 to 6/30/2012
Schedule B
Wages

Group	Title	Date	Change	90.0%	92.5%	97.5%	100.0%
1	Skilled Laborer	7/1/08 (Old)					19.18
		7/1/09	1.50%	17.52	18.01	18.98	19.47
		7/1/10	1.50%	17.78	18.28	19.27	19.76
		7/1/11	2.00%	18.14	18.65	19.66	20.16
2	Operator F4 Operator S4 Operator S3	7/1/08 (Old)					19.72
		7/1/09	1.50%	18.02	18.52	19.52	20.02
		7/1/10	1.50%	18.29	18.80	19.81	20.32
		7/1/11	2.00%	18.66	19.18	20.21	20.73
3	Operator S2 Operator F3 Operator Mechanic F4 Operator Mechanic D Relief Operator Mechanic D Relief Operator Mechanic W/WW F4 or D	7/1/08 (Old)					20.21
		7/1/09	1.50%	18.46	18.97	20.00	20.51
		7/1/10	1.50%	18.74	19.26	20.30	20.82
		7/1/11	2.00%	19.12	19.65	20.71	21.24
4	Operator F2 Operator Mechanic F3 Operator Mechanic C Relief Operator Mechanic C Relief Operator Mechanic W/WW F3 or C	7/1/08 (Old)					20.73
		7/1/09	1.50%	18.94	19.46	20.51	21.04
		7/1/10	1.50%	19.22	19.76	20.83	21.36
		7/1/11	2.00%	19.61	20.16	21.25	21.79
5	Distribution Lead Worker Operator F1 Operator Mechanic F2 Operator Mechanic B Relief Operator Mechanic B Relief Operator Mechanic W/WW F2 or B	7/1/08 (Old)					21.45
		7/1/09	1.50%	19.59	20.14	21.23	21.77
		7/1/10	1.50%	19.89	20.44	21.55	22.10
		7/1/11	2.00%	20.29	20.85	21.98	22.54
6	Operator Mechanic F1 Operator Mechanic A Relief Operator Mechanic A Relief Operator Mechanic W/WW F1 or A	7/1/08 (Old)					21.97
		7/1/09	1.50%	20.07	20.63	21.74	22.30
		7/1/10	1.50%	20.37	20.93	22.06	22.63
		7/1/11	2.00%	20.77	21.35	22.50	23.08
7	Chief of Operations	7/1/08 (Old)					22.44
		7/1/09	1.50%	20.50	21.07	22.21	22.78
		7/1/10	1.50%	20.81	21.39	22.54	23.12
		7/1/11	2.00%	21.22	21.81	22.99	23.58
8	Distribution Supervisor	7/1/08 (Old)					25.44
		7/1/09	1.50%	23.24	23.88	25.17	25.82
		7/1/10	1.50%	23.59	24.24	25.55	26.21
		7/1/11	2.00%	24.06	24.73	26.06	26.73

City of Escanaba

Teamsters 214 Labor agreement

7/1/2009 to 6/30/2012

Schedule C

Insurance Benefits

Healthcare Coverage

Your Health Care Plan

The benefit chart(s) in Your Benefits Guide are designed to provide you with a summary of the services covered under your health plan. You will need to reference the actual certificate(s) or rider(s) for detailed information about a benefit including any exclusions or limitations.

When you need to reference a certificate or rider, simply match the form number from the benefit chart (located to the left of the benefit) to the same form number on the navigation bar. Then double click on the form number in the navigation bar.

Eligibility information

Member	Form	Eligibility Criteria
Dependents	6225	Your spouse, and unmarried children until the end of the year in which they turn age 19.
Dependent Continuation	4656 -DC	Dependents between the ages of 19 and 25 provided they meet all of the requirements of this rider.

Community Blue PPO Benefit Chart

Deductible, Copays and 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 below for individual services.

Benefits	Form	In-Network	Form	Out-of-Network
Deductible	5778	\$250 per person or \$500 for the family per calendar year	6225	\$250 per person or \$500 for the family per calendar year Note: Your out-of-network deductible amount will also be applied to your in-network requirement.
Fixed Dollar Copays	5794 6225	\$15 copay for specific services \$50 copay for emergency services, waived if admitted or for an accidental injury	6225 6225	Not applicable \$50 copay for emergency services, waived if admitted or for an accidental injury
Percent Copays	577801	10 percent copay after deductible	5769	30 percent copay after deductible
Mental Health Percent Copay	5517	20 percent percent copay requirement after deductible	5517	20 percent copay requirement after deductible, if applicable
Private Duty Nursing Percent Copay	6225	50 percent copay after deductible	6225	50 percent copay after deductible
Copay Dollar Maximums	5815	\$500 per member, \$1,000 for the family per calendar year	5857	\$1,500 per member, \$3,000 for the family per calendar year

Preventive Care Service - \$250 annual maximum for covered preventive care services.

Benefits	Form	In-Network	Form	Out-of-Network
Health Maintenance Exam -includes chest X-ray, EKG and select lab procedures, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered
Gynecological Exam -one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered

Pap Smear Screening, laboratory and pathology services, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered
Well-Baby and Child Care -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	6225	Covered -100 percent of approved amount	6225	Not Covered
Immunizations, up through age 16	6225	Covered -100 percent of approved amount	6225	Not Covered
Fecal Occult Blood Screening, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered
Flexible Sigmoidoscopy Exam, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered
Prostate Specific Antigen (PSA) Screening, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered

Mammography Physician Office Services

Benefits	Form	In-Network	Form	Out-of-Network
Mammography Screening, one per calendar year, no age restrictions	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

Benefits	Form	In-Network	Form	Out-of-Network
Office Visits	5794	Covered -\$15 copay for specific services	5769	Covered -70 percent of approved amount after deductible, must be medically necessary
Outpatient and Home Visits	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible, must be medically necessary
Office Consultations	5794	Covered -\$15 copay for specific services	5769	Covered -70 percent of approved amount after deductible, must be medically necessary
Urgent Care Visits	5794	Covered -\$15 copay for specific services	5769	Covered -70 percent of approved amount after deductible, must be medically necessary

Emergency Medical Care

Benefits	Form	In-Network	Form	Out-of-Network
Hospital Emergency Room	6225	\$50 copay for emergency services, waived if admitted or for an accidental injury	6225	\$50 copay for emergency services, waived if admitted or for an accidental injury
Ambulance Services when medically necessary	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible

Diagnostic Services

Benefits	Form	In-Network	Form	Out-of-Network
Laboratory and Pathology Services	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Diagnostic Tests and X-rays	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Therapeutic Radiology	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

Maternity Services Provided by a Physician

Benefits	Form	In-Network	Form	Out-of-Network
Prenatal and Postnatal Care	6225	Covered -100 percent of approved amount	5769	Covered -70 percent of approved amount after deductible
Delivery and Nursery Care	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

Hospital Care

Benefits	Form	In-Network	Form	Out-of-Network
Semiprivate Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies Note: Nonemergency services must be rendered in a participating hospital	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Inpatient Consultations	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Chemotherapy	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

Alternatives to Hospital Care Surgical Services

Benefits	Form	In-Network	Form	Out-of-Network
Skilled Nursing Care -Up to 120 days per member, per calendar year	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible
Hospice Care -limited to dollar maximum which is reviewed and adjusted periodically	6225	Covered -100 percent of approved amount	6225	Covered -100 percent of approved amount
Home Health Care	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible

Benefits	Form	In-Network	Form	Out-of-Network
Surgery -includes related surgical services -Participating Ambulatory Surgery Facility	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Voluntary Sterilization	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Voluntary Abortions	4725	Not Covered	4725	Not Covered

Human Organ Transplants Mental Health Care and Substance Abuse Treatment

Benefits	Form	In-Network	Form	Out-of-Network
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Specified Organ Transplants – in designated facilities only, when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504), up to \$1 million lifetime maximum per transplant type	6225	Covered -100 percent of approved amount	6225	Covered -100 percent of approved amount in designated facilities only
Bone Marrow – when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504); specific criteria applies	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Kidney, Cornea and Skin	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Specified Oncology Clinical Trials	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

Benefits	Form	In-Network	Form	Out-of-Network
Inpatient Mental Health Care	5517	Covered -80 percent of the approved amount after deductible, if applicable after deductible	5517	Covered -80 percent of the approved amount after deductible
Inpatient Substance Abuse Treatment - limited to \$15,000 annually and \$30,000 lifetime.	6225	Covered -50 percent of approved amount after deductible	5517	50 percent of the approved amount after deductible, if applicable
Outpatient Mental Health Care -Facility and Clinic -Physician’s Office (deductible is waived for services provided by in-network provider)	5517 6225	Covered -80 percent of the approved amount after deductible, if applicable after deductible Covered -50 percent of approved amount after deductible	5517 6225	Covered -80 percent of the approved amount after deductible Covered -50 percent of approved amount after deductible

Other Services

Benefits	Form	In-Network	Form	Out-of-Network
Outpatient Diabetes Management Program (ODMP)	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Allergy Testing and Therapy	6225	Covered -100 percent of approved amount	5769	Covered -70 percent of approved amount after deductible
Prescription Contraceptive Devices	9973	Covered -100 percent of approved amount after deductible	9973	Covered -70 percent of approved amount after deductible
Contraceptive Injections	577801	Covered -90 percent of approved amount after deductible	5315	Covered -70 percent of approved amount after deductible
Chiropractic Spinal Manipulation Note: Up to 24 visits per member, per calendar year	6225	Covered -100 percent of approved amount	5769	Covered -70 percent of approved amount after deductible

Other Services

Outpatient Physical, Speech and Occupational Therapy Note: 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 - Facility and Clinic	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible
-Physician’s Office -excludes speech and occupational therapy	6225	Covered -100 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Durable Medical Equipment	577801	Covered -90 percent of	577801	Covered -90 percent of

		approved amount after deductible		approved amount after deductible
Prosthetic and Orthotic Appliances	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible
Private Duty Nursing	6225	Covered -50 percent of approved amount after deductible	6225	Covered -50 percent of approved amount after deductible

Note: Temporary benefits for hospital services – When a hospital chooses to terminate its participating contract with BCBSM, your coverage provides temporary benefits for emergency care and for certain services for up to six months from the date the hospital terminates its participating contract with Blue Cross Blue Shield of Michigan. Please refer to rider Temporary Benefits for Hospital Services (form #1700) for covered benefits under this arrangement.

Blue Preferred RX Benefit Chart for Prescription Drug Coverage

The following benefit chart is designed to provide you with a summary of the services covered under your plan. You will need to reference the actual certificate(s) or rider(s) for detailed information about a benefit including any exclusions or limitations

Choosing your pharmacy

The amount you pay in out-of-pocket costs depends on whether or not you use a network or non-network pharmacy. You will have the least out-of-pocket costs when you use network pharmacies.

Important: Pharmacies outside of Michigan must use the MedImpact BIN and PC number below to verify your eligibility, not the five-digit group number on your ID card.

MedImpact Rx BIN 003585/Rx PCN 23615

If the pharmacist needs assistance, he or she may call the MedImpact Provider Help Desk at 1-800-239-1023.

Copay Requirements

Benefits	Form	Network Pharmacy	Form	Non-Network Pharmacy
Dollar Copay	2617	\$10 for each generic drug \$40 for each brand-name drug, even if the prescription is marked "DAW" or there is no generic equivalent drug available	2617	\$10 for each generic drug \$40 for each brand-name drug, even if the prescription is marked "DAW" or there is no generic equivalent drug available, plus 25 percent of the approve amount
Mail Order (Home Delivery) Prescription Drugs	3948	Same Copay as above - up to a 90 -day supply of prescription or refill	3948	Not Covered

Preferred RX Drug Plan

Benefits	Form	Network Pharmacy	Form	Non-Network Pharmacy
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Federal Legend Drugs	3607	Covered -100 percent of approved amount less plan copay	3607	Covered -75 percent of approved amount less plan copay
State-controlled Drugs	3607	Covered -100 percent of approved amount less plan copay	3607	Covered -75 percent of approved amount less plan copay
Disposable Needles and Syringes – dispensed with insulin	3607	Covered -100 percent of approved amount less plan copay for insulin	3607	Covered -75 percent of approved amount less plan copay for insulin
Contraceptive Medications	5138	Covered -100 percent of approved amount less plan copay	5138	Covered -75 percent of approved amount less plan copay
Mail Order (Home Delivery) Prescription Drugs	3948	Covered -100 percent of approved amount less plan copay	3948	Not Covered

Medicare Supplement Coverage Benefit Chart

The following benefit chart is designed to provide you with a summary of the services covered under your plan. You will need to reference the actual certificate(s) or rider(s) for detailed information about a benefit including any exclusions or limitations.

About your supplemental coverage

As your secondary coverage, Blue Cross Blue Shield pays your Medicare deductible and coinsurance or fixed dollar copay if the service is a Supplemental benefit.

Note: When you reach 65 and become eligible for Medicare, but are still working for an employer of 20 or more persons, you have options for health care coverage. Please see your human resource area for more information on these options.

Preventive Care Services

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Pap Smear Screening – laboratory services only	0800	Covered at Medicare approved amount, once every 24 months	0800	Covered in full by Medicare
Immunizations -Flu Shots and Pneumonia Vaccines	0800	Covered at Medicare approved amount	0800	Covered in full by Medicare
-Hepatitis B Vaccines – for those at risk of contracting the disease	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered
Prostate Specific Antigen (PSA) Test	0800	Covered at Medicare approved amount, once every 12 months at age 50 and older	0800	Covered in full by Medicare

Mammography

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Mammography Screening	0800	Covered at Medicare	0800	Covers Medicare

		approved amount less Part B coinsurance, once every 12 months at age 40 and older		coinsurance
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Physician Office Services

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Office Visits	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered
Outpatient and Home Visits	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered
Office Consultations	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered

Emergency Medical Care

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Hospital Emergency Room (professional services) – must be medically necessary	0800	Covered at Medicare approved amount less Part B deductible and coinsurance or set copayment	0800	Covers Medicare deductible and coinsurance or set copayment
Ambulance Services – must be medically necessary	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance

Clinical Laboratory Services Hospital Care Alternatives to Hospital Care

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Laboratory and Pathology Tests – used in the diagnosis and treatment of an illness or injury	0800	Covered at Medicare approved amount	0800	Covered in full by Medicare

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Semi-Private Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies -Days 1-60	2017	Covered at Medicare approved amount less Part A deductible	2017	Covers Medicare deductible
-Days 61-90	2017	Covered at Medicare approved amount less Part A daily coinsurance	2017	Covers Medicare daily coinsurance
-Lifetime Reserve Days (60 days)	2017	Covered at Medicare approved amount less Part A daily coinsurance	2017	Covers Medicare daily coinsurance
-Additional days	2017	Not covered	2017	Covered at BCBSM approved amount, up to

				an additional 275 days
Chemotherapy	2017	Covered for administration and drugs, at Medicare approved amount less deductible and coinsurance; must meet Medicare criteria	2017	Covers Medicare deductible and coinsurance; pays chemotherapy drugs which Medicare does not cover; must meet BCBSM criteria for payment

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Skilled Nursing Facility Care – specific criteria applies -Days 1-20	2017	Covered at Medicare approved amount	2017	Covered in full by Medicare
-Days 21-100	2017	Covered at Medicare approved amount less daily coinsurance	2017	Covers Medicare coinsurance
-Days 101 and after	2017	Not covered	2017	Not covered
Hospice Care	2017	Covered at Medicare approved amount less small copayment for outpatient drugs and less small coinsurance for inpatient respite care	2017	Covers limited costs not covered by Medicare
Home Health Care – medically necessary	2017	Covered at Medicare approved amount	2017	Covered in full by Medicare

Surgical Services Provided by a Physician

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Surgery – includes related surgical services	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance

Human Organ Transplants

Note: Payment is based on medical necessity and must be rendered in an approved facility.

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Heart and Liver	990965	Covered at Medicare approved amount less deductible and coinsurance	990965	Covers Medicare deductible and coinsurance
Lung and Heart-lung	990965	Covered at Medicare approved amount less deductible and coinsurance	990965	Covers Medicare deductible and coinsurance
Pancreas	990965	Not covered Note: Pancreas transplants are covered under certain conditions. Please call Medicare for more	990965	Not covered Note: Covers Medicare deductible and coinsurance when covered by Medicare.

		information.		
Cornea	990965	Covered at Medicare approved amount less deductible and coinsurance	990965	Covers Medicare deductible and coinsurance
Bone Marrow and Kidney	990965	Covered at Medicare approved amount less deductible and coinsurance	990965	Covers Medicare deductible and coinsurance

Mental Health Care Other Services Foreign Travel

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Inpatient Mental Health Care in psychiatric hospital -Days 1-190 Lifetime	2017	Covered at Medicare approved amount less deductible and coinsurance Note: In most cases, psychiatric care in general (as opposed to psychiatric) hospitals is not subject to the 190-day limit.	2017	Covers Medicare deductible and coinsurance
-Additional days after 190 lifetime days are used	2017	Not covered	2017	Not covered
Outpatient Mental Health Care	2017	Covered at Medicare approved amount less Part B deductible and coinsurance or set copayment for therapeutic services. Diagnostic services are covered at the approved amount less Part B deductible and coinsurance.	2017	Covers Medicare deductible and coinsurance or set copayment

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Allergy Testing and Therapy -with approved diagnosis	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance for testing; injections are not covered
Chiropractic Spinal Manipulation -must be medically necessary	0800	Covered when medically necessary, at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered
Outpatient Physical, Speech and Occupational Therapy	0800	Covered at Medicare approved amount less Part B deductible and coinsurance or set copayment Note: Services of independent physical or occupational therapist subject to annual dollar limit.	0800	Covers Medicare deductible and coinsurance or set copayment

Durable Medical Equipment	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance
Prosthetic Appliances	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance
Oral Cancer Drugs	0800	Approved drugs are covered	0800	Covered in full by Medicare

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Hospital Services	2017	Not covered, except for inpatient hospital services in Canada or Mexico in rare situations	2017	Covered at BCBSM approved amount, up to 30 days for covered services
Physician Services	0800	Not Covered, except for services rendered in Canada or Mexico in connection with a covered inpatient stay	0800	Covered up to BCBSM approved amount

UP Blue Rider

IMPORTANT

KEEP THIS RIDER WITH YOUR CERTIFICATE

RIDER CB-CSR

COMMUNITY BLUE – COST-SHARING

REQUIREMENTS

AMENDS

COMMUNITY BLUE GROUP BENEFITS CERTIFICATE

6225

Rider CB-CSR amends the certificate named above to change the member's cost-sharing requirements for out-of-state services.

This rider is effective when you, your employer or remitting agent is notified.

A nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association

The “Language of Health Care” section of your certificate is amended to add the following definitions:

Approved Referral

The authorization a Michigan PPO panel provider must obtain from BCBSM or its designee to refer a patient to a provider outside of Michigan.

BlueCard Participating Provider

A provider who participates with the Host Plan.

BlueCard Program

A program that allows Blue Cross Blue Shield members to receive health care services in other states and have claims processed by the Host Plan, subject to Blue Cross and Blue Shield Association policies.

Designated Payment Level

The amount used to calculate your BCBSM copayment under the BlueCard Program. This amount is the lesser of:

- The provider’s billed charges for covered services, or
- An amount based on such factors as agreements with the Host Plan’s provider community or historical average reimbursement levels.

NOTE: BlueCard Program policies permit Host Plans to adjust negotiated prices going forward to correct for overestimation or underestimation of past prices. However, the designated payment level used to calculate your BCBSM copayment is considered a final price. Some state laws require that a special calculation be applied to determine the Host Plan’s payment. In such instances, the designated payment level will reflect any statutory requirements in effect at the time you receive care.

Host Plan

A Blue Cross and/or Blue Shield Plan outside of Michigan that participates in the BlueCard Program and processes claims for services that you receive in that state.

The "Out-of-state" subsections under "Coverage for Hospital, Facility and Alternatives to Hospital Care" and "Coverage for Physician and Other Professional Provider Services" in your certificate are replaced with the following:

Out-of-state Providers

For covered services obtained outside the state of Michigan, the nonpanel cost sharing requirements will apply unless you:

- Ⓢ Have a BCBSM approved referral from a Michigan PPO panel provider

NOTE: You must obtain the referral **before** receiving the referred service or nonpanel cost sharing requirements will apply.

⌚ Receive care for an accidental injury or a medical emergency or

⌚ Receive covered services from a provider for which there is no PPO panel.

NOTE: You will be responsible for any panel deductible or copayments required under your certificate for services obtained from the above providers. Covered benefits, described in your certificate, that are payable only when obtained from a Michigan panel provider are not payable when rendered out-of-state (e.g., preventive care services).

BlueCard Program

If you receive covered services in another state from a BlueCard participating provider, the Host Plan will pay the provider the amount required under its contract with the provider less any deductible or copayment required under your BCBSM certificate. After the Host Plan pays the provider, BCBSM reimburses the Host Plan the amount required under the BlueCard Program.

If the provider is not a BlueCard participating provider, we will pay for the services as described above in the “Out-of-state Providers” subsection.

If your certificate requires a deductible, that amount will apply to services received outside of Michigan. If your certificate requires a copayment, your copayment for services received outside of Michigan will be calculated using the designated payment level.

NOTE: Your deductible and copayment requirements are based on your certificate and remain the same regardless of which Host Plan processes your claim for services.

BlueCard Program (continued)

The BlueCard Program will not apply if:

- The services are not a benefit under your certificate
- Your certificate excludes the services from being performed outside of Michigan
- The services are performed by a vendor or provider who has a contract with BCBSM for those services.

GENERAL

Until further notice, all the terms, definitions, limitations, exclusions, and conditions of your certificate and related riders remain unchanged and in full force and effect, except as provided in Rider CB-CSR.

BLUE CROSS BLUE SHIELD OF MICHIGAN

Richard E. Whitmer

President and Chief Executive Officer

Form No. 1090 Bureau Approved 11/05