

SEBAC 2011

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**AN OVERVIEW OF THE IMPACT OF THE
SEBAC AGREEMENTS ON THE UNIVERSITY
OF CONNECTICUT**

Presenters

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What is SEBAC?

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- State Employee Bargaining Agent Coalition
- Consists of and represents all collective bargaining units in the State. There are 34 bargaining units, and 15 unions which make up the SEBAC Executive Board
- The “SEBAC Agreement” was previously negotiated between the State and the Unions, and runs until 2022.
- It provides for uniform agreements on health insurance, pensions and placement and training

Recent Activity

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- **Governor Malloy invited SEBAC to negotiate over concessions by the unions to address the State's financial situation.**
- **Management Representatives from State Government, including Higher Education, met and negotiated two sets of agreements**
 - **1) UConn representatives negotiated agreements with the AAUP and the UCPEA regarding wage concessions and job security (“UConn Agreements”)**
 - **2) Governor Malloy's representatives negotiated statewide agreements on health insurance and pensions**

UConn Unions

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- SEBAC voted in August, 2011 to approve the agreements made with the Governor's representatives.
- The "SEBAC Agreements," including the agreements made with each of the individual bargaining units, have been approved by the State Legislature.
- UConn Bargaining Units included in these negotiations are:
 - American Association of University Professors (AAUP)
 - University of Connecticut Professional Employee Association (UCPEA)

Statewide Unions at UConn

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- **Connecticut Employees Union Independent (CEUI), Maintenance and Service Unit (NP-2)**
- **American Federation of State, County and Municipal Employees (AFSCME) Administrative Clerical (NP-3)**
- **Connecticut Police and Fire Union (NP-5)**
- **Administrative and Residual Employees Union (P-5)**
- **Social & Human Services (P-2)**

Who is covered by the SEBAC Agreement?

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- The provisions of the SEBAC statewide agreement (Health Insurance and Retirement) apply to all state employees, including those not covered by collective bargaining agreements.
- It is expected that the salary and wage provisions of the SEBAC agreements will apply to University employees that are not covered by a collective bargaining agreement. The job security provisions of the SEBAC agreement do not apply to non-union employees.

UConn Specific Agreements

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- UConn has agreements with the AAUP and UCPEA. We negotiated these specific agreements directly with these Unions within the Governor's framework. The State negotiated the agreements with all other unions.
- All agreements contain wage freeze, job security and salary increase provisions. Consistent with the statewide framework, the University and UCPEA/AAUP negotiated several “non-economic” language changes to the existing collective bargaining agreements.

Wage Freeze – Contract Extension

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- **Wage Freeze:**
 - Hard freeze for FY 2011-2012 and FY 2012-2013. No wage increases in FY 2011-2012 or 2012-2013. Salaries will remain at FY 2011 levels until July 1, 2013
 - Applies to all represented employees

Contract Extension

- The collective bargaining agreements as modified are extended through and including June 30, 2016.

UConn Specific – Wage Increase - AAUP

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- **AAUP Salaries:**
- **Wage freeze in FY 12 and FY 13**
- **In each of FY 14, 15 and 16: 2.75% general wage increase for satisfactory performance and 2.06% for a merit pool; .19% of the 5% wage pool is allocated to the Provost Fund for retention and equity.**
- **All adjunct faculty will have salaries increased by the same general wage increase (exclusive of merit) in FY 14, FY 15 and FY 16 as the full time faculty. There will be no increases for adjunct faculty in FY 12 and FY 13.**

UConn Specific – Wage Increase - AAUP

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- Longevity pay is eliminated for new hires. No longevity payments for any AAUP members in October 2011. Longevity pay is frozen at current levels for two years through June 30, 2013.

UConn Specific – Job Security - AAUP

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- **AAUP**
- Protection from loss of employment is for the following members of the bargaining unit:
 - Tenured and tenure track faculty;
 - Faculty with “in-residence” titles that have been employed for at least six consecutive academic years as of July 1, 2011;
 - Long-term adjunct faculty(those with ten or more consecutive semesters of service) as of July 1, 2011 subject to adequate enrollment, satisfactory teaching evaluations and the continuation of course offerings.

Job Security - AAUP

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Protection from loss of employment does not apply to:

- Employees hired on or after July 1, 2011
- Termination of grant or other outside funding specified for a particular position except when the employee is a permanent employee
- Part-time employees who are not eligible for University supplied health insurance benefits (except for long-term adjunct faculty)
- Probationary employees
- Non-renewal of tenure track faculty pursuant to PTR procedures

Job Security - AAUP

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- Temporary or end-dated employees upon expiration of appointment except as noted above.
- For the duration of the job security protections, in-residence faculty will receive notice of non-renewal as follows: 3 months during the first year and 6 months thereafter

Miscellaneous – UConn Specific - AAUP

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- There are provisions regarding:
 - Clarification of department head selection process and union release time for AAUP officers
 - Article 13 is revised to include in-residence faculty in the School of Business with six or more years of continuous service providing for a higher level job security and a process for review of non-renewal
 - Reopen Article 13 to consider including other faculty titles and to improve and clarify the language (particularly the procedures for addressing conduct and performance issues.)

Miscellaneous – UConn Specific - AAUP

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- Upon renewal, in-residence faculty will be offered a multi-year appointment if they previously had one;
- New MOA #9 on miscellaneous issues including consulting approval procedures, state holidays for certain 11-month non-faculty employees in the AAUP, time to consider reappointment offers, notice to AAUP of mid-year salary changes and clarification of summer responsibilities for 9-month faculty.

UConn Specific – Wage Increase - UCPEA

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- **Wage Increases – UCPEA**
 - The increases for FY14 shall be delayed by approximately eight (8) weeks to recover the increases that were distributed on July 1, 2011 prior to ratification of the agreement and then reversed in August, 2011.
 - Satisfactory performance increases in FY 14 and FY 15 will be 5% across the board as provided in the SEBAC framework. Merit will be temporarily suspended.

UConn Specific – Wage Increase - UCPEA

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- In FY 16 there will be a 3.25% satisfactory performance increase, a .25% flat dollar increase and a 1.5% merit increase. The merit increase will be distributed as follows: .25% shall be distributed as University Merit/discretionary merit. 1.25% shall be distributed as performance merit, which is variable and connected to the employee's overall rating and their annual performance evaluation.
- Longevity pay is eliminated for new hires. No longevity payments for any UCPEA members in October 2011. Longevity pay is frozen at current levels for two years through June 30, 2013.

UConn Specific - Job Security - UCPEA

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Job security applies to all permanent UCPEA employees hired prior to July 1, 2011 and all end-date UCPEA employees hired prior to July 1, 2011 except those funded by grants or contracts. (Ledger 5 or Ledger 6).

Job protection does not prevent the University from restructuring or eliminating positions provided that those affected are offered another comparable job in accordance with the 2009 concession agreement.

Hard funded UCPEA employees on fixed duration projects or assignments must also be offered comparable employment in the event of termination of the project or assignment.

UConn Specific – Job Security - UCPEA

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- Job protection does not apply to employees during their probationary or initial working test period;
- The University agrees that it shall establish a process for converting long-term end-dated employees with secure funding to permanent status by October 31, 2011

Wage Increase - Classified

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- **FY2013-14, FY2014-15 and FY2015-16**
 - **Classified employees will receive three percent (3%) plus step increases, annual increments or their equivalent in those units that have them as part of their collective bargaining agreements.**

Job Security - Classified

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- In return for the wage freeze and concessions regarding benefits and retirement, the University promises “Job Security” for four years.
- From now through June 30, 2015, there shall be no loss of employment for any bargaining unit member hired prior to July 1, 2011, subject to the limitations of SEBAC 2009.

Statewide Concessions

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- These are the true “SEBAC” agreements. These were negotiated by the Governor’s representatives and the SEBAC representatives. They apply to every State employee.
- Except as agreed in this SEBAC Agreement, the provisions of the 1997-2017 Pension and Health Care Agreement, as amended, and extended to 2022, shall apply.

Health Care Changes - Employees

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- **\$35.00 emergency room copayment when there is a reasonable medical alternative (waived if admitted)**
- **Mandatory mail order for maintenance medications**
- **New prescription drug copayments for brand name non-maintenance medications: \$20 preferred, \$35 non-preferred**
- **Voluntary obesity reduction and tobacco cessation programs**
- **Continuation of current premium cost sharing for participants in the Health Enhancement Program**

Health Enhancement Program

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- **Key components**
 - Preventive physical examinations
 - Preventive screenings
 - Disease counseling and education programs
- **Financial incentives to participate, disincentives to not participate**
- **Employees required to make election by September 15, 2011**
 - Default is non-participation

Health Enhancement Program

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- Preventive physical examinations

Age	Exam Schedule
Birth to 1	6 exams (at months 1, 2, 4, 6, 9, 12)
1-17	1 exam per year
18-39	1 exam every 3 years
40-49	1 exam every 2 years
50+	1 exam every year

- Financial incentive: office visit copayments waived/rebated

Health Enhancement Program

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- Preventive Screenings

Screening	Age	Schedule
Cholesterol	20-39	Every 5 years
	40 - 49	Every 2 years
	50+	Every year
Breast Cancer (women)	18+	Clinical breast exam by provider every 3 years
	18+	Mammograms as recommended by physician
	35-39	Screening mammogram
Cervical Cancer	21+	Every 3 years
Colorectal Cancer	50+	As recommended by physician - options include colonoscopy every 10 years, CT colonoscopy, annual fecal occult blood tests
Vision		Every 2 years
Dental		2 free cleanings annually for participants enrolled in dental coverage. Unlimited periodontal benefit.

Health Enhancement Program

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- **Disease Counseling and Education Programs**
 - ◇ Diabetes, both Type 1 and 2
 - ◇ Heart failure/heart disease
 - ◇ Hypertension
 - ◇ Asthma and COPD
 - ◇ Hyperlipidemia
- **Health Care Counselor - explains current strategies to control the disease, provides written materials and information about online resources**
- **Financial incentives:**
 - Office visit copayments waived/rebated
 - Prescription drug copayments reduced: \$0/5/12.50 (waived for drugs prescribed for diabetes)
 - \$100 cash payment for compliance in disease management program

Health Enhancement Program

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- Employees and all covered dependents must adhere to requirements
- Participants who are non-compliant are given appropriate notice and opportunity to improve
- Financial disincentive for not participating/non-compliance
 - \$100/month premium
 - \$350 per person annual deductible (\$1,400 family max)
- Participants who are non-compliant pay disincentive until first of the month following compliance

Retiree Health Care Changes

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- **Mandatory mail order drugs for current retirees under age 65; voluntary for current retirees age 65+ with \$0 copayment incentive**
- **For retirees with retirement dates after 10/1/2011**
 - **New prescription drug copayments for brand name non-maintenance medications: \$20 preferred, \$35 non-preferred**
 - **Health Enhancement Program mandatory election**
 - ✦ **Voluntary (irrevocable) election for retirement dates of 10/1/2011 or earlier**

Retiree Health Care Changes

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- New hires must have 15 years of actual state service to vest in retiree health benefits
- Premium sharing
 - Early retirees with retirement dates after 10/1/2011 pay higher percentage until the earlier of age 65 or normal retirement date
 - Higher percentage not applicable to employees with 25+ years of service as of 7/1/2011 who retire before 7/1/2013

Retiree Health Care

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- **Early Retiree Premiums**

Service	Years Early				
	5 or more	4	3	2	1
15 or less	40%	32.0%	24.0%	16.0%	8.0%
16	37%	29.6%	22.2%	14.8%	7.4%
17	34%	27.2%	20.4%	13.6%	6.8%
18	31%	24.8%	18.6%	12.4%	6.2%
19	28%	22.4%	16.8%	11.2%	5.6%
20	25%	20.0%	15.0%	10.0%	5.0%
21	22%	17.6%	13.2%	8.8%	4.4%
22	19%	15.2%	11.4%	7.6%	3.8%
23	16%	12.8%	9.6%	6.4%	3.2%
24	13%	10.4%	7.8%	5.2%	2.6%
25 or more	10%	8.0%	6.0%	4.0%	2.0%

Employee Contribution to Retiree Health Care Trust Fund

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- **Employees contribute for 10 years or until retirement, whichever is sooner**
 - **Current employees not paying the 3% begin contributing:**
 - ✦ **½% starting July 1, 2013**
 - ✦ **2% starting July 1, 2014**
 - ✦ **3% starting July 1, 2015**
 - **Contributions continue for employees currently paying 3%**
 - **Employees hired/rehired after July 1, 2011 immediately begin 3% contributions regardless of previous state service**
- **Contributions refunded to employees who do not vest in retiree health benefits**

SERS Pension Changes

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- Starting with retirements after 10/1/2011
 - Salary Cap –in accordance with Section 415 of the IRC
 - Cost of Living Adjustment (COLA)
 - ✦ Minimum: 2.0%
 - ✦ Maximum: 7.5%
 - Early Retirement Reduction Factor: 6%
- For current employees retiring after July 1, 2022
 - Normal retirement eligibility increases to age 63 and 25 years of benefit service or age 65 and 10 years of benefit service
 - This change affects all years of benefit service earned on or after July 1, 2011.
 - One-time irrevocable election by 7/1/2013 to retain former definition of normal retirement by paying the actuarial cost.

SERS Pension Changes

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- Tier III for employees hired 7/1/2011 or later, same as Tier IIA with the following changes:
 - Normal retirement: age 63 and 25 years of benefit service or age 65 and 10 years of benefit service
 - Early retirement: age 58 and 10 years of benefit service
 - Hazardous duty: age 50 with 20 years of benefit service or 25 years of benefit service at any age
 - Deferred vested benefit: 10 years of benefit service
 - Benefit calculated on average of 5 highest years of earnings

Alternative Pension Option- Hybrid Plan

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- Available to AAUP, UCPEA, Management/Confidential, and Law School Faculty hired on or after July 1, 2011
- One-time irrevocable choice for current ARP participants at full actuarial cost
- Features
 - Defined Benefit/Defined Contribution
 - Contributions 3% more than applicable Tier II, IIA, III
 - When leaving state service, employee has a choice between:
 - ✦ Defined benefit equal to Tier II, IIA, III (based on hire date), or
 - ✦ Defined contribution equal to employee contributions, plus 5% employer match, plus 4% interest

Should I Retire by October 1, 2011?

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- **Retiree Health Care Consideration**
 - Health Enhancement Program not mandated
 - No change in premium cost sharing (early retirements)
 - No mandatory mail order prescription drugs if you are 65 or older
 - ✦ Incentive to voluntarily participate: \$0 copayment
 - Prescription drug copayments \$5/\$10/\$25 (versus \$5/\$20/\$35)
- **SERS Considerations**
 - 3% reduction factor (versus 6%) for early retirement
 - Minimum COLA of 2.5% (versus 2.0%)
 - Maximum COLA of 7.0% (versus 6.5%)
 - No salary cap

Questions?

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Contact Us

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- Labor Relations – (860) 486-5684
- Benefits questions – (860) 486-0400
- Retirement Incentive Questions – (860) 486-6544

For additional information please see the Human Resources website, where you will find this presentation and relevant links to SEBAC information.

