

To: All UConn benefits-eligible employees at Storrs, Farmington and all Regional Campuses (except those employees participating in GEU-UAW)

From: Christopher Delello, UCONN Chief Human Resources Officer

Subject: Important Benefit Information – Please Read

On July 31, 2017 the Connecticut state legislature approved the SEBAC 2017 agreement that was ratified by union membership. Additionally, contracts were ratified for all of UConn's bargaining units participating in SEBAC.

The SEBAC 2017 agreement includes changes to healthcare benefits, retirement plans and family medical leaves. It also includes furlough days and future wage adjustments that are further detailed in specific bargaining unit contracts.

We are awaiting instructions and processing protocols from the state regarding the implementation of SEBAC 2017 benefits changes, which have varying impacts on employees based on such factors as their union affiliation, retirement plan enrollment, hire date, years of service and other factors. Below is brief description of what's been received and communicated to date and what we anticipate receiving and communicating to you in the coming weeks:

1. Furlough Days

Under the SEBAC 2017 agreement, bargaining unit employees are required to take three furlough days during the 2017-18 fiscal year. Furlough day provisions vary by collective bargaining agreement and communications to you have been targeted based on union affiliation and employment location.

2. Option for State Employees Retirement System (SERS) Pension Plan Participants to Offset Increase in Contributions with a Temporary Reduction in Retiree Health Contributions

Contributions for the SERS Tier plans, including the Hybrid plan, are scheduled to increase by 1.5% in paycheck dated September 29, 2017. The SEBAC 2017 agreement includes a provision to help mitigate the increase temporarily by reducing Retiree Health Fund contributions. A targeted email was sent to each SERS participant on September 1, 2017 with a form that must be received no later than September 14, 2017 to participate.

3. Option for Alternate Retirement Program (ARP) Participants to Mitigate Decrease in Employer Contributions

Employer contributions for ARP are scheduled to decrease from 8% to 7.25%. We are awaiting instructions and processing protocol from the Retirement Services Division of the Office of the State Comptroller on the implementation of this provision.

4. Option for SERS Hybrid Participants with Underlying Tier II Pension Benefit to "Opt Out" of Increased Contributions

Employees who transferred to the Hybrid Plan and are paying 3% to the state and 2% to their ARP account will have the option to maintain their current payroll deduction of 5% (versus 6.5%), with 4.5% sent to the state and 0.5% to their ARP account. We are awaiting instructions and processing protocol from the Retirement Services Division of the Office of the State Comptroller on the implementation of this provision.

5. Healthcare Changes

It is our understanding that current healthcare benefits are changing effective 10/1/2017 for current active, eligible employees and retirees with retirement dates after 10/1/2017. We have been advised by the Office of the State Comptroller that they will be communicating these changes to employees.

This week, we will send a targeted email to over 2,000 retirement-eligible employees with advance notice of the healthcare changes that could be avoided if they retire by October 1, 2017.

This week, we will also provide all active, eligible employees with an overview of the healthcare changes and any information we receive from the Office the State Comptroller regarding those changes.

6. Family Medical Leaves

We understand that there are many changes to come regarding family illnesses that qualify for the Family and Medical Leave Act (FMLA). We are awaiting instructions and processing protocol from the Department of Administrative Services and the State Office of Labor Relations.

We appreciate your patience as we await official communications from the state in order to fully implement the 2017 SEBAC agreement. Please be vigilant in checking your emails and in reading the Daily Digest for announcements. Our commitment to you is to share information as soon as it becomes available.

If you have any questions, please direct your questions as follows:

Farmington: Larry Pittman, (860) 679-4575, pittman@uchc.edu

Storrs: Johannah Gorgone, (860) 486-3034, benefits@uconn.edu

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