

COLLECTIVE BARGAINING AGREEMENT

by and between

BEACON HEALTH OPTIONS, INC.

and

**INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT WORKERS OF
AMERICA (UAW) AND ITS UAW LOCAL 412
UNIT 61**

Effective: August 25, 2019 - August 24, 2022

AGREEMENT

This AGREEMENT will be effective from August 25, 2019 to August 24, 2022. The Agreement represents the working agreement between BEACON HEALTH OPTIONS, INC. (hereinafter referred to as the “Company” and/or “Employer”) at its Michigan Engagement Center operating location in the State of Michigan located at 48561 Alpha Drive, Suite 150, Wixom, Michigan, 48393-3442, and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW) and its UAW LOCAL 412, Unit 61 (together hereinafter referred to as the “Union”).

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ARTICLE 1

PURPOSE AND INTENT

The purpose of this Agreement is to set forth terms and conditions of employment, and to promote orderly and peaceful labor relations for the mutual interest of the Company, the employees, and the Union.

The parties recognize that the success of the Company and the job security of the employees depend upon the Company's success in designing a quality product and its ability to market and support such a product.

To these ends the Union and the Company agree to encourage mutual accord, mutual respect and to work together jointly in good faith to actively promote and support co-operative business relations between their respective representatives and amongst employees at all levels via consistent and reliable adherence to, and implementation of, the spirit and provisions of this Agreement.

ARTICLE 2

RECOGNITION AND EMPLOYEE COVERAGE

Section 2.1

(a) The Company hereby agrees to recognize the Union as the exclusive collective bargaining representative for all of the employees as defined in this Agreement, who are employed by the Company, in the following described unit:

<p style="text-align: center;"><u>Grade 1</u></p> <p>Data Entry Clerk</p>	<p style="text-align: center;"><u>Grade 5</u></p> <p>Claims CSR Claims Auditor Clinical Support Specialist Network Analyst Member Services Representative Senior Cust. Svc. Technical Support Lead Cust. Svc./Clinical Claims Rep. 5a- Appeals Coordinator 5a - Claims Processor Senior 5b- Clinical Support Specialist II</p>
<p style="text-align: center;"><u>Grade 2</u></p> <p>Department Secretary</p>	<p style="text-align: center;"><u>Grade 6</u></p> <p>6a- Research Analyst 6b- Research Analyst Senior 6b- PC/LAN Specialist 6c- PC/LAN Specialist Senior 6c- Reporting Coordinator 6d- Systems Coordinator 6d- Programmer Analyst</p>
<p style="text-align: center;"><u>Grade 3</u></p> <p>Mailroom Specialist Clinical Support Assistant</p>	<p style="text-align: center;"><u>Grade 7</u></p> <p>7b- Clinical Care Manager II</p>
<p style="text-align: center;"><u>Grade 4</u></p> <p>Member Services Representative¹ Administrative Assistant Claims Processor</p>	<p style="text-align: center;"><u>Grade 8</u></p> <p>Clinical Consultant/Specialist EAP Coordinator Clinical Team Leader Quality Analyst</p>

¹ For purposes of market compensation comparisons, the title “Member Services Representative” shall be compared to the title of “Customer Service Representative,” performing similar functions and with similar responsibilities and qualifications.

(b) The parties agree to the following exclusions from the bargaining unit: Any current Company positions not included in Section 2.1(a) set forth above as of the effective date of this agreement and Consultants, Temporary Employees, Casual Employees, Guards, and Supervisors as defined in the Act.

(c) The parties agree that a Bargaining Unit position is any position not vested with the authority to hire, fire or discipline employees; or whose job responsibilities do not require access to confidential personnel information and/or confidential business-sensitive information.

(d) No Bargaining Unit employee will be assigned to a position that involves direct accountability to more than one (1) immediate supervisor.

Section 2.2 Definitions and Employee Coverage. For purposes of this Agreement, the following definitions will apply:

(a) **Employee.** An employee is a person employed and classified by the Company as a regular full-time or part-time employee in a job classification in the bargaining unit as set forth above.

(b) **Seniority Employee.** A seniority employee is an employee who has successfully completed the probationary period, including any extension thereof, as set forth in Article 8, Section 8.2.

(c) **Regular Full-Time Employee.** An employee employed and classified by the Company as a regular full-time employee is employed by the Company on a regular full-time basis in a job classification listed above and whose normal work schedule usually consists of thirty-seven and one-half (37.5) hours per week.

(d) **Regular Part-Time Employee.** An employee employed and classified by the Company as a regular part-time employee is employed by the Company on a regular part-time basis in a job classification listed above and whose normal work schedule usually consists of less than thirty-seven and one-half (37.5) hours per week, but at least twenty-two and one-half (22.5) hours per week.

(e) **Flex Employee.** Normal work schedule usually consists of less than twenty-two and one-half (22.5) hours per week, but at least fifteen (15) hours per week on a continuous basis. Flex employees are not eligible for benefits.

(f) **Contingent Employee.** An exempt employee employed and classified by the Company as a regular (full-time or part-time) employee who is scheduled by the Company to work outside his/her scheduled shift on a voluntary fee for service basis in CNS or on a special project as determined and assigned by the Company.

A part-time employee who works additional hours will receive his/her regular hourly rate for hours up to thirty-seven and one-half (37.5).

Section 2.3. Non-Agency Temporary Employees and Agency Temporary Employees.

A temporary employee will be understood as an individual who is not a permanent full- or part- time employee but who is employed by the Company or contracted through an agency to perform the work of a full- or part-time position.

Temporary employees are excluded from the Bargaining Unit and the terms of this Agreement.

Temporary employees will not perform the work of a Bargaining Unit position outside the normal business hours of operation for the department in question unless such overtime work has first been offered to qualified Bargaining Unit employees in that department.

The Company may hire as many temporary employees as are required to cover each assignment.

The Company will notify the Union of the need for a temporary employee and will estimate, whenever possible, the duration of the assignment.

Upon request, the Company will provide the Unit Chairperson or Alternate with a listing of the names of all current temporary employees, their department assignment, the duration of their work assignments, and total days worked.

A temporary employee will not perform the work of Bargaining Unit positions for more than ninety (90) days unless an extension has been mutually agreed upon by the Company and the Union. The Company may, pursuant to other provisions of this Agreement, post the position. If the position in question has been posted and there are no qualified internal applicants, then the temporary employee may be hired as a permanent employee to fill the position and shall complete a probationary period as provided in this Agreement.

Section 2.4. New Facility.

If the Company relocates its offices within the State of Michigan from the location set forth above in the Agreement provision, the employees covered by this Agreement will, subject to the other provisions of this Agreement, be transferred to the new location, and this Agreement will apply to such employees at the new location.

If the Company establishes a new or additional facility within the State of Michigan and transfers to it a majority of work performed by employees covered by this Agreement, then the employees covered by this Agreement will, subject to the other provisions of this Agreement, be transferred to the new or additional facility and this Agreement will apply to those employees transferred to the new or additional facility.

In the event positions in employees' current job classifications are retained by the Company at the old facility, employees in such job classifications may elect, based

upon seniority, to continue working in such remaining position(s) at the old facility. Such election shall be subject to the number of positions, if any, retained by the Company at the old facility and the employee's seniority.

If the Company merges separate operations within the State of Michigan involving un-represented and represented employees performing work covered by this Agreement, the represented employees shall continue being covered by this Agreement.

In addition, this Agreement shall apply to those employees when the majority of the employees in the merged unit are from operations covered by this Agreement. If the parties cannot agree to the application of this Agreement at the new or merged facility, or to the representative status of the Union at the new or merged facility, such disputes may be resolved by arbitration; however, the parties recognize that ultimate jurisdiction shall be under the National Labor Relations Act.

ARTICLE 3

UNION SECURITY

Section 3.1. Union Membership.

(a) An employee in the bargaining unit covered by this Agreement, who is a member of the Union on the effective date of this Agreement, may maintain membership in the Union for the term of this Agreement to the extent of tendering the dues and/or initiation fees uniformly required for acquiring or maintaining membership in the Union.

(b) An employee employed in the bargaining unit covered by this Agreement who is not a member of the Union on the effective date of this Agreement may become a member of the Union within ten (10) days following the completion of the first thirty (30) days of employment following the effective date and maintain membership in the Union for the term of this Agreement to the extent of tendering the dues and/or initiation fees uniformly required for acquiring or maintaining membership in the Union.

(c) The Company hereby agrees that all employees have the right to freely organize, join, and support the Union for the purpose of engaging in collective bargaining, or negotiations, and other concerted activities for mutual aid and protection or refrain from such activities. The employer understands and agrees that it will not directly or indirectly discriminate against any employee with respect to hours, wages, or any terms or conditions of employment by reason of his/her membership in the Union, his/her participation in any activities of the Union or collective negotiations or his/her institution of any grievance, complaint or proceeding under this Agreement or otherwise with respect to any terms or conditions of employment or by reason of his/her refraining from such activities.

(d) Within ten (10) work days of a Bargaining Unit employee's date of hire, the Company will provide the Unit Chairperson or Alternate Chairperson with a written notice containing the new hire's name, job title, department, date of hire, and starting salary.

Section 3.2. Union Membership.

An employee who is a member of the Union at the time of this Agreement becomes effective may continue membership in the Union for the duration of this Agreement to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union.

An employee holding a union job position who is not a member of the Union at the time this Agreement becomes effective may become a member of the Union on or before the thirtieth (30th) day following the effective date of this Agreement, or on or before the thirtieth (30th) day following employment, whichever is later, and may remain a member of the Union to the extent of paying an initiation fee and the membership dues uniformly required as a condition for acquiring or retaining membership in the Union, whenever employed under and for the duration of this Agreement.

The Union shall accept into membership each employee covered by this Agreement who tenders to the Union the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership in the Union. Dues are equal to two and-a-half (2.5) hours of straight time pay per month.

Initiation fees and dues for membership in the Union shall not exceed the maximum prescribed by the Constitution of the International Union at the time the employee becomes a member.

Section 3.3. Check-off.

The Union, at the time of hire into a bargaining-unit job, shall provide to a new or rehired employee an "Authorization for Check-off of Dues" card, containing the appropriate Local Union number. The Company agrees to deduct from the pay of members of the Union, who individually authorize such deductions, in writing, to the Company on authorization cards, the regular monthly Union dues and initiation fees. Monthly dues shall be deducted from the second paycheck issued in each calendar month and forwarded within thirty (30) days, by certified mail, to an address designated, in writing, by the respective Local Financial Secretaries.

A list containing name, social security number, cost center, department name, amount deducted, year-to-date deductions, rate of pay, and employment status code of all employees for whom the deductions were made, shall be mailed to the respective Local Financial Secretaries at previously designated addresses, in writing, not later than the seventh (7th) work day following such deductions.

The Employer will furnish the Union with a check-off list, indicating thereon the amount due for each employee. The Employer shall add to this list the names, addresses, social security numbers, and dates of hire of any new employees whose names do not appear on the check-off list. A copy of this list shall be returned with the proper amount to the offices of the Union by the last day of the month in which the dues are deducted. The Employer will notify the Treasurer of Local 412 the date an employee is laid off, is discharged, quits, is granted a leave of absence, or is terminated for other reason. It will notify the Treasurer of the date an employee is recalled, returned from a leave or rehired, and all address changes.

In the event of an adjustment resulting from a manual or void and re-issue check, the appropriate deduction and the respective report will be included in the following month's transactions.

On a monthly basis, any of the respective Local Financial Secretaries may submit a list to the Payroll Department, reflecting name and social security number of any employee whom the Union believes to be in arrearage regarding initiation fees and/or monthly dues. Such list must designate the amount of arrearage and the period to which such amount applies. Such amount shall be deducted from the next subsequent first paycheck of the month following receipt of such notice, provided that sufficient earnings remain to cover the amount of arrearage after deductions required by law. Any continued arrearage will be carried forward and deducted in the next subsequent first paycheck of the following month(s) until the total

arrears has been deducted, or until the employee loses seniority, whichever occurs first. In the event of termination of employment, any such arrears will be deducted from accrued vacation pay or any other monies due the employee.

In the event of a rehire or reinstatement of an employee who desires to join the Union and who had previously executed an authorization for check-off and paid the designated initiation fee, no additional initiation fee will be deducted.

In the event of a duplicate withholding of an initiation fee or monthly dues from an employee's paycheck, any required refund will be issued by the respective Local Financial Secretary.

The Union shall protect and hold harmless the Company from any and all claims, demands, suits, and other forms of liability by reasons of actions taken by the Company for the purpose of complying with this Article.

Section 3.4. V-CAP Check-Off.

The Company agrees to deduct from the pay of members of the Union who authorize such deductions by completing an Authorization and Check- Off Contributions to U.A.W. V-CAP ("V-CAP") form. Deductions shall be made only in accordance with the provisions and in the amounts designated in the V-CAP forms. A properly executed V-CAP form delivered to and on file with the Company shall be a prerequisite and precondition to the deduction of such monies.

Distribution of check-off forms for V-CAP will be done solely by Union membership on non-Company time and shall in no way interfere with the operation of the Company. Completed cards will be collected by Union leadership and submitted by the Financial Secretary/Treasurer of the Local to the Company's Payroll Department for processing.

The deductions shall be deducted from the first paycheck issued in each calendar month, and the amount deducted, together with a list of names of the Union members for whom deductions have been made, will be forwarded to the U.A.W. V-CAP. The Company further agrees to furnish U.A.W. V-CAP with a yearly report of each Union member's deductions.

Section 3.5. Voluntary Retiree Dues.

The Company agrees to arrange check-off authorizations from past or future retirees who were bargaining unit employees for the purpose of paying voluntary monthly dues.

Such authorization shall be on a form provided by the Union. The amount deducted shall be forwarded in accordance with the "check-off" provisions of this Labor Agreement. The parties agree to meet, discuss and implement a system to assure timely start-up.

Section 3.6. In the event current state law is either declared invalid or is repealed or modified to make union security (including any form thereof) lawful, the union security provisions of the parties' prior collective bargaining agreement will again be in force and effect when and to the fullest extent permitted by law, including such lesser forms

of union security such as "fair share" or "agency fee" if those lesser forms of union security are all that is permitted by state law.

ARTICLE 4
REPRESENTATION

Section 4.1

(a) **Bargaining Executive Committee.** The employees covered by this Agreement shall be represented by a Committee consisting of three (3) bargaining unit employees – one (1) Unit Chairperson and one (1) clinical and one (1) non-clinical steward.

The Union/Unit Chairperson will notify the Company of the District assignments of each Steward. The Union may designate up to three (3) committee members to serve as the Union's contract negotiation team. It shall be the responsibility of such members of the contract negotiation team to meet with representatives of the Company at such times as joint Company-Union negotiations may be held.

(b) **Stewards.** Stewards, as representatives of the Bargaining Unit's membership, shall handle grievances that may arise in their areas of responsibility in accordance with the provisions of this Agreement and shall attend to the discharge of such responsibilities as devolve upon them out of their duty of fair representation and out of their obligations as members of the Bargaining Unit's Executive/Bargaining Committee and the UAW International Union and its Local 412.

Section 4.2. Alternate Chairperson.

One (1) member of the Committee shall serve as the alternate Unit Chairperson.

Section 4.3. Additional Employee Representatives.

By mutual agreement of the parties, additional employees covered by this Agreement may be elected by the unit from time to time to represent bargaining unit employees in expanded areas of the Company's operations.

Section 4.4. Notification.

The Company shall be informed in writing of the names of the individuals who comprise the Bargaining/Grievance Committee and non-employee representatives of the Union before recognition of them is granted by the Company.

Section 4.5. Grievance Processing.

The applicable Steward shall be allowed to assist in the presentation of grievances in his/her area of responsibility in accordance with the Steward's proper functions at the appropriate Step of the grievance procedure as may be established in this Agreement.

Section 4.6. Special Meetings.

Special Meetings may be arranged by mutual agreement to discuss matters of concern. The requesting party shall advise the other party in writing of the proposed agenda and the matters to be covered. The Union will be represented by the UAW Local 412 Representative and Unit Chairperson and additional unit representatives as necessary. The Company will be represented by two or more representatives designated by the employer.

Section 4.7. Payment for Release Time.

(a) The Company agrees to pay for reasonable and required time lost by the Bargaining/Grievance Committee member and employee during the employee's working hours on the normal, non-overtime scheduled work day while presenting (and in the case of a Committee member, investigating and/or preparing a grievance pursuant to subsection (b) below) a grievance in accordance with the employee's proper functions at the appropriate Step of the grievance procedure as may be established in this Agreement, provided, however, that the Union agrees that there shall be no abuse of this privilege of receiving pay for lost time. The Company reserves the right to revoke an employee's privilege of receiving pay for lost time if the privilege is being abused. Before revoking this privilege, the Designated Company Representative shall first discuss the matter with the UAW International Representative. Compensation for any lost time under this Section shall be at the employee's straight-time regular rate of pay. Hours compensated under this section shall be counted as hours worked and shall be included in the calculation of pension credit and benefit accrual.

(b) In the event a unit member notifies the Union of a grievance, a Committee member will be allowed time off his/her job without loss of time or pay, subject to subsection (a) above, for the purpose of investigating and processing the grievance throughout the grievance procedure. It is understood that time off the job will be devoted to specifically related Union business after first obtaining permission from the Committee member's supervisor. The Committee member will provide the name(s) and nature of the potential grievance and the anticipated amount of release time required. A request for release time will not be denied but may be scheduled at a time that least interferes with the performance of assigned duties and responsibilities but in no event later than the end of the business day following the day of the request.

The Committee member shall make the request directly to his/her supervisor either verbally or in writing who will grant the request as promptly as operations allow. Where there are extenuating circumstances and the request is not approved to be taken within the time period set forth above by the Committee member's supervisor, the Committee member may make the request to the Committee member's Department manager or the Human Resources Department who shall ensure that the release time is provided within the period set forth above. When a manager other than the Steward's supervisor requests the Steward's participation in legitimate Union business, that manager will arrange for the Steward's release time.

(c) The members of the Bargaining/Executive Committee will be allowed one (1) hour of paid release time each week to discuss pending Union business at a time mutually agreed upon by the parties.

(d) The Union's contract negotiation team will receive up to twenty-two and a-half (22.5) hours release time upon request, and prior scheduling by the Company to prepare for the parties' negotiations of their next Collective Bargaining Agreement.

Section 4.8. Union Office on Company Premises.

The Company will make an office available at its main facility for exclusive use by authorized Union representatives.

Section 4.9. The Unit Chairperson or Alternate will be released to meet with all Bargaining Unit new hires in their first week of employment.

Section 4.10. The Company will make copies of the Collective Bargaining Agreement available to Bargaining Unit members on the Company's intranet.

Section 4.11. E-Mail.

The Unit 61 Executive Committee Chairperson (or Alternate Chair in the Chairperson's absence) may utilize the Company e-mail system to send approved Union notices to the Unit Membership at large as follows:

An approved Union notice is one specifically related to Union business to include:

1. Union membership meetings
2. Union elections and results
3. Secret ballot
4. Union sponsored social events
5. General union related announcements
6. Any other notice or announcement approved by the Service Center Vice President or designee.

The distribution list for each Unit will include all applicable Union employees and the Service Center Vice President or designee, and will be updated monthly by IS & HR.

E-mail must be used in accordance with Company e-mail policies.

ARTICLE 5

MANAGEMENT RIGHTS

Section 5.1

(a) Management Rights. All management rights, powers, authority, prerogatives, and functions, regardless of whether exercised in the past and prior to the effective date of this Agreement and regardless of whether exercised in the future following the effective date of this Agreement and regardless of the frequency or infrequency of their exercise, shall remain vested exclusively in the Company. It is expressly recognized, and the Union agrees, that such management rights, powers, authority, prerogatives, and functions include, by way of illustration the following:

the right to manage and control the Company and its facilities in all of its operations and activities; the right to determine all matters of Company and management policy, facility and department scope, layout, operation, and location; the right to determine the location where work will be performed; the right to terminate, merge, consolidate, sell, or otherwise transfer or reorganize the Company's operations and services or any part thereof; the right to direct the working force including, but in no way limited to, the right to hire, discipline, suspend, discharge, promote, demote, assign, train, transfer, or layoff and recall employees; the right to reduce or increase the size of the working force; the right to establish job classifications of work, the assignment of duties and the number of employees and staffing patterns required and the number of hours in employee work schedules; the right to establish and change work schedules and to provide and assign personnel; the right to eliminate totally or partially or combine or otherwise revise existing job classifications, jobs or positions; the right to establish new job classifications; the right to establish and change from time to time rules and regulations, including safety rules and regulations, and to fix and determine penalties for violations; the right to maintain safety, order and efficiency; the right to establish and change job descriptions from time to time as deemed desirable; the right to establish satisfactory productivity and work standards; the right to make judgments as to employee qualifications, including ability and skill; the right to determine the nature and number of facilities and departments to be operated; the right to discontinue totally or partially or combine or reorganize any part or all of the Company's operations; the right to be the exclusive judge of all matters pertaining to the services that the Company provides and the delivery of those services; the right to determine the methods, procedures, processes, and means of providing and delivering services and the equipment and machines to be acquired or used to provide such services; the right to establish the standards of quality of services; the right to determine the schedules and standards of services, efficiency and productivity; the right to determine the methods, processes, means, and materials to be used in the providing and delivering of services; the right to continue and maintain the Company's operations and services as in the past and prior to the effective date of this Agreement with the Union, but the Company shall also have the right to study, introduce and use new or improved methods, means, equipment, facilities; the right to make technological changes; the right to decide the nature of products, and the quantity and quality of

products or services; the methods of delivery, the scheduling and routing for delivery, delivery control, the materials, processes and equipment to be used; the right to determine the number, location and types of offices; discontinue temporarily or permanently, in whole or in part, any of the Company's operations; sell or close offices; move offices operated by the Company from one location to another; determine the size of the work force and increase or decrease its size; to hire, assign and lay off employees; reduce the workweek or the workday or to effect reductions in hours worked by combining layoffs and reductions in the workweek or the workday, hire part-time employees or hire temporary employees or contract for the services of temporary employees to perform temporary job assignments; permit persons in the employ of customers or vendors to perform production work and delivery of service work in the Company's offices; permit persons employed by the manufacturer of equipment used in the Company's offices to set up, construct and service equipment on the floor and to perform work in connection with the installation or service of such equipment; direct the work force, assign work, determine the number of employees assigned to any operation and the number of operations assigned to any employee; determine lunch, rest periods, clean-up times; determine the starting and quitting time and the number of hours to be worked; establish work schedules, as business conditions and available work require; fix efficient work schedules; assign employees to work overtime; select employees for promotion or transfer to supervisory or other positions outside the bargaining unit; fix the standards of workmanship, both as to quality and quantity; test, investigate and improve individual and unit productivity, and initiate and carry out cost and general improvement programs.

(b) It is agreed that these enumeration's of management prerogatives shall not be deemed to exclude other prerogatives not enumerated, and except as expressly abridged, delegated, modified, or granted by this Agreement, all of the rights, powers and authority of the Company had prior to the signing of this Agreement are retained by the Company and remain within the rights of the Company, except as limited by the terms of this agreement and supplementary agreements, that by their terms, modify this Article titled Management Rights.

ARTICLE 6

GRIEVANCE PROCEDURE

Section 6.1. Definition of Grievance.

A grievance, for purposes of this Agreement, shall be understood as a demand by the Union, on behalf of one or more Bargaining Unit employees as Grievant(s), for a specified adjustment to redress a complaint arising during the term of this Agreement concerning the application, interpretation, or alleged violation of specific provisions of the Agreement, where the complaint in question has been raised within ten (10) days of the occurrence of the events, circumstances, or issues precipitating said complaint or within ten (10) days of the date on which the Grievant(s) first learned of those facts, circumstances, or issues.

Section 6.2. Informal Resolution.

All Bargaining Unit employees are encouraged to discuss complaints with their immediate supervisors (or designated representatives) to resolve concerns informally. If requested by the employee, he/she may be assisted by the appropriate Union Steward.

Section 6.3. Grievance Procedure.

The steps of the grievance procedure shall be as set forth below. The Company and the Union agree to confer in good faith at all steps of the grievance procedure in an attempt to resolve all grievances at the lowest step possible. All grievances shall be processed in accordance with the following procedure:

Step 1.

A written grievance form shall be submitted by the Union to the Company's Vice President (or designated representative). The grievance form shall be signed by the Grievant(s) or, if applicable by the Unit Chairperson or Alternate Chairperson on behalf of the Grievant(s) pursuant to Section 6.12. The written grievance shall indicate the section(s) of this Agreement relevant to the substance of the grievance and shall set forth the facts pertaining to the alleged violation(s).

The Company's Vice President (or designated representative) and the Chairperson of the Local Unit Executive Committee shall meet at a mutually agreed upon date and time to discuss the grievance in an effort to settle the same. If a date for such a meeting is not scheduled within six (6) days of the date on which the grievance form was submitted at Step 1, the Union shall have the right to advance the grievance to Step 2 with notification to the Company. The Vice President (or designated representative) shall place an answer on the written grievance form within ten (10) days following the date on which the meeting at Step 1 occurred. The grievance form shall then be returned to the Chairperson, or Alternate Chairperson, of the local Unit Executive Committee, who will provide a copy to the appropriate Steward.

The Company and the Union may have other representatives present during Step 1 of the grievance procedure upon notice to the other party.

Step 2.

If the written grievance is not settled in the Step 1, it shall be the responsibility of the Union to elect or not elect to process the written grievance further, and if the Union elects to process the written grievance further, then the written grievance may be submitted to the Company's Vice President (or designated representative) within ten (10) days following receipt of the Company's written answer in the Step 1 written procedure. The Company's Vice President (or designated representative) and the UAW International Representative or his/her designee and the Unit Chairperson or his/her designee shall meet at a mutually agreed upon date and time to discuss the grievance in an effort to settle the same. The Vice President of the Company (or designated representative) shall place an answer on the written grievance within ten (10) days following the date on which the meeting was held at this Step. The written grievance shall then be returned to the UAW International Representative or his/her designee.

The Company and Union may have other representatives present during this Step of the grievance procedure upon notice to the other party.

Step 3.

If the written grievance is not settled in Step 2 within ten (10) days of the delivery of the answer completing Step 2 of this process and both parties agree, mediation may be requested using either: The Federal Mediation and Conciliation Service, Office of Arbitration Services (FMCS-OAS) or Michigan Employment Relations Commission (MERC). It is understood that such Mediation is non-binding upon either party and does not affect the right of either party to appeal the grievance to arbitration. It is further understood that the Mediation hearing will be scheduled as soon as possible consistent with the Mediator's availability.

Step 4. Request For Arbitration.

If the written grievance is not settled in Step 2, and if the grievance is arbitrable; the Union may submit the grievance to arbitration in accordance with the procedures established in this step. Within thirty (30) days following the Company's Step 2 written answer, the Union, through its Unit Chairperson and/or International Representative, shall submit an appropriate demand for labor arbitration to the American Arbitration Association (AAA), or Federal Mediation and Conciliation Service, Office of Arbitration Services (FMCS-OAS), a copy of which shall be simultaneously served on the Company Vice President by certified mail. If no written demand for arbitration is filed within the time period, the grievance shall be considered settled on the basis of the Company's answer in Step 2.

A grievance shall not be withdrawn without the mutual consent of the parties once the arbitration hearing is commenced.

Step 5. Disclosure Meeting(s).

Approximately twenty-one (21) days before the scheduled arbitration hearing, on a mutually acceptable date, the parties will meet and exchange exhibits and names of witnesses that they intend to introduce at the hearing. Approximately ten (10) days before the scheduled arbitration hearing, on a mutually acceptable date, the parties will meet and exchange rebuttal

exhibits and names of rebuttal witnesses that they intend to introduce at the hearing. It is understood that the parties may introduce additional previously undisclosed exhibits and witnesses in response to testimony presented at the hearing, in the case of newly disclosed evidence or for cause as determined by the Arbitrator. In the case of newly discovered evidence, the other party will be advised of its existence as soon as practicable after its discovery.

Step 6. Arbitration.

The arbitrator shall be selected and the proceedings conducted in accordance with the labor arbitration rules and regulations of the American Arbitration Association or Federal Mediation and Conciliation Service, Office of Arbitration Services (FMCS-OAS). Except to the extent otherwise limited by this Agreement, the arbitrator shall have the authority to hear and determine any grievance involving an alleged violation of this Agreement, provided however, that the grievance first proceeded through the applicable steps of the grievance procedure set forth above. The arbitrator shall have no authority, however, to add to, subtract from, modify or limit the provisions of this Agreement, expressly or by implication.

The arbitrator shall not disallow or deny a procedural or substantive defense unless the arbitrator finds it was raised at such time or in such a manner as to materially prejudice the other party from responding at the arbitration hearing. The burden of the proof as to all issues shall be that of a preponderance of the evidence.

The arbitrator shall decide issues of arbitrability before proceeding with the hearing or receiving evidence as to the merits of the grievance(s) under consideration. If the arbitrator decides that a grievance is not arbitrable; the grievance shall be denied on that basis without any comment whatsoever with respect to the merit of the same. Nothing herein shall preclude the arbitrator from adjourning a hearing for a reasonable period of time pending a decision on an issue of arbitrability.

The arbitrator, upon request of either party, may permit the taking and introduction of testimony by deposition of any person not employed by either the Company or the Union. Upon request, the arbitrator may also permit the taking and introduction of the testimony by deposition of any other person whose presence at the hearing is not reasonable available, or whose presence would pose an undue hardship to the person or either party. Unless the parties otherwise agree, such testimony shall be taken before a person authorized to administer oaths and take such testimony, and a verbatim transcript thereof shall then be provided to the arbitrator. The party taking testimony by deposition shall give the other party not less than seven (7) working days advance written notice of such intent, except in unusual or extraordinary situations, in which case reasonable notice shall be given. The notice shall include the name of the person(s) whose deposition is to be taken, and the date, time and place of the deposition. The other party shall have the right to appear at the deposition and cross-examine the witness (es). Objections, if any, made by either party at the time of the deposition, shall be duly noted or recorded and if necessary, later ruled upon by the arbitrator.

Grievances involving the same or similar issues may be consolidated before a single arbitrator for hearing and decision purposes. Grievances may otherwise be consolidated only

by mutual consent of the parties. In addition, arbitration shall be governed by the labor rules and regulations of the AAA or Federal Mediation and Conciliation Service, Office of Arbitration Services (FMCS-OAS).

The arbitrator's decision shall be final and binding upon the employee(s) involved, the Union and the Company.

Section 6.4. Time Limitation.

The time limits established in the grievance arbitration procedure shall be followed by the parties hereto. If the time procedure is not followed by the Union and/or employees, the grievance shall be considered settled. If the time procedure is not followed by the Company, the grievance shall automatically advance to the next Step but excluding arbitration unless the Union requests arbitration in accordance with the procedures established in this Agreement. The time limits established in the grievance procedure may be extended by mutual agreement in writing, provided however, that the extension request shall be put in writing by the party requesting the extension.

Section 6.5. Time Computation.

Saturday, Sunday and Company-designated holidays recognized under this Agreement shall not be counted under the time procedures established in the grievance procedure.

Section 6.6. Grievance Form.

The grievance form shall be prepared by the Company with mutual agreement of the Union in a manner that coincides with the grievance procedure established in this Agreement.

Section 6.7. Arbitrator's Powers.

The arbitrator's powers shall be limited to the application and interpretation of the express terms of this Agreement as written and the arbitration shall at all times be governed wholly by the terms of this Agreement. The arbitrator shall have no power or authority to amend, alter or modify this Agreement, either directly or indirectly. The parties acknowledge that the Company retains all rights not otherwise abrogated under the express terms of this Agreement, and if the grievance concerns the exercise of these rights which are not otherwise limited by the express terms of this Agreement as written, the grievance shall not be arbitrable. Any award of the arbitrator shall not be retroactive to any time prior to the date the grievance was first submitted in writing in accordance with the grievance procedure established in this Agreement. It is provided, however, that in appropriate circumstances the award of the arbitrator may be made retroactive for a period of not more than sixty (60) days prior to the date the grievance was first submitted in writing in situations where it was impossible for the employee involved to have known at the time of the actual occurrence of the events giving rise to the grievance.

Section 6.8. Sole Means of Resolution.

Unless otherwise expressly provided in this Agreement, the above grievance-arbitration procedure shall be the sole and exclusive means for resolving any dispute between an employee, group of employees, or the Union and the Company, involving the application, interpretation, or alleged violation of one or more provisions of this Agreement.

Section 6.9. Cost of Arbitration.

The actual cost of arbitration shall be borne equally between the parties, except when the Union withdraws an unresolved grievance prior to the commencement of the hearing, in which case the Union shall pay the arbitrator's fees, if any. Each party shall be solely responsible for its own representation costs. Each party shall bear the full cost (if any) of the expenses of their own witnesses and representatives, including pay for all working time lost during an employee's regularly scheduled shift. In no event shall one party be responsible for bearing the cost and expenses of the other party's witnesses and representatives including pay for all working time lost during an employee's regularly scheduled shift. It is provided, however, that the Unit Chairperson of the Union's Local Unit shall attend the arbitration hearing with no loss of pay. The compensation and expenses of the arbitrator and any costs incurred in connection with the location of the arbitration hearing shall be shared equally by the Company and the Union.

Section 6.10. Grievance settlements will be reduced to writing. The Union may withdraw a grievance without prejudice. The Union may withdraw a grievance contingent upon the Company's fulfillment of its undertakings in the grievance settlement and, if such undertakings are not fulfilled, the Union shall have the right to reinstate the grievance.

Section 6.11. Discharge and Suspension Grievances.

In situations where employee disciplinary action involves either employment termination or suspension, the Company agrees to advise the Union Chairperson or alternate for purposes of affording an opportunity for discussion prior to the actual issuance of the discipline and removal of the employee. It is agreed that advance notification will not be required in those disciplinary situations of an emergency nature arising from issues of safety, sabotage or acts damaging the Company's business, where the Company determines that immediate action is needed. Any grievance regarding an employment termination or suspension shall be initiated in writing at Step 1 of the grievance procedure and must be filed within ten (10) days following the date on which the disciplinary action was issued to the employee.

Section 6.12. In the event an employee is not on the payroll and is not available, the Unit Chairperson may file a grievance on behalf of the employee.

ARTICLE 7

NO STRIKE CLAUSE

Section 7.1. No Strike.

The Union agrees that during the term of this Agreement neither it nor its officers, representatives, committee members, stewards, nor the employees covered by this Agreement, will for any reason directly or indirectly call, sanction, approve, ratify, or engage in any full or partial or intermittent strike, walk-out, slow-down, sit-down, stay-in, stay-away, refusal to handle or take care of any client, limitation or withholding of services, boycott of a primary or secondary nature, picketing or any other activities that may result in any curtailment of work or in any interference in any manner with the operations of the company or its services. It is expressly recognized, and the Union agrees, that the scope of activity prohibited in this paragraph of this Section is intended to include, but not limited to, activities such as, sympathy strikes, unfair labor practice strikes and the refusal of an employee or employees to cross any type of picket line.

The Company agrees that during the term of this Agreement the Company will not establish a lockout of the employees covered by this Agreement.

The Company reserves the sole right to discipline an employee or employees up to and including discharge for violating any of the provisions of this Section. The Company's right to discipline up to and including discharge for violating any of the provisions of this Section shall apply to any employee or employees covered by this Agreement and shall be cumulative with and may be exercised in addition to any other remedies available to the Company.

ARTICLE 8

SENIORITY

Section 8.1. Definitions.

The term "Employee" as used in this Agreement (except where the Agreement clearly indicates otherwise) shall mean only an Employee, or Employees, within the bargaining unit.

Section 8.2. Probationary Period.

All regular full-time and regular part-time employees shall be considered probationary employees for the first three (3) calendar months of continuous employment. Eligible employees shall acquire seniority for purposes of this Agreement after the successful completion of the probationary period. During this period, a probationary employee may be laid off or discharged by the Company without regard to any provisions of this Agreement, although the employee is entitled to have a Union representative present. The Company may extend the probationary period in situations where, in the opinion of the Company, an employee's performance has not been fully satisfactory. The Union will be notified in writing when this decision is made.

Section 8.3. Seniority Defined.

(a) Company Seniority. For purposes of this Agreement, unless otherwise specifically provided in another Section of this Agreement, the term "Company seniority" shall be defined to mean the employee's continuous service with the Company commencing from the employee's most recent date of hire.

(b) Bargaining Unit Seniority. For purposes of this Agreement, unless otherwise specifically provided in another Section of the Agreement, the term "Unit Seniority" shall be defined to mean the employee's continuous service with the Company in positions within the bargaining unit commencing from the employee's most recent date of hire determined as follows:

(i) Employees hired prior to January 1, 1993 -- most recent date of actual hire.

(ii) Employees hired on or after January 1, 1993 -- most recent date of actual hire or date the employee's previous employer was acquired by the Company.

(c) The parties agree that the seniority of each employee set forth on the current seniority list accurately reflects the seniority of each employee.

(d) Unless otherwise specifically provided all contractual references to seniority shall mean unit seniority.

(e) The application of seniority shall be limited to the preferences specifically recited in this Agreement. Employees new to Unit 61 having the identical seniority dates shall

be ranked for seniority according to the last four digits of their social security number (example: 0123 having greater seniority than 9876). The parties have agreed upon the seniority list for bargaining unit employees currently established by the Company as of the effective date of this Agreement.

(f) There shall be a system of dual seniority under which a Bargaining Unit member will be credited with accrued full-time seniority for time employed in a Bargaining Unit position as a permanent full-time (PFT) employee and will be credited with accrued part-time seniority for time employed in a Bargaining Unit position as a permanent part-time (PPT) employee. The Company shall maintain two (2) separate seniority lists, one listing Bargaining Unit members by accrued full-time seniority and another listing Bargaining Unit members by accrued part-time seniority.

(g) In the event new employees are added to the bargaining unit through the Company's acquisition of another employer, the parties agree that Company representatives and the Union's Executive Committee shall meet to negotiate and mutually agree on the seniority placement of such new employees.

(h) With respect to matters other than the exercise of bumping rights, whenever seniority is the applicable basis for deciding between the competing claims of a Bargaining Unit member who is a PFT employee and a Bargaining Unit member who is a PPT employee, the issue will be decided in favor of the Bargaining Unit member who has the greatest accrued full-time seniority.

Should the status of a Bargaining Unit employee change from PPT to PFT, the employee's position on the seniority list for PFT employees will be determined solely by his/her accumulated Bargaining Unit full-time Seniority. Previously accumulated Bargaining Unit part-time Seniority will be frozen and will be reactivated only if the employee returns to PPT status.

Should the status of a Bargaining Unit employee change from PFT to PPT, the employee's position on the seniority list for PPT employees will be determined solely by his/her accumulated Bargaining Unit part-time Seniority. Previously accumulated Bargaining Unit full-time Seniority will be frozen and will be reactivated only if the employee returns to PFT status.

If a Unit 61 employee transfers to another UAW bargaining unit, the employee's Unit 61 Seniority will be frozen and will be reactivated only if the employee returns to Unit 61.

Section 8.4 Super Seniority.

In the event a question arises with respect to the ability of the Unit Chairperson to perform the remaining work within the meaning of Article 9 Layoff and Recall, Section 9.7 Super Seniority, the parties shall meet and attempt to develop a mutually acceptable accommodation.

Section 8.5. Loss of Seniority.

An employee's seniority with the Company and the employment relationship shall terminate for the following reasons:

(a) If the employee quits or retires. If the employee is rehired by the Company within thirty-one (31) days seniority shall be reinstated.

(b) If the employee is discharged for just cause and is not reinstated.

(c) If the employee is on layoff status for a period of eighteen (18) months.

(d) If the employee is on a medical leave of absence for twelve (12) months or the first day employee becomes eligible for total and permanent social security disability; whichever occurs first.

(e) If the employee fails to report to work on the required date following recall from layoff in accordance with the procedures established in this Agreement, unless the employee's failure to report was based on circumstances which made it impossible to do so.

(f) If the employee fails to return on the required date following leave of absence unless the employee's failure to report was based on circumstances which made it impossible to do so.

(g) If the employee is absent from work for three (3) consecutively scheduled Company work days for the employee without properly notifying the Company unless the employee's failure to properly notify was based on circumstances which made it impossible to do so. The provisions of this subsection (g) of this Section are intended to apply only to an employee's obligation to properly notify the Company of absence within the required period of time and regardless of whether an employee properly notifies, the employee may still be subject to disciplinary action up to and including discharge for the absence.

Section 8.6. Seniority List.

If requested by the Unit Chairperson of the Unions Local Unit, the Company agrees to furnish the Unit Chairperson a current seniority list showing the seniority of each employee. Requests for such list shall not be made more than once during any six (6) month period of time; provided additional requests by the Unit Chairperson shall not be unreasonably denied.

If requested by the Unit Chairperson of the Union's Local Unit, the Company also agrees to furnish the Unit Chairperson a list showing the names and addresses of each employee as set forth on the records of the Company. Requests for such list shall not be made more than once during any six (6) month period of time; provided additional requests by the Unit Chairperson shall not be unreasonably denied.

ARTICLE 9

LAYOFF AND RECALL

Section 9.1. In the event that the goals and objectives of the Company necessitate that an employee or group of employees be subject to loss of their job by way of job classification consolidation, job classification elimination or obsolescence due to technological change, merger of operations, office closure, transfer of operations to a distant location, subcontracting or outsourcing, the Company will solicit Union participation in its decision making process. Any such decisions will not be made in an arbitrary, capricious or discriminatory manner, but rather will be determined by business necessities, with sincere consideration for the interests of employees, the Union, subscribers, providers and other customers.

Section 9.2. Layoff.

When it is determined by the Company that it will be necessary to have a realignment or reduction in the work force in a classification or classifications within the bargaining unit covered by this Agreement and it becomes necessary to layoff an employee or employees who occupy authorized positions for a temporary or indefinite period of time, the following procedure shall be applicable:

(a) The Company shall designate the Department(s) and classification(s) in which the reduction in the work force shall take place and whether the reduction shall be of PFT employees, PPT employees or both. In situations where bumping rights may be exercised under the applicable provisions of this Agreement, the follow restrictions shall apply:

Bumping a PFT employee: A Bargaining Unit member shall be eligible to bump only a PFT Bargaining Unit member who has less accrued full-time seniority or a temporary full time employee.

Bumping a PPT employee: A Bargaining Unit member shall be eligible to bump only a PPT Bargaining Unit member who has less accrued part-time seniority or a temporary part time employee.

(i) For purposes of this Article, the term “Department” generally refers to one of the following: Clinical Operations; Customer Service; Central Night Service; Claims; Quality Management; Provider Relations; Information Technology; Reporting; Account Services; and Mail Room.

(ii) For purposes of this Article, the term “classification” refers to those classifications (i.e., job titles) set forth in Article 2, Section 2.1.

(iii) For purpose of this Article, the term “grade” refers to those salary grades (i.e., grade 1-8) set forth in Appendix A.

(b) The first employees in the particular classification within the Department affected by the layoff shall be temporary employees. Thereafter the first full-time employee to be laid off shall be the PFT employee with the least seniority in the particular classification

within the Department affected by the layoff and the first part-time employee to be laid off shall be the PPT employee with the least seniority in the particular classification within the Department affected by the layoff. Further layoffs shall follow the inverse order of seniority in the particular classification, Department and PFT/PPT status with the next least senior employee being affected. In all cases, a more senior employee in order to be retained must presently have the qualifications, skill and ability to perform the remaining required work.

(c) An employee displaced from the employee's regular classification and Department due to the layoff procedure set forth in this Section or this bumping section shall have the right to exercise seniority bumping rights by replacing the employee with the least seniority within the employee's classification, PFT/PPT status and Department. A displaced employee may also bump an employee with the same PFT/PPT status and less seniority in any job classification that the senior employee previously held (if any) or in any lateral or lower grade position for which the more senior employee is qualified. In order to exercise these seniority bumping rights, the bumping employee must have more seniority as compared to the employee being bumped, must have the same PFT/PPT status and must presently have the qualifications, skill and ability to perform the required work. The senior employee who exercises bumping rights into a job classification that the senior employee previously held (if any) or in any lateral or lower grade position for which the more senior employee is qualified shall assume the hourly rate of the displaced employee. Clinical employees cannot bump non-clinical employees and non-clinical employees cannot bump clinical employees.

(d) Exceptions.

(i) There may be situations that arise from time to time where the staffing requirements in a particular classification for a particular Department are affected making a downsizing necessary, but not to the extent of requiring the complete layoff of an employee. In such situations, the company may reduce the hours of work normally scheduled for the employee with the least seniority in the classification in the program affected in lieu of the layoff procedures set forth in this Section. The reduction in hours shall not reduce an employee to less than regular part-time employee status and the reduction shall not exceed, four (4) weeks unless a longer period is agreed upon by the Union, and if not agreed upon by the Union, then the employee may exercise seniority bumping rights as set forth in this Section.

(ii) Exceptions to the bumping rights set forth above based upon special circumstances may be made by mutual written agreement of the Company and Union.

Section 9.3. Reduction Procedure.

Employees affected by a reduction in work force will receive a notice of reduction of work force identifying the classification (job title), salary grade, and department of the position into which they will bump. An employee who declines to exercise his/her bumping rights shall be laid off. In the event of a layoff, all negotiated insurance benefits shall remain in effect until the end of two months following the month in which the employee is laid off.

Section 9.4. Recall.

(a) Order of filling a vacancy. The parties agree that when a vacancy which is to be filled arises, the vacancy shall be filled in the following order of priority:

1. Eligible employees who were on an approved medical leave of less than ninety one (91) days and who are eligible to return to work.
2. Eligible employees who were on an approved medical leave of greater than ninety (90) days but less than one year who are eligible to return to work.
3. Eligible employees who were reduced in grade due to a reduction of the work force.
4. Eligible employees who were laid off due to a reduction of force.
5. Internal posting pursuant to Article 10, Promotions and Job Vacancies.

(b) The recall procedure will be in reverse order by seniority within the Department and part time/full time status affected by the recall. Employees reduced in grade by a reduction of work force are eligible in order of their seniority for recall to any equal or lower grade from which they were reduced for which they are eligible under this section for a period of eighteen (18) months. It is understood that the recalled employee must have the present ability to perform the required work and must meet the required hours of the job position. This does not preclude the employee from applying for higher level posted positions. The employee has the option to decline recall to a job which is not within one salary grade. The employee's acceptance of any position that is not within one (1) salary grade does not preclude the employee's right to recall to any position within the employee's original grade. The employee's refusal of any position that is within one (1) salary grade shall constitute a voluntary quit.

Section 9.5. Recall Disputes.

(a) In the event a placement involving a reduction and/or recall is disputed by the Union, it will be discussed with the Company. Should such informal method fail to resolve the issue in a timely manner, a grievance may be filed at the second step.

(b) The Company and the Union recognize the aforementioned Reduction and Recall provisions may not adequately address all Union and Company employee/operational concerns. Consequently, the Company and the Union agree it is mutually beneficial to periodically review these provisions in order to resolve identified concerns.

Section 9.6. Recall Procedure.

When employees who have seniority with the Company are eligible to be recalled to work from temporary or indefinite layoff status, the Company may attempt to contact the employee first at his/her last known email address, with a copy to the Steward, together with the required return- to-work date or other instructions. In all cases, the Company shall give the employee notification of recall, together with the required return-to-work date or other instructions, by certified mail and first class mail, sent to the employee's last known address.

The Company will promptly notify the unit chairperson verbally and in writing of any notification given to the affected employee(s) on recall. No formal notification by first-class mail shall be given if the employee advises the Company by email that she/he is declining the recall. In that event, the Company shall notify the Steward in writing of the employee's decision to decline the recall.

At the time of the layoff the employee must give the Company his/her email address and notify the Company of any subsequent changes to the email address.

If an employee does not report for work on the required return-to-work date (upon verbal notice) or within seven (7) calendar days after receipt of a certified letter thereafter following a recall from layoff status, the employee shall be considered as having voluntarily quit unless the employee's failure to report on the required date is excused for a reason satisfactory to the Company.

It shall be the employee's sole responsibility to keep the employee's current telephone number and current mailing address on file with the Company on the approved form.

It is expressly understood and agreed that if an employee is contacted by either email or some other manner regarding notification of recall to work from layoff status, the employee shall have the obligation at that time to affirmatively advise the company whether the employee accepts the recall to work or refuses the recall to work.

Section 9.7. Super Seniority.

Notwithstanding the employee's position on the seniority list, the employee who is the Unit Chairperson of the Union's Local Unit and the Clinical Steward and the non-clinical Steward shall be considered as having top seniority for the term of their office for purposes of layoff and recall only. Such employees shall be the last employees to be laid off under the layoff provisions of this Article of this Agreement as long as such employee presently has the necessary qualifications, skill, ability, demonstrated experience, training, and education necessary to perform the remaining required work and meet the required hours.

Section 9.8. Notice of Reduction.

In the event the Company determines the need to reduce the work force, indefinitely or for projected periods in excess of fifteen (15) working days, it shall designate the job(s), department(s), and number of employees affected. The Company will provide a fourteen (14) calendar day notice of such reduction to all affected seniority employees. Written notification will be concurrently provided to the Local Chairperson. In addition, the employee has the choice of voluntary layoff and will be subject to the recall provisions in Section 9.6, Recall Procedure. It is understood that this provision does not apply to layoffs of fifteen (15) workdays or less.

Section 9.9. Laid off employees will be paid for all unused vacation, personal time

Section 9.10. Severance.

In the event of a significant reduction-in-force (RIF) event where the WARN Act (Worker Adjustment and Retraining Notification Act) is triggered which makes the exercise of an employees' recall rights effectively impossible, the employee will be eligible to receive a Severance Payment (predicated on the execution of a signed Severance Agreement) equal to one week's pay for each full year of service up to a maximum of ten (10) weeks. In the event of a RIF on a smaller scale where an employee has the potential for recall, no Severance Payment is available. However, under this circumstance, if an employee facing lay off is willing to sign a waiver and release of their rights to recall he/she will be considered eligible for this Severance Payment. (At the time an employee is provided the option of a Severance Agreement, the employee will be provided a period of time to consider accepting/declining this option, as well as a period of time to revoke a decision to accept a Severance Agreement in compliance with all applicable State and Federal Laws).

ARTICLE 10

PROMOTIONS AND JOB VACANCIES

Section 10.1. A promotion is defined as an employee's movement to a higher paid job classification. A permanent transfer is defined as an employee's movement to the same or a lower paid job classification.

Section 10.2.

(a) In situations where there is a job position vacancy within one of the Company's operational programs which the Company intends to fill and which is within the bargaining unit covered by this Agreement, the Company agrees to make the existence of such vacancy known in the Company's various programs through posting and e-mail to bargaining unit employees.

(b) Permanent full-time and permanent part-time employees who have seniority and who are interested in possible promotion to a higher paying job classification or a transfer within the same or to a lower job classification must submit their application on line to the Company within ten (10) calendar days of the posting.

(c) Any award of a job vacancy from among employees who have properly submitted application shall be made on the basis of qualifications necessary to perform the required work. The term "qualifications" for purposes of this Section shall be defined to include skill, ability, demonstrated experience, work record, job evaluations, discipline record within the prior two (2) calendar years if it involves an unpaid suspension and within the prior one (1) year if it involves discipline (other than a verbal warning) less than an unpaid suspension, ability to meet the required work schedule, training, and education. It is understood that, while prior discipline is a factor which may be considered, it shall not automatically disqualify a candidate from consideration. The Company reserves the right to administer and rely upon written, verbal, assessment, and skill examinations to determine the skills and/or abilities of applicants. If, from among those employees who have submitted application, there is only one (1) employee who is considered qualified for the job vacancy, then that employee shall be awarded the promotion. If, from among those employees who have submitted application, there are two (2) or more employees who are considered equally qualified for the job vacancy, then the employee who has the greater seniority shall be awarded the promotion. The date of actual implementation of the promotion or transfer shall be determined by the Company. The successful bidder, if any, shall be advised of the expected date, and a latest possible start date, of the promotion or transfer. Where a bargaining unit member is promoted or transferred, necessary orientation training will be provided for.

(d) Unsuccessful bidders will be advised of their unsuccessful bid prior to the formal announcement of the successful bidder. Upon the request of an unsuccessful bidder, the company will meet and provide areas of needed improvement for consideration for the promotional position.

(e) It is expressly understood and agreed that if there are no employees who have properly submitted application for the job vacancy, then the Company may fill the vacancy

with a new hire or handle the matter in some other manner as may be provided for in this Agreement. It is also expressly understood and agreed that if, from among those employees who have properly submitted application for the job vacancy, the Company determines that there are no employees who are qualified for the vacancy, then the Company may fill the vacancy with a new hire or handle the matter in some other manner as may be provided for in this Agreement. The Company reserves the right to assign an employee to perform the required work in the job vacancy until such time as the vacancy has been filled up to ninety (90) working days for an individual employee. If additional time is needed, the Company may transfer the next least senior employee after notification and review of the circumstances with the Unit Chairperson of the Union.

Section 10.3. Minimum qualifications for a position will be those set forth in the job description at the time of the posting. Additional requirements or “preferred” job skills will not be added to a posted position. A candidate will not be deemed unqualified solely for lack of knowledge that the Company provides through the orientation specific to the job description and department.

Section 10.4. The Company will require a Bachelor’s Degree in a Human Services field for all Member Service Representatives hired after November 7, 2001.

This requirement is waived for all employees who held a Customer Service Representative position with the Company on or before November 7, 2001.

In regards to the minimum requirements for the following positions:

Senior MSR
Member Services Technical Support Lead
Clinical Support Specialist

These jobs require a Bachelor's Degree in Social Work, Psychology or an equivalent degree in a related human services field. For internal candidates who held a Customer Service Representative position with the Company on or before November 7, 2001, the Social Work, Psychology or human service degree will be waived in lieu of a Bachelor's Degree in any discipline. All other selection criteria for the new job must be met by the candidate.

An employee who held a Customer Service Representative position with the Company on or before November 7, 2001, who applies for a position in the Unit 61 Bargaining Unit which requires a Bachelor’s degree may ask that the Bachelor’s degree requirement be waived. Such request must be submitted with the Employee’s application for the position. The request for a waiver shall be reviewed by the Company’s Human Resources staff in consultation with the relevant manager(s). Any decision to grant or deny the waiver request is in the Company’s sole discretion, shall not be subject to the Grievance Procedure and shall not create precedent of any kind in other cases.

Section 10.5. Upon promotion to a higher paid job classification the employee will receive the starting rate for such new job classification or five (5%) percent whichever is higher. For permanent transfers to a lower paid job classification, the employees pay rate shall be moved

to the same level of pay within the pay range of the lower classification (i.e. placed at the same percentage above the minimum rate of the new pay range) pursuant to Article 19, Section 19.4.

Section 10.6. Transfer to Non-Bargaining Unit Position.

An employee who is promoted to a position with the Company not included in the bargaining unit covered by this Agreement shall retain seniority already accumulated in the bargaining unit covered by this Agreement, but such employee shall not accumulate any additional seniority during the time that employee holds the non-bargaining unit position. The Company shall determine the wages, hours and conditions of employment for non-bargaining unit employees. An employee may choose to return to the employee's previously held bargaining unit position during the first thirty (30) days of employment in the non-bargaining unit position and may also exercise this choice in the event of a layoff from the non-bargaining unit position during this period of time. Within thirty (30) days of employment in the non-bargaining unit position, the employee may choose to return to the bargaining unit in the employee's former job classification, provided that a position which the Company intends to fill is currently open and available. The right to choose to return to the bargaining unit as provided in this Section shall only be available for an employee who is at the time currently employed in good standing with the Company. In the event that an employee is returned to the bargaining unit, either by the employee's choice as provided in this Section or at the option of the Company, the employee's seniority shall simply recommence with credit for the period of time in the non-bargaining unit position for purposes of economic benefit eligibility that is based on continuous employment service with the Company, but without any credit for purposes of other seniority related preferences as may be established in this Agreement.

Non-union job vacancies will be posted. Bargaining Unit employees who properly apply and are considered by the Company to be qualified may be interviewed.

ARTICLE 11

TRANSFERS

Section 11.1. A lateral transfer, for the purposes of this Article of the Agreement, will be understood as a change in a Bargaining Unit employees work assignment (pursuant neither to a promotion nor to the exercise of bumping rights in accordance with Article 9), which involves no change in the employee's pay grade but involves a change in the employee's reporting responsibility and/or a change in the employee's job duties/responsibilities such that additional training /orientation might be required.

Section 11.2. The Company reserves the right as necessary from time to time to make employee transfers or assignments either within a particular Department or between different Departments.

When a transfer is to exceed five (5) working days, the Company agrees to first solicit volunteers for the assignment from among those employees who are qualified and who are determined by the Company to be available. If there are not a sufficient number of such volunteers, the temporary transfer shall be assigned from among the least senior of those employees who are qualified. An exception may be made in those situations where prior training or skill is essential for performing the new assignment, in which case an employee other than the least senior employee may be selected with approval by the Union.

When an employee is subject to a transfer, he/she will receive written notice of the specific job position and specific department to which he/she is being transferred, and the name of his/her immediate supervisor.

The Company will provide the affected employee ten (10) days' notice in cases where an employee is transferred between day, afternoon and night shifts.

Should what is initially a temporary transfer become permanent as a result of the elimination by the Company of the employee's former position, the employee will have a right of first refusal when his/her former position in his/her original department becomes available.

The Company agrees that a temporary transfer shall not exceed ninety (90) days unless an extension has been negotiated with the Union.

Section 11.3. Employees who transfer into the Bargaining Unit from other Company offices will receive the applicable salary and benefits for the position held pursuant to this Agreement. Bargaining Unit seniority will begin with date of transfer; however, Company seniority will be maintained for benefit purposes.

ARTICLE 12

UNIT WORK

Section 12.1. Preservation of Bargaining Unit Work.

Supervisors and non-bargaining unit employees of the Company may perform bargaining unit work on a temporary basis, in emergencies, for instruction and training purposes, and in those instances when a qualified regular bargaining-unit employee is not reasonably available. The provision of this Section shall not be for the purpose of permanently replacing an employee covered by this Agreement, or avoiding the need for hiring additional employees.

Section 12.2. The Company will advise Bargaining Unit employees that off-site non- Union assignments are not covered by this Agreement.

Section 12.3. The Company will notify the Unit Chairperson if a decision is made to eliminate or not to fill a posted Union position.

Section 12.4. Whenever a decision not to fill a vacated bargaining unit position is under consideration, the company will notify the Unit Chairperson in writing and, upon request, meet with the Unit Chairperson to discuss the matter.

ARTICLE 13

CUSTOMER SATISFACTION

Section 13.1. The parties recognize that it is imperative to provide customer satisfaction. The parties further acknowledge that there may arise non-disciplinary situations in which business considerations make it advisable to transfer unit personnel from a customer account. The parties also recognize that such a transfer, while intended to be non-disciplinary and non-punitive in nature, may have the unintended effect of damaging the transferred employee's status and reputation. Accordingly, in the event that the Company is considering a non-disciplinary transfer of this nature, it agrees to notify and meet with the Union and the unit personnel involved to confer as to the appropriate action, considering at least the following factors: the best interests of the Company, the effect of a transfer on the employee's status and reputation, the availability of other less drastic options. It is understood that the Company reserves the sole right to transfer unit personnel from any customer account when, in the judgment of the Company, such transfers are necessary. The employee may be transferred into an open position in their job classification in another department or may be assigned to bump and swap positions with the least senior employee in the same classification in another department.

In the event of a non-disciplinary transfer to another position in a lower-paying classification, the employee shall continue to receive the rate of pay assigned to the employee's former classification. The employee's pay grade shall be maintained. The employee shall be reassigned to his/her former pay grade as soon as a position vacancy becomes available. Disciplinary situations will be handled under the applicable provisions of the Agreement and will be subject to the provisions of the grievance procedure.

ARTICLE 14

NEW AND/OR REVISED JOB CLASSIFICATION

Section 14.1. New And/Or Revised Job Classifications.

In the event that the Company establishes a new job classification which is intended to be within the bargaining unit covered by this Agreement, or in the event an existing job classification is modified or changed to the extent that material and significant different skills and responsibilities are involved, the Company shall determine and assign a pay rate for the new classification. The Company agrees to notify the Union's Executive Committee in writing of its desire to establish and/or assign a pay rate to a new classification. The Company will meet and confer with the Union's Executive Committee with respect to such matters and furnish a summary of proposed job duties and responsibilities and qualifications. The Company will, after written notice to the Union, establish a rate for the new classification, which shall be considered temporary for a period of thirty (30) days following the date of notification to the Union. During this period, the Union may request in writing a meeting with the Company to review the temporary rate. If a new rate is agreed upon, it shall be applied retroactive to the first day the employee began work on the job unless otherwise agreed to. If no written request is filed within the thirty (30) day period, the rate shall become permanent at the end of such period. In the event a request is filed but the parties are unable to agree upon a new rate, the Union may file a written grievance at Step 2 of the Grievance Procedure. In the event of a dispute over the inclusion or exclusion of new or revised classifications, such dispute shall begin at Step 1 of the grievance procedure.

ARTICLE 15

LEAVES OF ABSENCE

Section 15.1. Seniority During Leaves of Absence and Employment Reinstatement.

An employee shall retain and continue to accumulate seniority while on all Company approved leaves of absence unless otherwise specifically provided in the Section of this Agreement governing the leave of absence, provided, however, that in no event shall seniority continue to accumulate beyond a maximum of six (6) months. In extenuating circumstances, a leave of absence may be extended upon approval of the Company. Reinstatement to active employment in the employee's job classification following any approved leave of absence is expressly conditioned on the returning employee presently having the necessary skill and ability to perform the required work and the employee's availability to work the required hours of the job position. No leave of absence shall be given for the purpose of obtaining or working at other employment. An employee's seniority with the Company and the employment relationship shall terminate if the employee works at other employment during a leave of absence. An employee's seniority with the Company and the employment relationship shall terminate if the employee falsifies reasons for the leave of absence request.

An employee returning from a leave of absence of up to a maximum of ninety (90) days shall be offered reinstatement to the employee's former job position in the employee's job classification. A recurring leave of absence within thirty (30) days of the return to work shall be considered and counted as a continuation of the previous leave of absence unless it is necessitated by a medical condition unrelated to the cause of the previous leave of absence. An employee returning from a leave of absence of more than ninety (90) days shall be offered reinstatement to the employee's former job position in the employee's job classification if the former job position is open and available, and if the employee's former job position in the employee's job classification is not available, the employee shall be offered a comparable job position which is open in the employee's job classification, provided that the employee presently has the necessary qualifications, skill, ability to perform the required work in the comparable job position and can satisfactorily meet the required hours of the comparable job position. If there is no such job position available in the employee's job classification, reinstatement shall not occur until the employee's former job position in the employee's job classification or a comparable job position in the employee's job classification becomes available. If a position is not identified within 14 days of an employee's release from MLOA, they will be laid off from employment in compliance with Article 9. The position of an employee will not be eliminated while they are on a medical leave of absence except pursuant to a general departmental workforce reduction conducted in accordance with the provisions of Article 9.

Section 15.2. Accumulation and Utilization of Benefits.

(a) Benefit Accumulation or Accrual and Benefit Coverage During Leave of Absence. There shall be no accumulation of benefits and no accrual of credits toward benefits during the period of time that an employee is on any type of leave of absence. Unless otherwise required under state or federal law or specifically required by another provision of this Article,

benefit coverage for whatever purpose shall continue through the last day of the calendar month in which the leave of absence commenced. After the benefit termination date, the employee may make arrangements to continue the health policy at the employee's cost under COBRA.

Section 15.3. Types of Leaves.

(a) Personal Leave of Absence. The Company, for good cause shown in writing, may, in its discretion, grant a full-time employee or regular part-time employee a personal leave of absence without pay for a period not to exceed thirty (30) days. An extension of personal leave of absence may be granted by the Company in its discretion, provided it is requested prior to the termination of the original period.

(b) Medical Leave of Absence.

(i) An employee who is absent from work because of an illness, injury, or pregnancy whose time is covered by sick time accrual shall not be considered on a medical leave, but may apply for leave upon the exhaustion of such accrued time.

(ii) A seniority employee who has a disability that prevents him/her from performing his/her job may request a medical leave. The disability may be the result of an illness, injury or pregnancy. The application for leave must be in writing, supported by a statement from a licensed physician stating the reason and the length of time required. The application shall be submitted when the employee first becomes aware of the condition.

(iii) A leave of absence shall be for the time required, but shall not exceed one year from the commencement of the leave. For leaves granted for a shorter period of time, extensions may be granted, in 30 day increments, upon proper medical documentation. The Company may require medical documentation of the continuing need for a leave, but not more frequently than once in a thirty day period.

(iv) A request to return to work must be supported by a statement from a licensed physician verifying the employee's ability to return to work. In the event such a request, verified by a physician's statement, is submitted and the return to work is within ninety (90) days and the Company requires an examination by a Company physician and the employee is returned to work, such return shall be treated under Section 15.1 above as a return within ninety (90) days.

(v) The Company reserves the right, based upon medical evidence from a licensed physician, to require an employee to take a leave of absence pursuant to this Section, to the extent such a requirement is not in violation of federal and state disability laws. The Company may require an employee to be examined by a licensed physician selected and paid for by the Company in relationship to the requiring, granting, continuing, or terminating of a medical leave, at the Company's expense. Should that medical opinion be in conflict with the opinion of the employee's attending physician, an Impartial Medical Examiner selected jointly by the Company and Union shall conduct an exam and that opinion shall be binding upon the employee, Company and Union.

(vi) A seniority employee who is enrolled in the applicable insurance plan at the commencement of the medical leave shall have life and health benefits continued for 12 weeks (during which the employee will continue to be responsible for their per pay contribution for all applicable life/health benefits), after which the employee may continue benefits under COBRA.

(vii) During a medical leave an eligible employee may receive benefits under the short-term disability (STD) and/or long-term disability (LTD). The period in which STD and/or LTD benefits were received shall count towards the maximum period allowed for a leave of absence.

(viii) An employee on medical leave longer than ninety (90) days but shorter than one (1) year whose position with the Company has been eliminated will be placed on layoff status as of the date on which he/she has been medically certified fit to return to work.

(c) **Military Leave of Absence.** An employee who enters the active service of the Armed Forces of the United States or in the United States National Guard or reserves shall receive a leave of absence without pay for the period of such duty. An employee application for military leave of absence shall be made to the Company in writing as soon as the employee is notified of acceptance in the military or is notified of duty requirements and, in any event, not less than two (2) weeks prior to the employee's scheduled departure date, unless orders to active duty are received within a shorter period of time. An employee returning from military leave of absence shall be entitled to re-employment rights in accordance with the currently applicable federal and state statutes and shall be entitled to any other benefits set forth in this Agreement, provided the employee satisfies the eligibility requirements established in this Agreement. Seniority shall continue to accumulate during a military leave of absence.

(d) **Educational Leave of Absence.** An educational leave of absence without pay may be granted to a full-time employee with one (1) or more years of seniority for up to a maximum of one (1) semester in order to pursue a full-time educational program designed to further the employee's skills. Requests for an educational leave of absence must be submitted on the appropriate application form and are subject to approval by the Company. If approval is received by an employee, the Company reserves the right to require proof that the educational program is being pursued along with proof of attendance as represented by submission to the Company each semester or term verification of a course grade of "C" or better. If proof of attendance is not submitted or a grade of "C" or better is not achieved, the educational leave of absence shall automatically be terminated. An employee granted an educational leave of absence must agree to return to employment with the Company upon termination of the leave subject to job position availability within the employee's classification.

(e) **Adoption Leave.** Employees with one (1) or more years of seniority may request an unpaid adoption leave of absence for a period of up to twelve (12) weeks in compliance with FMLA. In those instances when the adoption of a child is contingent upon the domestic presence of the employee, and is a specific requirement of the adoption agency, the period of

the leave of absence may be extended up to one (1) year total. The Company will not arbitrarily deny eligible employees such leaves.

(f) Pre-Natal Leave. A pre-natal leave of absence without pay shall be granted to an employee with seniority for up to a maximum of twelve (12) weeks upon proper application timely submitted in compliance with FMLA. The granting of such leave shall be subject to the Company's right to require documentation or other verification of pregnancy acceptable to the Company. If additional time is desired, the employee may apply for a personal leave of absence pursuant to the provisions of Section 15.3(a) of this Agreement.

(g) Child Care Leave of Absence. A child care leave of absence without pay shall be granted to an employee with seniority for up to a maximum of twelve (12) weeks upon proper application timely submitted in compliance with FMLA following the birth of the employee's child or following the adoption of a child under six (6) years of age. If additional time is desired, the employee may apply for a personal leave of absence pursuant to the provisions of Section 15.3(a) of this Agreement.

(h) Family Medical Leaves. The Company will provide family medical leaves as required in the Family Medical Leave Act. All leaves set forth in Sections 15.3(b), (e), (f), and (g) above (except worker's compensation injury time) shall be counted toward the employee's FMLA entitlement. The leaves shall be subject to Appendix C - Family Medical Leave Act.

(i) Bereavement Leave of Absence and Pay. In the event of a death of an immediate family member of a full-time or regular part-time employee who has attained seniority with the Company, the employee may request bereavement leave with pay. Employees who have not attained seniority with the Company may request paid time off as covered elsewhere in this Agreement.

Immediate family is defined as spouse, domestic partner, child, parent, sister, brother, mother-in-law, father-in-law, sister-in-law and brother-in-law, grandparent, grandchild, and for a person who is a regular member of the employee's household. In the event that the death is of a family member other than those defined as immediate family, the employee may request paid time off as covered elsewhere in this Agreement.

Bereavement leave with pay will be provided for three (3) days for family members listed above with an additional two (2) days (for a total of five (5)) for parent, spouse, domestic partner, child, sister or brother. The bereavement leave with pay may be scheduled at the employee's discretion during the period beginning with the date of death and ending up to three (3) days after the burial; except in cases of non-burial, one (1) of the days may be used to attend a memorial service held within two (2) weeks of the death. The Company may require proof of the memorial service.

Certification -- The Company reserves the right to require certification of death and proof of relationship, and where applicable, proof of household residency.

Bereavement leave with pay shall be equal to the amount the employee would have earned by working the employee's scheduled hours during the period of the leave. Such paid

hours shall be of the employee's straight time rate. Such paid time shall not accrue to overtime compensation.

(j) Jury Duty Leave of Absence and Pay. Employees who are summoned and report for jury duty shall be granted a jury duty leave of absence with pay for such period. An employee granted a leave of absence under this Section who reports for jury duty on a day the employee is otherwise scheduled to work shall be paid for each day spent performing jury duty in an amount equal to the difference between what the employee would have earned by working the employee's normally scheduled hours and the amount paid by the Court as a daily jury fee. In order to receive the payment under this Section, an employee must submit to the Company as far in advance as possible the jury duty summons and the employee must furnish satisfactory evidence that jury duty was performed at the summons of the Court for the days the employee claims jury duty pay, together with evidence regarding the amount of jury duty pay received from the Court.

An employee who is summoned by the Court for jury duty, but who either does not serve as a juror or who is excused from serving as a juror for any part of the scheduled working day, must report for work promptly after being excused.

With respect to mandated court appearances in connection with legal proceedings other than jury duty, provided that the employee furnishes the Company with the appropriate notice to appear at the earliest opportunity, unpaid release time will be granted, although the employee may elect to cover lost wages through the use of accrued benefit time.

(k) Union Business Leave. Employees who are elected or appointed to a full-time Local Union office shall be granted a leave of absence without pay for their term of office.

Employees elected or appointed to a full-time International Union office shall also be granted a leave of absence, without pay, automatically renewable every three years from the date of the original request, unless otherwise notified, in writing, by the International Union, U.A.W. The Union shall give thirty (30) days advance notice of any such intended leave or return to work from such leave. Such requests shall not be arbitrarily denied.

During each calendar year, no more than three (3) employees shall be granted a leave of absence, without pay, for periods of up to two (2) weeks to attend to official Union business, such as conventions and training sessions. Whenever possible, the Union shall give ten (10) days advance notice of any such intended leaves. Such requests shall not be arbitrarily denied.

Employees on such leave shall receive credit for pension hours and benefit accrual for the employees scheduled hours during such absence.

ARTICLE 16

COMPANY RULES AND REGULATIONS

Section 16.1. The Company reserves the right to establish, from time to time, rules and regulations which are not inconsistent with any specific provisions of this Agreement, as written, and which the Company shall deem proper to govern the conduct of the Company's employees, including safety rules and regulations, general personnel policies and procedures, work rules and regulations, including absenteeism and tardiness policies and substance abuse policies. The Company also reserves the right to establish changes and modifications (or new) from time to time regarding such rules, regulations and general personnel policies and procedures.

Any changes or modifications which may be established by the Company following the effective date of this Agreement in existing (or new) safety rules and regulations, general personnel policies and procedures and work rules and regulations and under which employees may be subject to possible disciplinary action shall be publicized to the Union by written notification to the Chairperson (or alternate) of the Union's Local Unit at least seven (7) calendar days prior to the time of adoption or implementation. The Union shall have the right to file a grievance questioning the reasonableness of any such changes or modifications (or new) established by the Company provided the grievance is filed within ten (10) working days of the receipt of the notification.

Wages, hours and working conditions are set by this contract. Rules and policies are set by the Company. In the event of a conflict between the contract and a Corporate rule or policy the contract shall prevail.

Section 16.2. Attendance and Tardiness.

A point system will be utilized to promote acceptable employee attendance through the utilization of uniform and understandable standards and guidelines.

To do this, managers will:

1. Maintain attendance records for each employee.
2. Establish and maintain open communications with employees regarding attendance expectations.

Section 16.3 Approved Absence – (means, prior approval has been authorized by the employee's supervisor following all prescribed departmental procedures) approved absences include:

- Approved vacation day(s) off
- Approved personal day(s) off
- Approved sick day (scheduled Dr's appointment)
- Approved Holiday day(s) off

- Bereavement (may require verification of relationship to employee)
- Jury Duty (requires appearance notice)
- Approved FMLA (with appropriate documentation)
- Court appearance (requires court appearance notice)
- Approved Workers Compensation Leave (with appropriate documentation)
- Military Commitment (with appropriate documentation)
- Sent home at the direction of management (i.e., reduced work load, etc.)

Section 16.4 Unapproved Absences – An absence from work without management’s prior approval.

- Reporting Late (Tardiness) – Reporting to employee’s work station after the start of the work shift.
- Leaving Early – Leaving work prior to the completion of the employee’s scheduled work shift.

When an unapproved absence occurs, the employee is expected to notify their supervisor through the established procedures of the department utilizing the following guidelines:

- The employee must notify their Supervisor prior to the beginning of the employee’s work day. Acceptable notification to the Supervisor is defined as the effort to personally contact the Supervisor and if unavailable the Department Head or designated representative. If personal contact is not made the employee will leave a message and telephone number where the employee may be reached with both Company representatives’ voice mail. If the employee is physically unable to call in person, a designee may call in on behalf of the employee.
- The employee must call-in to report an unapproved absence each day of absence unless medical documentation acceptable to the Company has been received indicating the employee will be unable to work multiple consecutive days.
- Prior supervisory approval is always required to leave early and will only be granted in certain emergency situations, which may require verification of the emergency.

Where a dispute in timely arrival to work arises for the purposes of determining tardiness under this section, the phone log time stamp will take precedence.

Section 16.5. Unapproved Absence Point Schedule:

<u>DESCRIPTION</u>	<u>POINTS</u>
Each No Call / No Show	4
Each absence on a scheduled holiday	4

<u>DESCRIPTION</u>	<u>POINTS</u>
Each absence on a day where a previous request for the same day was denied	4
Each unapproved absence before or after an approved absence or holiday	4
Each unapproved absence (for reasons other than those listed above)	2
Each unapproved incidence of arriving late (tardiness) or leaving work early resulting in the employee working less than half of a scheduled work shift	2
Each unapproved incidence of arriving late or leaving work early from one hour up to half of a scheduled work shift	1
Each unapproved incidence of arriving late (tardiness) or leaving early up to one hour:	
a. 1st 6 occurrences	½
b. All following occurrences	1

Section 16.6. Accumulating Points:

Point totals are the sum of all points accumulated during the preceding 12 months of active service. Any points prior to this time “drop off”.

Unapproved absences are assigned points in accordance with the point schedule listed above. With regard to multiple consecutive days of unscheduled absence:

- (i) the first day will be assessed points in accordance with the point schedule listed above;
- (ii) each subsequent day will be assessed 4 points if it falls under a) – d) above but will be assessed only 1 point otherwise;
- (iii) if an employee provides acceptable medical documentation upon return to work from multiple consecutive days of unscheduled absence, the employee will be assessed a total of 4 points for the entire occurrence if any of the days falls under a) – d) but will be assessed a total of only 2 points otherwise.

If an employee is unable to work due to an emergency situation, the employee must speak directly to their Supervisor according to established department procedures (failure to speak to their Supervisor will result in points being assessed (according to the schedule above) for the absence). The unapproved absence will not be subject to points **IF** the Supervisor grants approval for the absence. If the absence is not approved as an emergency, the absence will result in the accrual of points (according to the schedule above). Documentation of the emergency situation maybe requested by the Supervisor and must be presented upon the employee’s return to work.

During the current 12 month period, an employee who experiences no unexcused absences or incidences of tardiness for a 3 consecutive month period will have two points removed from their point accumulation.

Points shall not be considered or used as discipline until the employee reaches the threshold set forth in Section 16.7 below. The Company may have a conversation with an employee who accumulates 14.0 points for the purpose of informing the employee that he/she is approaching a point total which will result in discipline as set forth in the following section, and encouraging the employee to avoid further points.

Section 16.7. Accumulation of Points Resulting In Disciplinary Action:

<u>DISCIPLINARY ACTION</u>	<u>POINTS</u>
Verbal Warning	17
Written Warning	19
One Day Suspension	21
Discharge	24

At any given time, an employee’s point total is the sum of the points accumulated during the preceding 12 months of active duty. To determine the 12 months of active duty, any period of inactive status (leaves of absence, layoff, etc.) during the preceding 12 months will be excluded from the calculation of point totals.

Supervisors may have to issue the same level of disciplinary action more than once as points drop off to insure maintenance of progressive disciplinary action. Supervisors will provide a complete review of the employee’s attendance record over the previous 12 months and the provisions of this policy during disciplinary action conferences.

Supervisors are encouraged to refer the employee who demonstrates an inability to maintain an appropriate attendance and punctuality record to EAP services regardless of the employee’s status under this policy.

Employees will not be paid for No Call/No Show days of absence which occur when an employee fails to call-in. An employee who is a No Call/No Show for three consecutively scheduled work days will be deemed to have voluntarily terminated his/her employment.

Section 16.8. Chronic Absence or Tardiness

Management reserves the right, to exercise discretion within the context of “just cause”, in those cases where evidence shows an employee’s aggregate absences and tardiness record over the previous 24-month period shows clear patterns of abuse of unscheduled time or manipulation of the point system.

ARTICLE 17

DISCIPLINARY PROCEDURES

Section 17.1. The Company retains the right to discipline employees for the violation of Company rules, regulations, policies, procedures and in other appropriate cases.

Section 17.2. The Company will apply the discipline procedure in the same situation or to the employees in the same circumstances without discrimination.

Section 17.3. No seniority employee will be disciplined without just cause.

Section 17.4. Before administering discipline, the Company will conduct an investigation to ascertain whether disciplinary action is in order.

Section 17.5. The Company will respect, and inform the employee of the employee's right to have a Union representative present during every and all steps of the Discipline Procedure. If the employee requests Union representation during a disciplinary meeting and no Union representative is available at that time, the meeting will be rescheduled at a time when a Union representative can be present; and no disciplinary penalty will be imposed before the rescheduled meeting occurs.

Section 17.6. In those cases, involving discipline based on an employee's failure to fully or properly perform all assigned jobs duties the Company will provide a written statement of employee shortcomings and the expected employee conduct.

Section 17.7. Except as modified in Sec. 16.2, in imposing discipline on a current charge, the Company will not take into account any prior discipline, which occurred, more than two (2) years previously in the event of an unpaid suspension or more than one (1) year previously in the event of discipline less than an unpaid suspension.

Section 17.8. Coaching will not be considered part of the formal disciplinary process; however, a written record may be made and a supervisor may reference such events in subsequent written disciplinary action. The written record will be limited to the coaching and shall not refer to discipline.

A coaching will be understood as a non-disciplinary meeting in which a supervisor identifies the problem to the employee and explores with the employee ways of preventing the problem from developing into a disciplinary matter. A coaching will be identified as such to the employee.

Section 17.9. In appropriate cases, corrective action will generally follow the following steps (except as listed in section 16.6):

- A. Pre-disciplinary
 - (i) Coaching

- B. Disciplinary
 - (i) Verbal Warning
 - (ii) Written Warning
 - (iii) Suspension
 - (iv) Termination

It is specifically understood that the Company reserves the right to impose corrective action including discipline at any level in any case subject to the Union's right to challenge the existence of just cause for such action. It is also understood that any step preceding termination in the corrective action procedure may be applied more than once before progression to another step.

Section 17.10. Coaching shall not be subject to the Grievance Procedure. However, a written response from the employee may be submitted for inclusion in the employee's personnel file.

ARTICLE 18

WORK SCHEDULES

Section 18.1. Hours of Work and Overtime.

The normal hours of work for a full-time employee shall be seven and one-half (7-1/2) hour days or thirty-seven and one-half (37-1/2) working hours per week, excluding an unpaid one (1) hour lunch period. The normal workweek for a regular part-time employee shall consist of at least twenty-two and one-half (22-1/2) hours per week. If a part-time position is placed on a full-time schedule for sixty (60) days or more and the Company intends to continue the position on a full-time schedule, the Company will post the vacancy pursuant to Article 10, Promotions and Job Vacancies.

Work schedules for all categories of employees on either a group or individual basis may vary from time to time in order to accommodate service requirements.

Alternative work scheduling arrangements (Flex Schedules) are variations from normal work hours, work schedules or work weeks. The Company supports consideration of alternatives to the normal work schedule where productivity is either unaffected or is enhanced, assuring necessary coverage is provided. An alternative work schedule in one department sets no precedent for another work group or department. (Examples of Alternative work scheduling arrangements can include: varying lengths of a work day; varying lengths of a work week; varying starting and quitting times; varying lengths of an unpaid lunch/dinner period). The Company agrees to discuss any changes to a normal work schedule or alternative work scheduling arrangements in advance with the Chairperson of the Union's Local Unit.

Management reserves the right to return to the normal work schedule when it deems it to be more appropriate to meet service requirements. In the event an employee's starting/quitting times, specific work days and/or work week are changed, the affected employee shall have not less than ten (10) working days' notice of such change.

When it is determined there is a need for an Alternative work schedule to meet service requirements, the Company will seek volunteers from amongst eligible staff, if there are not enough volunteers to meet service requirements; staff will be assigned based on seniority. Non-volunteer staff assigned to an alternative work schedule will be done on a rotation basis.

Nothing contained in this Section or in any other Section of this Agreement shall be construed as guaranteeing any minimum or maximum periods of time for a workweek or work shift.

There will be no mandatory overtime except in emergency situations.

Section 18.2. Employee Lunch/Dinner Periods and Breaks.

Full-time Employees shall receive a paid fifteen (15) minute break from work each morning, and each afternoon.

Part time employees shall receive Lunch/Dinner Periods and Breaks based on the following:

4 hour shift = one 15 minute break (no lunch) 5 hour shift = one 15 minute break (no lunch)

6 hour shift = one 30 minute unpaid lunch and one 15 minute break

7 hour shift = a one hour unpaid lunch and two 15 minute breaks

ARTICLE 19

COMPENSATION

Section 19.1. Salary Ranges.

The salary schedule showing the entry salary, the mid- point and the maximum salary of the salary range for each job classification covered by this Agreement is set forth in Appendix “A” of this Agreement. Adjustments to an employee’s salary during the term of the contract will be as set forth in Appendix A.

Section 19.2. New Hires.

New hires in a job classification who have appropriate experience and/or qualifications in the judgment of the Company may be started anywhere within the established salary range up to the mid-point of the salary range for the applicable job classification; provided that the salary of such new hire may not exceed that of any employee in the same job classification.

Section 19.3. Transfers.

An employee temporarily transferred and assigned by the Company to work in a lower paying classification shall continue to receive his/her original salary rate for the period of the transfer. An employee temporarily transferred and assigned by the Company to work in a higher paying classification shall receive the higher salary rate after the first ten (10) work days in such positions.

Section 19.4. Voluntary Re-Assignment to a Lower Paying Classification.

In the event an employee requests a voluntary re-assignment to a lower paying classification, the employee shall receive the salary of such lower classification. The employee’s pay rate shall be moved to the same level of pay within the pay range of lower classification (i.e. placed at the same percentage above the minimum of the new pay range).

Section 19.5. Exempt Employee Contingent Pay.

The Centralized Night Service fee for contingent exempt clinical staff members shall be \$30.50/hour or the employee’s regular base straight time hourly rate of pay, whichever is higher.

Section 19.6. Overtime Pay.

Employees classified as non-exempt under the Fair Labor Standards Act are eligible for the following overtime payments. An employee will receive his/her regular hourly rate for hours worked between 37.5 and 40.0 hours in a workweek. An employee will receive time and one-half his/her regular hourly rate for hours worked in excess of 40.0 hours in a workweek. Employees classified as exempt under the Fair Labor Standards Act are not eligible for overtime payments. There will be no mandatory overtime except in emergency situations.

Section 19.7. Reporting Pay.

Employees who are regularly scheduled, and who report to work without previous reasonable notification by the Company that there is no work available, or employees who start work, but are released before working a minimum of four (4) hours, shall be paid four (4) hours at their base hourly rate, or overtime rate if applicable, provided the conditions preventing working are within the Company's control. Employees in Centralized Night Service shall receive a minimum of two (2) hours reporting pay.

Section 19.8. Holiday Work. See Sections 21.4

Section 19.9. Shift Premium.

In the event a majority of an employee's normal shift hours falls between the hours of 4:30 p.m. and 1:00 a.m. (Monday through Friday), such employee shall receive a shift premium equal to five (5%) percent of the employee's normal hourly rate. In the event a majority of an employee's normal shift hours falls between the hours of 1:00 a.m. and 9:30 a.m. (Monday through Friday), such employee shall receive a shift premium equal to ten (10%) percent of the employee's normal hourly rate. In the event a majority of an employee's normal shift hours falls between the hours of 9:30 am Saturday and 1:00 am Monday, such employee shall receive a shift premium equal to ten (10%) percent of the employee's normal hourly rate.

Shift premiums are paid only for a majority of hours worked within the schedules listed above. Shift premium pay is part of the eligible employee's gross compensation and is subject to the same applicable deductions as regular salary. Shift premium is not included in the employee's base salary and is not paid for any non-worked hours such as vacation, sick, personal days, holidays (not worked), non-productive pay, etc. Also, see Section 28.2.

Section 19.10. "On Call" Compensation for IT

In the event an IT staff employee who is asked to come into work at times other than normal working hours, will receive comp time for all hours worked. Mileage, if applicable will also be paid.

Section 19.11. "On Call" Exempt Staff .

In the event clinical staff is asked to be on call after working hours or over a weekend, staff will be provided a full compensation day off for weekend call and ½ compensation day off for overnight call.

ARTICLE 20

SICK TIME

Section 20.1. Sick time benefits are accrued each pay period starting on the employee’s first day of employment. Benefits accrued in a pay period are credited on the last day of that pay period. Full-time and part-time employees (scheduled 22.5 hours or more per week) shall accrue sick time hours on a pro-rated accrual rate according to the number of hours compensated (including paid benefit time; excluding overtime) for the pay period.

Effective September 1, 2019, sick time accrues as follows:

Status	Hours Accrued per Pay Period	Total Days Annually
Full time employee hire before 7/1/2009	2.31	8
Full time employee hire after 7/1/2009	2.15	7

Section 20.2. Unused sick time may be carried over without limit to the succeeding calendar years. No employee will be allowed to overdraw sick time. When sick time is exhausted, an employee may use vacation, or personal days.

Section 20.3. Sick time shall only be available for use by employees with a legitimate personal illness, pregnancy or non-compensable injury.

Section 20.4. For purposes of computing sick time pay, a workday shall be considered to be the employee’s normal daily scheduled hours paid at the employee’s straight-time rate.

Section 20.5. In order to receive compensation while absent on sick time, an employee who is ill must notify the Company at the beginning of the employee’s workday. Acceptable notification to the Company is defined as the effort to personally contact the supervisor and if unavailable the Department Head or designated representative. If personal contact is not made the employee will leave a message and telephone number where the employee may be reached with both Company representatives’ voice mail.

(a) If the employee is physically unable to call in person, a designee may call in on behalf of the employee.

(b) When it has been established that the employee will be absent on a specified number of consecutive work days for legitimate medical reasons, the call-in requirements of this Section may be waived for the consecutive work days in question with approval by the employee’s supervisor or through receipt of medical documentation by the Human Resources Department.

Section 20.6. The Company reserves the right to require an employee to take an involuntary medical leave of absence if the employee suffers from a disability, mental or physical, as shown by medical evidence. The Company will in no instance require that an employee receive a medical examination during a time when the employee is serving an unpaid disciplinary suspension. The costs of any medical examination required by the Company shall be borne by the Company. The employee shall suffer no loss of pay during such examinations. If the site of the examination is more than ten (10) miles from the employee's departure site (the employee's residence or place of employment), the Company shall reimburse the employee for mileage costs.

Section 20.7. The Company may require that employees provide specific and detailed medical data from the employee's doctor stating the cause of the absence whenever sick time exceeding three (3) consecutive workdays is taken pursuant to this Article. Falsification of such evidence will be cause for discipline.

Section 20.8. An employee, where possible, shall schedule doctor's appointments for times that do not fall within the employee's work schedule; if time off is required for routine appointments, arrangements shall be made in advance with the employee's supervisor, and time taken during the work shift for such routine appointments shall be charged to vacation days (Article 22 of this Agreement) or personal days (Article 23 of this Agreement) or sick time (Article 20 of the Agreement).

Section 20.9. When an employee terminates employment or is separated from employment for any reason, the Employer shall not be obligated to reimburse the employee for unused sick time.

ARTICLE 21

HOLIDAYS

Section 21.1. As set forth in this Article, each calendar year there shall be twelve (12) negotiated paid Company holidays.

Section 21.2. The negotiated holidays will be as set forth in Appendix E. When a negotiated holiday falls on a Saturday, it will be observed on the Friday before the holiday. Negotiated holidays that fall on a Sunday will be observed on the following Monday. If a designated holiday falls within an employee's vacation period, the holiday is not considered a vacation day.

Section 21.3. The following rules shall govern the payment of holiday pay:

(a) Regular employees scheduled 22.5 or more hours per week, on the active payroll are eligible for holiday pay effective with the date of hire. The amount of the holiday pay shall be the employee's base rate of pay for a normally scheduled workday.

(b) To receive holiday pay, an employee must work the scheduled work day prior to and the scheduled workday following the holiday. An employee who is ill and presents a physician's certificate of illness or an employee who is absent with the consent of the employee's supervisor shall be considered as having worked the scheduled days before and after the holiday.

(c) An employee who is scheduled to work on any holiday and does not work the holiday shall not receive holiday pay. The employee may receive pay for the day, if pay is covered under another provision of the contract.

(d) Holidays are not considered a day worked for purposes of calculating overtime unless work is actually performed.

Section 21.4. Holiday Work.

(a) Non-CNS Nonexempt Employees (under the Fair Labor Standards Act):

Full- time and part-time employees will receive Holiday pay (pursuant to Section 21.3) plus, a holiday premium rate of time and one-half (1 ½) their regular straight time hourly rate for all hours worked on the scheduled or calendar holiday.

(b) Non-CNS Exempt Employees (under the Fair Labor Standards Act):

Full-time and part-time employees will receive Holiday pay (pursuant to Section 21.3) plus, \$30.50 per hour, or the employee's regular base straight time hourly rate of pay, whichever is higher for all hours worked on the scheduled or calendar holiday.

(c) CNS Nonexempt Employees (under the Fair Labor Standards Act):

Nonexempt Employees (under the Fair Labor Standards Act): Full-time and part-time employees scheduled to work on the contractual holiday and/or the calendar holiday will receive time and one-half (1 ½) for all hours worked on either and/or both days. Only one day will be recognized as eligible for Holiday pay.

(d) CNS Exempt Employees (under the Fair Labor Standards Act):

Full-time and part-time employees will receive Holiday pay (pursuant to Section 21.3) plus, \$30.50 per hour, or the employee's regular base straight time hourly rate of pay, whichever is higher for all hours worked on the scheduled or calendar holiday.

(e) If a CNS employee (Full-time or part-time) is scheduled off on the contractual and calendar holiday they will receive one additional day off with pay that must be used within thirty (30) days following the holiday subject to the advanced approval of the supervisor. The employee must document the request for this day off in writing as their holiday.

ARTICLE 22

VACATION

Section 22.1. Vacation benefits are accrued each pay period starting on the employee’s first day of employment. Benefits accrued in a pay period are credited on the last day of that pay period. Full-time and part-time employees (scheduled 22.5 hours or more per week) shall accrue vacation hours on a pro-rate accrual rate according to the number of hours compensated (including paid benefit time; excluding overtime) for the pay period.

Section 22.2. As of September 1, 2019, vacation time for employees accrues at the following rates of pay for each pay period:

Status	Years of Service	Hours Accrued per Pay Period	Total Days Annually
Fulltime – Master’s degree required (any grade and regardless of hire date)	0-3	4.33	15
	3 +	5.77	20
Fulltime – No Master’s degree required (grades 1 to 8 and regardless of hire date)	0-5	2.89	10
	5-10	4.33	15
	10 +	5.77	20

Section 22.3. Subject to approval by their supervisor, employees (other than those in their Probationary Period) may take accrued vacation at any time throughout the year. The employee will be notified of the supervisor’s decision within forty-eight (48) hours.

Section 22.4. Employees may carry over a maximum fifteen (15) days / (112.5 hours) of accrued vacation to a new payroll calendar year. Accrued vacation in excess of fifteen (15) days / (112.5 hours) will be converted to sick leave time as of the pay period including January 1st of each year.

Section 22.5. Vacation leave with pay will be paid at the employee’s regular base straight-time rate of pay for the employee’s normal daily hours.

Section 22.6. Each unit or department shall establish its own procedure for submission and approval. In the event of a simultaneous request or requests filed under a unit deadline, seniority shall be the tie-breaker.

Section 22.7. An employee resigning with two (2) weeks’ notice or who is laid off or terminated will be compensated for all accrued unused vacation time.

ARTICLE 23

PERSONAL DAYS

There are occasions when personal responsibilities must be addressed during work hours, when employees need time off for religious observances or other personal use.

Section 23.1. Personal Days are granted at the end of the pay period in which January 1st occurs each year. Full-time and regular part-time employees are eligible to take paid personal business leave for such purposes within the calendar year as follows:

Status	Days Awarded
Employee Hired Before 7/1/2009	
Fulltime	5
Regular Part-Time (22.5 or more hours per week)	3
Employee Hired After 7/1/2009	
Fulltime	1
Regular Part-Time (22.5 or more hours per week)	1

Section 23.2. The employee must have his or her supervisor's prior approval before using a Personal Day. The employee will be notified of the supervisor's decision within forty-eight (48) hours. The supervisor may grant immediate approval in the event of emergencies. Personal Days shall be used in amounts of no less than one quarter (.25) hour increments.

Section 23.3. Personal Days cannot be carried over into the following payroll calendar year. At the end of each payroll calendar year, an employee may turn in unused Personal Day(s) for reimbursement at the employee's regular straight hourly rate of pay. Unused personal leave days shall not be paid out if the employee separates from employment prior to December 1st of the calendar year.

ARTICLE 24

INSURANCE

Section 24.1.

(a) The Company will provide health benefits for eligible employees who regularly work twenty-two and one-half (22.5) or more hours per week. An eligible employee's dependents shall include spouse and any dependent children to age 26 (in compliance with the Healthcare Reform Act). The employee's share of the cost for the coverage option selected by the employee through December 31, 2019 shall be as specified in the previous collective bargaining agreement. As of January 1, 2020 the employee's share of cost shall be as set forth in Appendix D of this collective bargaining agreement. Employees may cover Sponsored Dependents at their own expense. Employees may cover their same gender domestic partner and dependent children of the partner at the employee's expense and determined by meeting all eligibility requirements.

(b) The Company shall offer health benefits for all eligible employees who regularly work twenty-two and one-half (22.5) or more hours per week.

Employees will be offered the Blue Care Network (HMO) plan indicated in Appendix F-1 through December 31, 2019 and the Blue Care Network (HMO) plan indicated in Appendix F-2 from January 1, 2020-December 31, 2022. Other benefit eligible employees will be offered the following:

- Prescription Rx (coverage through Blue Care Network). Participation is only allowed in conjunction with the election of a medical plan option.
- Dental (provided through Cigna Dental). Participation in the Dental plans is on a voluntary basis, the employee may select coverage under either the current dental plan as set forth on pages 90-91 of the contract or the Cigna Managed Care plan.
- Vision – Employees may participate in either the SVS – Sterling Vision or Blue Vision Choice plans on a voluntary basis. Election to participate can be made upon hire or during the annual open enrollment period for the following contract year.

Participation in the Medical, Dental and/or Vision plans are based on an employee's voluntary election of benefit plan(s) and coverage levels. Employees are allowed to participate in benefit plans based on personal need.

(c) Eligibility shall begin with the first day of the month coincident with or following sixty (60) days of employment. There shall be no pre-existing condition provision applied if the employee applies when first eligible and later, when adding dependents within 30 days of their eligibility.

(d) Health benefits shall include the hospital, medical, surgical, drug, dental, and vision benefits negotiated with the Union. Those benefits shall remain in effect during the term of the collective bargaining agreement.

(e) Eligibility for health benefits shall terminate on the last day of the month of employee's termination. An employee who is laid off shall be eligible for paid health benefits as provided under Article 9, Section 9.3. After benefits cease under that provision, the employee may continue benefits under COBRA. An employee absent from work on an approved leave of absence shall have benefits continued under the specific provisions of leave. If an employee who has a minimum of five years of seniority dies while eligible for Company-paid health insurance his/her spouse and/or dependents shall be eligible for health benefits, if not otherwise available (through employment, re-marriage, etc.), for up to six months following the death, and may continue health benefits under COBRA for an additional 24 months after that.

(f) The Company will provide a one thousand dollar (\$1,000.00) allotment for all full-time employees and five hundred dollars (\$500.00) for part-time benefit eligible employees who waive Health and Insurance Benefits as defined in this section, pursuant to providing proof of other policy coverage. The employee must have waived these benefits upon hire or during the previous open enrollment period. During the first year of employment, this amount will be pro-rated. This amount will be payable on the scheduled pay day for the pay period including December 1 of each year. The payment will be processed as a separate check through payroll and is subject to applicable taxes and deductions. No payment shall be made if the employee separates from employment prior to December 1st of the calendar year.

Section 24.2.

(a) The Company will continue the life insurance and accidental death and dismemberment insurance plans currently in effect for employees who have completed the initial probationary period and regularly work thirty (30) or more hours per week. The life insurance shall be 150% of the employee's base salary.

(b) For those eligible for Company-paid life insurance, the Company shall provide Accidental Death and Dismemberment at 100 percent of the employee's base salary.

(c) The Company shall make available for all employees a dependent group life insurance program for a spouse and/or child(ren). The employee shall pay the full cost of the insurance chosen. Spouse coverage is available in \$5,000 increments to a maximum of \$500,000. Dependent child coverage is available in \$2,000 increments to a maximum of \$10,000. The maximum amount of coverage employee may purchase for employee's spouse and children is 100 percent of amount for employee, not to exceed the above limits. See plan guidelines for enrollment guaranteed issue amounts and evidence of insurability requirements.

(d) The Company shall make available for all employees, a supplemental life insurance program for the employee. The employee shall pay the full cost of the insurance chosen. Employee voluntary coverage is available in \$10,000 increments up to 5x their salary to a maximum of \$500,000. See plan guidelines for enrollment guaranteed issue amounts and evidence of insurability requirements.

(e) Eligibility for life insurance shall terminate on the last day of the month of employee's termination. At the employee's option, the employee may convert any of the

policies to an individual policy according to the terms of the policy itself. An individual who is absent from work on an approved leave of absence will have life insurance continued as provided under the terms of the leave. An employee who is laid off shall be eligible for paid life insurance benefits as provided under Article 9, Section 9.3.

Section 24.3.

(a) The Company will continue the short-term disability insurance coverage level in effect, through a carrier selected by the Company. Employees who have completed the initial probationary period and regularly work thirty (30) or more hours per week are eligible for the short-term disability benefits. The benefit shall be sixty-six and two thirds percent (66.67%) of the employee's weekly base salary at the commencement of the disability. After commencement of the disability, the benefit will be payable after one (1) week. The employee shall use accrued sick leave, personal days, floating holidays and accrued vacation time during the one (1) week eligibility period. The employee may choose to supplement the STD benefit payment with their remaining accrued benefit time. The benefit and eligibility shall cease on the earlier of the cessation of the disability or ninety (90) days after commencement of the disability. An employee shall be eligible for short-term disability benefits based on medical certification that the employee is unable to perform his/her usual job functions.

(b) Employees receiving short-term disability insurance benefits will be eligible for health benefits and life insurance as provided in Article 15, Section 15.3(b)(vi). Eligibility for short-term disability insurance coverage shall cease upon layoff or leave of absence as provided in this Agreement and upon termination; provided, however, this shall not apply to an individual receiving short-term disability benefits.

Section 24.4.

(a) The Company will continue the long-term disability insurance plan currently in effect. Employees who have completed the initial probationary period and regularly work thirty (30) or more hours per week are eligible for the long-term disability benefits. An employee shall be eligible for long-term disability based on medical certification of the employee's inability to perform any function with the Company for which the employee is qualified and has seniority.

(b) Benefits shall begin on the 91st day after the beginning of the employee's disability, but not before the termination of any short-term disability benefits for which the employee may be eligible. Benefits shall cease on the earlier of the cessation of disability or age 65.

(c) The amount of benefits shall equal 60 percent of the employee's base salary in effect at the onset of the disability.

(d) Eligibility to begin receiving long-term disability insurance shall cease upon termination, layoff or leave of absence as provided in the Agreement. An individual who has already begun and is currently receiving long-term disability benefits shall remain eligible for the receipt of continued benefits regardless of layoff, leave of absence or termination, subject to the provisions of the section.

Section 24.5.

(a) The Company shall continue the current health care reimbursement account, and dependent care reimbursement account, as allowed by applicable law.

(b) Employees will be eligible to participate in the accounts beginning on the first of the month following sixty (60) days of employment.

Section 24.6.

(a) Each negotiated benefit plan has its own procedures and conditions upon which payment of benefits is premised. Employees must comply with such requirements. No claim for benefits under a plan shall be subject to the grievance procedure.

(b) Specific plans have been negotiated for hospital, surgical, medical, prescription drugs, dental, and vision benefits. The Company reserves the right to contract with any insurance carrier and change carriers during the course of this AGREEMENT, provided the existing contractual level of benefit coverage is maintained.

(c) It is agreed that the benefits outlined in Article 24 shall be available to all employees according to the criteria outlined in the Article. No pre-existing conditions shall be applied except in the case of long-term disability. Under long-term disability, if an employee has been treated for a condition within thirty (30) days prior to employment the employee shall be ineligible for disability related to that condition; provided, however, this pre-existing clause will be waived after five (5) days of employment.

(d) During the term of this Agreement, the Company shall maintain the benefits outlined in this Article, and the specific plans as negotiated with the Union. The Company may, at its discretion, change the administrator for life and disability benefits as long as there are no provisions in conflict with the provisions in Article 24 or that are more restrictive than in the current policies. The Company may, at its discretion, change the third party administrator for self-insured health benefits, as long as the negotiated benefits and networks are maintained. No other changes may be made absent the consent of the Union.

(e) The parties may, based on mutual agreement enter into a contract opener exclusive Health Plan options/modifications in light of potential changes/new options/new plans/new cost structures that may become available or occur as a result of the Affordable Care Act.

ARTICLE 25

401(K) PLAN/PENSION PLAN

Section 25.1. The Company will continue to make available a qualified 401(k) plan for voluntary employee contribution. The Company shall not make any contributions to this 401(k) plan. An employee who works at least twenty-two and one-half (22.5) hours per week shall be eligible to participate in the plan beginning on the first of the month following the completion of the initial 90 day probationary period. An employee may make contributions as allowed by law. An employee may change his/her contributions on a monthly basis.

Section 25.2. The Company shall participate in the National Integrated Group Pension Plan ("NIGPP") with an hourly contribution rate by the Company as set forth under the terms of the Supplemental Agreement to the Plan (as established under the NIGPP Financial Rehabilitation Plan) (see Letter of Understanding). Employees shall be eligible for participation in the plan upon completion of the employee's probationary period. Eligible employees, who were employed prior to January 1, 2002, will receive credit for up to ten (10) years of prior service with the Company which was rendered prior to January 1, 2002. The pension plan shall be as set forth in the NIGPP pension plan document and shall provide the NIGPP standard requirements and benefits (including normal retirement age at age 65 and five (5) years vesting). An early retirement option (available at age fifty-five (55) for vested persons) as set forth in the NIGPP pension plan will be available for eligible vested employees with the benefit actuarially reduced pursuant to the terms of the NIGPP pension plan.

An employee's benefit amount shall be as calculated by the NIGPP based upon the Company's hourly contribution rate. The hourly contribution will be made for each straight-time compensable hour paid (including vacation hours, sick hours, personal time hours and holiday hours, but excluding overtime hours) up to a maximum of 1,950 hours per year.

Eligibility, coverage and benefits under the pension plan are subject to the terms and conditions contained in the NIGPP pension plan document. Any dispute between an employee/retiree and the NIGPP shall be resolved under the NIGPP claims procedure established by the NIGPP Board of Trustees and/or whatever other remedies the parties may have. Such disputes are not subject to the Grievance Procedure; it being understood that the Company's undertaking is to pay the hourly contribution rate as set forth above.

ARTICLE 26

TRAINING

Section 26.1. The Company agrees to provide consistent on the job training and orientation to all employees. The length of training will be determined by the Company according to classification and job requirement. The Company will make a good faith effort to schedule in-service training at times to maximize employee participation.

Section 26.2. Employees may request reimbursement for fees or costs to a maximum of \$250 per certification cycle in connection with job-related educational or training conferences and seminars relating to obtaining and/or maintaining CEAP certification. Employees may request reimbursement for fees or costs to a maximum of \$100 per certification cycle in connection with job-related educational or training conferences and seminars related to obtaining and/or maintaining coding certification. Requests must be submitted at least two (2) weeks in advance and are subject to review and approval by the Employer.

Section 26.3. Clinical License/CEU Reimbursement.

All employees who are in positions requiring licensure as part of the minimum requirements of the job and/or required to participate in clinical CEU's for maintaining their state license are eligible for reimbursement for all or a portion of the cost to renew or maintain their professional license or CEU's, full-time employees up to \$500; part-time up to \$250 per license renewal cycle. Employees who must have clinical CEU's to maintain their professional license will have access through an on-line training provider endorsed by the Company (Relias Learning).

Clinical employees are expected (under normal circumstances) to participate in CEU classes through the endorsed CEU provider for up to the number of CEU's allowable by the State Licensing board (currently 10 credit hours) prior to receiving reimbursement for the cost of face- to-face CEU training programs. There will be no cost to full and part-time employees for participating in the on-line CEU programs through the endorsed CEU provider.

ARTICLE 27

GENERAL

Section 27.1. Use of Company Facilities.

The Company may permit, upon advance request, the Union to use, during non-business hours, without charge, conference rooms that may be available at the Company's various operational offices for the purpose of proper business activities directly related to the bargaining unit covered by this Agreement.

Section 27.2. Bulletin Boards.

Each employee shall be responsible for checking and reading all Company posted materials on the bulletin boards at the Company's various operating Departments. Any materials so posted by the Company shall be conclusively presumed to be on notice regarding such posted materials. Postings will be distributed to all Departments.

The Company agrees to provide one (1) glass-enclosed bulletin board at the Company's facility on which the Union may post information of Union business (such as notices of meetings and committees and notices related to proper business activities of the Union directly related to the bargaining unit covered by this Agreement). The Company reserves the right to remove any posted material which the Company believes may be detrimental to the Company and its business, provided, however, that removal shall not occur until there has been a discussion between the Company's representative who is requesting removal and the Unit Chairperson of the Union's Local Unit.

Section 27.3. Definition of "Day."

Whenever the term "day" or "days" is used without a modifier, it shall mean calendar days unless otherwise specifically provided in the particular Section wherein the term appears.

Section 27.4. Resignation.

Employees who wish to voluntarily resign from employment shall be required to submit notice to the Company at least two (2) weeks in advance of the termination date. Failure to submit such advance notice shall mean that the employee is not entitled to receive any "earned" but unused paid benefit time for which the employee may otherwise have been eligible unless otherwise waived by the employee and the Company.

Section 27.5. Direct Deposit Banking.

The Company will offer Direct Deposit Banking.

Section 27.6. Employee Assistance Program.

The Employer shall offer all employees and their families an Employee Assistance Program (EAP) to help identify and resolve any personal problem that may affect their overall

well-being and job performance. The EAP may be used in connection with a wide range of problems, including mental and emotional illness, alcohol or drug abuse, and marital, family, financial, or legal concerns.

Within ninety (90) days after the effective date of the contract, the parties will jointly select an independent private provider to provide employees and their families assessments and referrals and up to five sessions per episode. The EAP contract shall be posted locally. When an employee (or family member) initiates contact with the EAP, his/her contacts will remain completely confidential: no record of an employee's use of EAP services will appear in the employee's personnel file.

Section 27.7. Education Reimbursement.

The Employer agrees to maintain an education reimbursement program throughout the duration of this Agreement. The Employer agrees to reimburse tuition costs up to the amount of Three Thousand Dollars (\$3,000.00) each calendar year for approved course work for an eligible regular full-time employee who has satisfactorily completed an educational course in a program that leads to a degree that must benefit the Company, i.e. Social Work, Psychology, Counseling or related Health Sciences, Business Administration or Liberal Arts Degree at an accredited college, university, or other institution of higher learning.

Correspondence courses, the costs, and "coach" courses shall not qualify for reimbursement under this Section.

To be eligible for reimbursement under this Section, an employee must have completed one (1) year of service with the Employer, must submit to his/her supervisor a written request for education reimbursement at least five (5) days before the course begins, and must not be on probation at the time of the request or have received an overall rating of less than satisfactory at the time of the request. The supervisor shall forward the employee's request for education reimbursement to the Employer's Department of Human Resources for approval.

To obtain reimbursement under this Section, the employee shall submit to the Employer's Department of Human Resources both proof of payment for tuition and laboratory fees and a transcript verifying that a grade of at least "C" or the equivalent has been earned for each undergraduate course and a grade of at least "B" or the equivalent has been earned for each graduate course.

Tuition reimbursement is a qualified business expense. In order to adhere to the IRS business expense guidelines employees must submit for reimbursement within 60 days after completion of the class.

All requests for reimbursement must be submitted using the Company designated expense system within 60 days of the expense being incurred. Employees who do not submit expenses within 60 days will not receive reimbursement.

Section 27.8. At the time the contract is signed, the Company will also provide all insurance plan descriptions and specific benefit levels, limitations and co-pays to the Union.

Section 27.9 Indemnification.

The Employer shall take appropriate actions for the purpose of indemnifying employees acting within the course and scope of their employment from all personal judgments and liabilities to which they may be subjected. The employer will offer to provide legal counsel, at its expense, to any employee who is sued in a civil action if the employee's action was within the scope of his/her employment. The Employer may, at its option, employ counsel chosen by the affected employee. The Employer shall cover the expense of legal representation of counsel to which it has consented. The Employer shall indemnify employees for money damages with respect to any negotiated settlement of a civil suit agreed to by the Employer where the Employer either appointed legal counsel or consented to an affected employee's choice of legal counsel.

ARTICLE 28

CENTRALIZED NIGHT SERVICE (CNS)

Section 28.1. Regular full- or part-time staff of CNS shall have precedence over contingent employees in matters of scheduling.

Section 28.2. CNS third shift employee will be paid for lost lunch breaks and breaks at straight-time rates, including any appropriate shift differential.

Section 28.3. In the event a CNS staff member is required to attend mandatory staff meetings during the employees lunch period the employee will be provided an equal amount of release time or be paid at the applicable straight-time hourly rate of pay.

Section 28.4. CNS employees who are required by the Company to attend a meeting and/or training session during the first shift (daytime) will receive their applicable straight-time hourly rate of pay for the approved hours.

Section 28.5. Telecommuting.

The Company at its discretion may allow telecommuting assignments for staff assigned to the Central Night Service based on the Company business needs and demands. The terms and conditions and eligibility for telecommuting will be based on existing Human Resources Policies/Guidelines. Telecommuting is not a right and may be amended or revoked at any time by CNS leadership.

- To qualify for telecommuting, an employee must be in a job classification that management has determined to be telecommuting-eligible, the employee must have completed employment probation, does not have any level of formal discipline, and who has a safe and appropriate telecommuting work site that will meet the Company's work station requirements.
- Employees applying for the telecommuting status must meet the requirements of a qualifying period prior to consideration.
- The qualifying period will be based on the 3 consecutive months prior to the application. This time may not run concurrent with the initial 90-day probationary period or any formal disciplinary action.
- Applicant must meet all HR Policy (HR128) Telecommuting requirements to insure a safe and secure workplace including an onsite inspection by a supervisor.
- Applicant may have no more than 1 unscheduled absence and 1 late arrival during qualifying period.
- Applicant may have no audit score less than 90% during the qualifying period.

- The applicant's performance must exceed current departmental expectations for the position during the qualifying period.
- For the initial set up the employee will need to be available during business hours to work with IT to set up their system and to address any problems that they may encounter and likewise post set-up they will also need to be available during business hours and in a timely manner to resolve any problems that they encounter with your system or a particular program/application.
- All of the above criteria must continue to be met for each month the employee is telecommuting in order to maintain the status. Failure to meet any single criteria for one month will be cause for telecommuting status to become probationary until all standards are met. While on probation, failure to meet more than 1 criterion in any month or the same criterion for more than 1 consecutive month may result in work from home status being revoked. If telecommuting status is revoked the employee may not reapply for telecommuting until the above criteria have been met for 6 consecutive months. Disciplinary action of any kind may result in immediate revocation of work from home status.

Section 28.6. CNS Supplemental Staffing.

The purpose of the CNS Supplemental Staffing is to address required staffing needs, other than on actual and/or observed holidays, when an insufficient amount of CNS staff is available. It is the desire of the Union and the Management to prevent involuntary overtime.

The Supplemental Staffing Pool shall serve as an additional group of contingent employees made up of volunteers from all qualified classifications. Those wishing to be considered for the Staffing Pool must contact the CNS Manager to have their name added to the list of those employees in the Staffing Pool. Employees may add their name at any time. Names shall be placed on the bottom of the list when added.

Scheduling Procedure

- a) The CNS Manager shall administer the Staffing Pool. The employee's name at the top of the list when an opportunity becomes available shall be contacted by the CNS Manager. Once presented with the opportunity, employees shall be placed at the bottom of the list, whether the employee accepts or declines.
- b) Employees shall be passed over and maintain their position on the list in the event the supervisor requiring the work and the employee mutually agree that the employee is not qualified to perform the task required. In the event they disagree, the matter shall be settled by the CNS Manager and the Union Chairperson.
- c) In the event an employee is next on the Staffing Pool list and is unavailable due to overtime in the employee's current position, the employee shall be passed over and moved to the bottom of the Overtime Pool list.

d) When an employee is scheduled it shall be considered one event. An event is defined as a work request being as short as two (2) hours or multiple hours over a consecutive seven- day period.

e) Each time an employee is scheduled it shall be no longer than one (1) week (Monday thru Sunday) on the same assignment. If additional overtime is needed after the above stated time, the next person on the list shall be offered the next event.

f) If an employee accepts overtime, the employee's name shall be listed on the schedule of the group in which the employee is performing work, along with the employee's assignment, starting time and number of hours. Employees shall also be notified of their assignment by the CNS Manager.

g) Management shall post an updated list following each event.

h) Working overtime in your Work group shall not exclude you from alternate shifts generated from the Staffing Pool.

i) Employees shall not be scheduled for more than two consecutive shifts in a twenty-four (24) hour period through any combination of Staffing Pool shifts, alternate shift overtime and/or Work group overtime.

Section 28.7. CNS Holiday Scheduling.

The following shall apply when filling vacancies in CNS on actual and/or observed holidays:

1. Regular full- or part-time staff of CNS shall have precedence over contingent staff in matters of scheduling.

2. After CNS permanent staff have been scheduled, qualified contingent staff can fill remaining available hours on actual and/or observed holidays.

3. Contingent staff wishing to work on an actual or observed holiday must submit a request specifying the day and shift they are available to work no earlier than 30 days' prior the holiday. CNS Manager will inform staff of the cutoff date for requests.

4. The CNS Manager will first fill available shifts where only one contingent employee submitted availability for an open shift. In cases where more than one contingent employee submitted availability, the CNS Manager will fill the shift with the individual with the higher ranking on the Staffing Pool list. An employee scheduled to work a shift shall be required to work the shift, unless ill or faced with emergency circumstances.

5. An employee's place on the Staffing Pool list shall not be impacted by working, or being offered, a shift on an actual or observed holiday.

6. After the above process has been exhausted, the CNS Manager may fill any remaining open shifts as the CNS Manager determines best serves the needs of the Company.

ARTICLE 29

WAIVER AND SEPARABILITY CLAUSE

Section 29.1. This Agreement is signed by the parties, authorized representatives. Any amendment hereto must be in writing and signed by the parties duly authorized representatives.

Section 29.2. If any article or section of this Agreement, or any appendix thereto, shall be held invalid by operation of law or by any court of competent jurisdiction, or if compliance with or enforcement of any article or section shall be restrained by such court pending a final determination as to its validity, the remainder of this Agreement, and any appendix thereto, or the application of such article or section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of which has been restrained, shall not be affected thereby. The parties shall enter immediate negotiations to arrive at a mutually agreeable replacement for the provision held invalid.

ARTICLE 30

TERMINATION CLAUSE

Section 30.1. Effective Dates.

This Contract dated August 25, 2019 shall continue in full force and effect from August 25, 2019 until midnight August 24, 2022. If either party desires to terminate this Agreement, it shall, sixty (60) days prior to August 24, 2022, give written notice of termination. If neither party shall give notice to terminate this Agreement as hereinafter provided, the Agreement shall continue in effect from year-to-year after August 24, 2022 subject to termination by either party on sixty (60) days written notice prior to August 24 of any subsequent year.

Section 30.2. Modification or Change.

If either party desires to modify or change this Agreement, it shall, sixty (60) days prior to August 24, 2022, or any subsequent August 24th date, give written notice to such effect. Within ten (10) days of receipt of said notice, a conference will be arranged to negotiate the proposals, in which case this Agreement shall continue in full force and effect until terminated as provided hereinafter.

Section 30.3. Termination Notice.

If notice of intention to modify or change has been given in accordance with the above provisions, this Agreement may be terminated by either party on sixty (60) days written notice of termination given on or after August 24th following said notice of intention to modify or change.

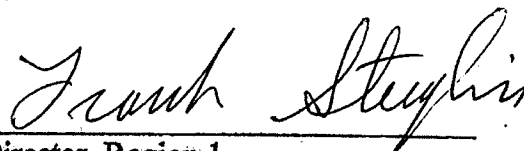
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BEACON HEALTH OPTIONS, INC.

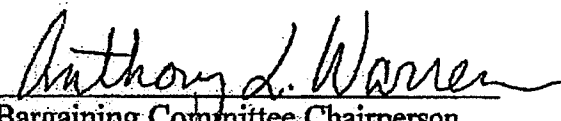
**INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW) and
ITS UAW LOCAL 412**

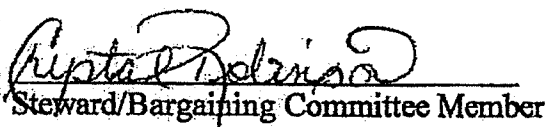
By: 
EVP, Human Resources

By: 
EVP and General Counsel

By: 
Director, Region 1

By: 
3rd Vice President, Local 412

By: 
Bargaining Committee Chairperson

By: 
Steward/Bargaining Committee Member

By: 
Steward/Bargaining Committee Member

APPENDIX A-1

I SALARY SCHEDULE AS OF NO LATER THAN AUGUST 25, 2019

	<u>SALARY GRADE</u>	<u>HOURLY RANGE</u>		<u>ANNUAL RANGE</u>	
		<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
DATA ENTRY CLERK	1	\$9.50	\$18.56	\$18,533.53	\$35,962.50
DEPARTMENT SECRETARY	2	\$11.10	\$22.15	\$21,639.15	\$43,206.38
CLINICAL SUPPORT ASSISTANT	3	\$11.92	\$23.69	\$23,242.05	\$46,211.81
MAILROOM SPECIALIST	3				
ADMIN ASSISTANT	4	\$12.43	\$25.75	\$24,243.86	\$50,219.06
CLAIMS PROCESSOR	4				
MEMBER SERVICES REP	4				
CLAIMS AUDITOR	5	\$13.61	\$27.29	\$26,548.03	\$53,224.50
CLAIMS CSR	5				
CLINICAL SUPPORT SPECIALIST	5				
CUST.SVC./CLINICAL CLAIMS REPRESENTATIVE	5				
CUST. SVC. TECHNICAL SUPPORT LEAD	5				
MEMBER SERVICES REP SR	5				
NETWORK ANALYST	5				
APPEALS COORDINATOR	5a	\$14.13	\$28.06	\$27,549.84	\$54,727.22
CLAIMS PROCESSOR SR	5a				
CLINICAL SUPPORT SPECIALIST II	5b	\$14.39	\$28.32	\$28,050.75	\$55,228.64
RESEARCH ANALYST	6a	\$14.90	\$28.57	\$29,052.56	\$55,729.03
RESEARCH ANALYST SR	6b	\$15.93	\$33.46	\$31,056.19	\$65,246.25
PC/LAN SPECIALIST	6b				
PC/LAN SPECIALIST SR	6c	\$20.55	\$39.62	\$40,072.50	\$77,268.00
REPORTING COORDINATOR	6c				
SYSTEMS COORDINATOR	6d	\$24.45	\$48.35	\$47,686.28	\$94,298.81
PROGRAMMER ANALYST	6d				
CLINICAL CARE MANAGER II	7b	\$20.55	\$39.62	\$40,072.50	\$77,268.00
CLINICAL CONSULT/SPECIALIST	8	\$23.89	\$44.76	\$46,584.28	\$87,286.13
CLINICAL TEAM LEADER	8				
EAP COORD	8				
QUALITY ANALYST	8				

APPENDIX A-2

I SALARY SCHEDULE AS OF NO LATER THAN AUGUST 25, 2020

	<u>SALARY GRADE</u>	<u>HOURLY RANGE</u>		<u>ANNUAL RANGE</u>	
		<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
DATA ENTRY CLERK	1	\$9.72	\$18.97	\$18,950.54	\$36,771.66
DEPARTMENT SECRETARY	2	\$11.35	\$22.65	\$22,126.03	\$44,178.52
CLINICAL SUPPORT ASSISTANT	3	\$12.19	\$24.23	\$23,765.00	\$47,251.58
MAILROOM SPECIALIST	3				
ADMIN ASSISTANT	4	\$12.71	\$26.33	\$24,789.35	\$51,348.99
CLAIMS PROCESSOR	4				
MEMBER SERVICES REP	4				
CLAIMS AUDITOR	5	\$13.92	\$27.90	\$27,145.36	\$54,422.05
CLAIMS CSR	5				
CLINICAL SUPPORT SPECIALIST	5				
CUST.SVC./CLINICAL CLAIMS REPRESENTATIVE	5				
CUST. SVC. TECHNICAL SUPPORT LEAD	5				
MEMBER SERVICES REP SR	5				
NETWORK ANALYST	5				
APPEALS COORDINATOR	5a	\$14.45	\$28.69	\$28,169.72	\$55,958.58
CLAIMS PROCESSOR SR	5a				
CLINICAL SUPPORT SPECIALIST II	5b	\$14.71	\$28.96	\$28,681.89	\$56,471.28
RESEARCH ANALYST	6a	\$15.23	\$29.22	\$29,706.25	\$56,982.93
RESEARCH ANALYST SR	6b	\$16.28	\$34.21	\$31,754.95	\$66,714.29
PC/LAN SPECIALIST	6b				
PC/LAN SPECIALIST SR	6c	\$21.01	\$40.51	\$40,974.13	\$79,006.53
REPORTING COORDINATOR	6c				
SYSTEMS COORDINATOR	6d	\$25.00	\$49.44	\$48,759.22	\$96,420.54
PROGRAMMER ANALYST	6d				
CLINICAL CARE MANAGER II	7b	\$21.01	\$40.51	\$40,974.13	\$79,006.53
CLINICAL CONSULT/SPECIALIST	8	\$24.43	\$45.76	\$47,632.43	\$89,250.06
CLINICAL TEAM LEADER	8				
EAP COORD	8				
QUALITY ANALYST	8				

APPENDIX A-3

I SALARY SCHEDULE AS OF NO LATER THAN AUGUST 25, 2021

	<u>SALARY GRADE</u>	<u>HOURLY RANGE</u>		<u>ANNUAL RANGE</u>	
		<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
DATA ENTRY CLERK	1	\$9.94	\$19.40	\$19,376.92	\$37,599.02
DEPARTMENT SECRETARY	2	\$11.60	\$23.16	\$22,623.87	\$45,172.54
CLINICAL SUPPORT ASSISTANT	3	\$12.46	\$24.77	\$24,299.71	\$48,314.74
MAILROOM SPECIALIST	3				
ADMIN ASSISTANT	4	\$13.00	\$26.92	\$25,347.11	\$52,504.34
CLAIMS PROCESSOR	4				
MEMBER SERVICES REP	4				
CLAIMS AUDITOR	5	\$14.23	\$28.53	\$27,756.13	\$55,646.55
CLAIMS CSR	5				
CLINICAL SUPPORT SPECIALIST	5				
CUST.SVC./CLINICAL CLAIMS REPRESENTATIVE	5				
CUST. SVC. TECHNICAL SUPPORT LEAD	5				
MEMBER SERVICES REP SR	5				
NETWORK ANALYST	5				
APPEALS COORDINATOR	5a	\$14.77	\$29.34	\$28,803.53	\$57,217.65
CLAIMS PROCESSOR SR	5a				
CLINICAL SUPPORT SPECIALIST II	5b	\$15.04	\$29.61	\$29,327.23	\$57,741.89
RESEARCH ANALYST	6a	\$15.58	\$29.88	\$30,374.64	\$58,265.05
RESEARCH ANALYST SR	6b	\$16.65	\$34.98	\$32,469.44	\$68,215.36
PC/LAN SPECIALIST	6b				
PC/LAN SPECIALIST SR	6c	\$21.49	\$41.42	\$41,896.05	\$80,784.18
REPORTING COORDINATOR	6c				
SYSTEMS COORDINATOR	6d	\$25.57	\$50.55	\$49,856.30	\$98,590.00
PROGRAMMER ANALYST	6d				
CLINICAL CARE MANAGER II	7b	\$21.49	\$41.42	\$41,896.05	\$80,784.18
CLINICAL CONSULT/SPECIALIST	8	\$24.98	\$46.79	\$48,704.16	\$91,258.19
CLINICAL TEAM LEADER	8				
EAP COORD	8				
QUALITY ANALYST	8				

APPENDIX A-4

SALARY ADJUSTMENT

(a) Each employee shall receive a two and three quarter percent (2.75%) increase in his/her base hourly rate (Effective no later than August 25, 2019).

(b) Each employee shall receive a two and one quarter percent (2.25%) increase in his/her base hourly rate (Effective no later than August 25, 2020).

(c) Each employee shall receive a two and one quarter percent (2.25%) increase in his/her base hourly rate (Effective no later than August 25, 2021).

APPENDIX B

FAMILY MEDICAL LEAVE ACT

I. Policy:

Beacon Health Options (Beacon) will afford its Unit 61 employees family and medical leave guaranteed by federal and state law under the Family and Medical Leave Act (FMLA) and all other applicable state and local laws. Under this policy, Beacon will grant to eligible employees, during a “rolling” twelve (12) month period, up to twelve (12) weeks of job protected unpaid leave and up to twenty-six (26) weeks of military caregiver leave to care for a covered service member with a serious injury or illness. Beacon, at all times, complies with federal and state laws regarding family and medical leaves.

II. Definition(s):

Family Medical Leave Act (FMLA)

FMLA entitles eligible employees to take unpaid, job protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. Eligible employees are entitled to:

A. Up to twelve (12) workweeks of leave in a twelve (12) month period for:

1. The birth of a child and/or to care for the newborn child within one year of birth
2. The placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement
3. To care for the employee’s spouse, domestic partner, child, or parent who has a serious health condition
4. A serious health condition that makes the employee unable to perform the essential functions of their job
5. Any qualifying exigency arising out of the fact that the employee’s spouse, son, daughter, or parent is a covered military member on “covered active duty;” **or**

B. Twenty-six (26) work weeks of leave during a single twelve (12) month period to care for a covered service member with a serious injury or illness if the eligible employee is the service member’s spouse, son, daughter, parent, or next of kin (military caregiver leave).

III. Purpose:

The purpose of this policy is to provide guidelines for all Beacon employees pursuant to the Family and Medical Leave Act regulations.

IV. Procedures:

A. Eligibility

To be eligible for FMLA leave an employee must:

1. Have been employed by Beacon for at least twelve (12) months (need not be consecutive). Separate periods of employment will be counted provided the break in service does not exceed seven (7) years. Separate periods of employment will be counted if the break in service exceeds seven (7) years due to National Guard or Reserve military service obligations or when there is a written agreement, including a collective bargaining agreement, stating the employer's intention to rehire the employee after the service break. For eligibility purposes, an employee will be considered to have been employed for an entire week even if the employee was on the payroll for only part of a week or if the employee is on leave during the week.
2. The employee must have worked at least 1,250 hours during the twelve (12) month period immediately preceding the commencement of the leave. All time worked is counted in determining the 1,250 hours eligible test for an employee requesting FMLA.
3. "Key" Employee exception:
Under limited circumstances where restoration to employment will cause "substantial and grievous economic injury" to its operations, an employer may refuse to reinstate certain highly-paid, salaried "key" employees. In order to do so, the employer must notify the employee in writing of their status as a "key" employee (as defined by FMLA), the reasons for denying job restoration, and provide the employee a reasonable opportunity to return to work after so notifying the employee.

B. Type of covered Leave

FMLA leave is available under this policy for the reasons listed below:

1. The birth of a child and in order to care for that child
2. The placement of a child for adoption or foster care and to care for the newly placed child
3. To care for a spouse, child or parent with a serious health condition (described below)
4. A serious health condition (described below) that makes the employee unable to perform the functions of the employee's position

A serious health condition is defined as an illness, injury, impairment, or physical or mental condition that involves:

- any period of incapacity or treatment connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility; or
- a period of incapacity requiring absence of more than three (3) calendar days from work, school, or other regular daily activities that also involves continuing treatment by (or under the supervision of) a health care provider; or
- any period of incapacity due to pregnancy, or for prenatal care; or
- any period of incapacity (or treatment therefore) due to a chronic serious health condition (e.g., asthma, diabetes, epilepsy, etc.); or
- a period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective (e.g., Alzheimer's, stroke, terminal diseases, etc.); or,
- any absence to receive multiple treatments (including any period of recovery therefrom) by, or on referral by, a health care provider for a condition that likely would result in incapacity of more than three (3) consecutive days if left untreated (e.g., chemotherapy, physical therapy, dialysis, etc.).

Employees with questions about what illnesses are covered under this FMLA policy or under Beacon's Sick Leave policy are encouraged to consult with Leave Administration. (Refer to Leave of Absence policy for additional information on how to initiate a leave of absence.)

If an employee takes paid Sick Leave for a condition that progresses into a serious health condition and the employee requests unpaid leave as provided under this policy, the Company may designate all or some portion of related leave taken as leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

5. Qualifying exigency leave for families of members of the National Guard or Reserves or of a regular component of the Armed Forces when the covered military member is on covered active duty or called to covered active duty.

An employee whose spouse, son, daughter or parent either has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to twelve

(12) weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency must be one of the following:

- short-notice deployment
- military events and activities
- child care and school activities
- financial and legal arrangements
- counseling
- rest and recuperation
- post-deployment activities
- additional activities that arise out of active duty, provided the employer and employee agree, including agreement on timing and duration of the leave.

6. Eligible employees are entitled to FMLA leave to care for a current member of the Armed Forces, including a member of the National Guard or Reserves, or a member of the Armed Forces, the National Guard or Reserves who is on the temporary disability retired list, who has a serious injury or illness incurred in the line of duty on active duty for which they are undergoing medical treatment, recuperation, or therapy; or otherwise in outpatient status; or otherwise on the temporary disability retired list. Eligible employees may not take leave under this provision to care for former members of the Armed Forces, former members of the National Guard and Reserves, and members on the permanent disability retired list.

In order to care for a covered service member, an eligible employee must be the spouse, son, daughter, or parent, or next of kin of a covered service member.

- A “son or daughter of a covered service member” means the covered service member's biological, adopted, or foster child, stepchild, legal ward, or a child for whom the covered service member stood in loco parentis, and who is of any age.

- A “parent of a covered service member” means a covered service member's biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to the covered service member. This term does not include parents “in law.”

- Under the FMLA, a “spouse” means a husband or wife, including those in same-sex marriages, which were made legal in all 50 United States as of June 26, 2015.

- The “next of kin of a covered service member” is the nearest blood relative, other than the covered service member's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the service member by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered service member has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made, and there are multiple family members with the same level of relationship to the covered service member, all such family members shall be considered the covered service member’s next of kin and may take FMLA leave to provide care to the covered service member, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered service member’s only next of kin. For example, if a covered service member has three siblings and has not designated a blood relative to provide care, all three siblings would be considered the covered service member’s next of kin. Alternatively, where a covered service member has a sibling(s) and designates a cousin as his or her next of kin for FMLA purposes, then only the designated cousin is eligible as the covered service member’s next of kin. An employer is permitted to require an employee to provide confirmation of covered family relationship to the covered service member pursuant to § 825.122(k).

“Covered active duty” means:

- “Covered active duty” for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country.
- Covered active duty or call to covered active duty status in the case of a member of the Reserve components of the Armed Forces means duty during the deployment of the member with the Armed Forces to a foreign country under a Federal call or order to active duty in support of a contingency operation, in accordance with 29 CR 825.102.

The leave may commence as soon as the individual receives the call-up notice. (Son or daughter for this type of FMLA leave is defined the same as for child for other types of FMLA leave except that the person does not have to be a minor.) This type of leave would be counted toward the employee’s twelve (12) week maximum of FMLA leave in a twelve (12) month period.

An employee whose son, daughter, parent or next of kin is a covered service member may take up to twenty-six (26) weeks in a

single twelve (12) month period to take leave to care for that service member.

Next of kin is defined as the closest blood relative of the injured or recovering service member.

“Covered service member” means:

- A member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation or therapy is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or
- A veteran who is undergoing medical treatment, recuperation or therapy for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of five (5) years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

“Serious injury or illness” means:

- In the case of a member of the Armed Forces (including a member of the National Guard or Reserves), means an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member’s active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating; and
- In the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during a period when the person was a covered service member, means a qualifying (as defined by the Secretary of Labor) injury or illness incurred by a covered service member in the line of duty on active duty that may render the service member medically unfit to perform the duties of their office, grade, rank or rating.
- Outpatient status, with respect to a covered service member, means the status of a member of the Armed Forces assigned to either a military medical treatment facility as an outpatient; or a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.

C. Amount of Leave

An eligible employee may take up to twelve (12) weeks for the FMLA circumstances under this policy during any twelve (12) month period. The company will measure the twelve (12) month period as a rolling twelve (12) month period measured backward from the date an employee uses any leave under this policy. Each time an employee takes leave, the Company will compute the amount of leave the employee has taken under this policy in the last twelve (12) months and subtract it from the twelve (12) weeks of available leave, and the balance remaining is the amount the employee is entitled to take at that time.

An eligible employee can take up to twenty-six (26) weeks for the FMLA circumstance (6) above (military caregiver leave) during a single twelve (12) month period. For this military caregiver leave, the company will measure the twelve (12) month period as a rolling twelve (12) month period measured forward. FMLA leave already taken for other FMLA circumstances will be deducted from the total of twenty-six (26) weeks available.

All employees requesting leave under FMLA should meet and notify Leave Administration as soon as the employee is aware of the need. Once Leave Administration is notified, Leave Administration will provide the employee with the appropriate paperwork. (Refer to Leave of Absence policy for additional information in how to initiate a leave of absence)

D. Any employee requesting FMLA must furnish Beacon with appropriate certification. If an employee fails to provide proper certification within fifteen (15) calendar days, Beacon may deny the taking of or continuation of leave until the required certification is provided, unless the leave is not foreseeable and such certification it is not practicable within this time period due to extenuating circumstances.

E. Beacon may, at its sole discretion, require any employee seeking FMLA leave because of a serious health condition to obtain a second opinion, at Beacon's expense.

F. If an employee does not submit for FMLA but the condition progresses into a serious health condition and the employee later requests unpaid leave, Beacon may designate all or some portion of related leave taken as FMLA leave under this policy. This may include to the extent that the earlier leave meets the necessary qualifications.

G. Beacon establishes a rolling twelve (12) month period measured backward from the date an employee uses FMLA leave (each time an employee takes FMLA leave, the remaining leave is the balance of the twelve (12) weeks not used during the immediately preceding twelve (12) months).

H. Employee absences due to illness beyond a week should speak with Leave Administration to discuss the potential use of FMLA.

I. Compensation while on FMLA

1. While on approved FMLA Leave, if an employee is not receiving any other form of income substitution such as state disability and/or short term disability benefits, they **may** use all available Floating Holiday, Sick Time and/or Vacation Time.

2. If an employee is receiving a form of income substitution such as state disability and/or short term disability benefits during their FMLA leave, they may not use accrued Sick or Vacation Time or Floating Holiday to supplement such income except during the mandated exclusion period.

J. Intermittent leave:

1. An employee may take leave intermittently (a few days or a few hours at time) on a reduced leave schedule. The employee may be required to transfer temporarily to a position with equivalent pay and benefits that better accommodates recurring periods of leave.

K. Employee Status & Benefits during FMLA:

1. Beacon will continue to provide required benefit coverage that the employee is enrolled in during the employee's leave of absence provided the employee continues to satisfy their portion of the benefit premium responsibilities in a timely manner.

2. If the employee receives payment from Beacon while on a leave of absence, Beacon will continue to make payroll deductions to collect the employee's share of the benefit premiums.

3. If the employee is not receiving payment from Beacon while on a leave of absence, Beacon will invoice the employee for their portion of benefit premiums.

4. Beacon will follow required federal/state regulations to transition an employee to COBRA when appropriate. Employee will be notified by Beacon or its designee of COBRA rights and responsibilities.

5. FMLA runs concurrent with all other types of leave of absence where allowable under the law.

L. Return to work requirements:

1. Before an employee may return from an FMLA leave resulting from the employee's own serious health condition, Beacon may require the employee to obtain medical certification of their ability to perform the essential functions of their position.

2. Additionally, if in Beacon's judgment an employee's serious health condition poses a significant risk of substantial harm to that employee or other employees, Beacon may require the employee to obtain medical certification that in

returning to work the employee does not pose a threat to self or others. Beacon will notify the employee if such certification is required before the employee will be permitted to return to work.

M. Systems Access:

1. When an employee is on a leave of absence, Beacon may take necessary action to temporarily disable network and systems access of the employee. Beacon will reinstate the employee's network and systems access upon the employee's return to active work.

V. Employees Affected:

All Unit 61 employees

VI. Referenced Documents:

HR 1211 Leave of Absence

VII. How often is policy/procedure followed:

At all times, except for the duration of Unit 61 members on an FMLA-approved leave as of ratification of this CBA.

VIII. Who is responsible for implementing the policy/procedure:

Management and Human Resources

IX. Who monitors compliance with the policy/procedure:

Management and Human Resources

APPENDIX C

HEALTH CARE CONTRIBUTION SCHEDULE

MEDICAL INSURANCE

Blue Care Network	Employee Contribution (pre-tax) Per Pay Period		
<u>Employees Hired <i>Prior</i> to 7/01/2009</u>			
Full-Time and Part-Time <\$55,000	<u>2020</u>	<u>2021</u>	<u>2022</u>
Employee Only	\$49.55	22%	23%
Two Person	\$81.09	15%	16%
Family	\$94.06	14%	15%
Full-Time and Part-Time >\$55,000			
Employee Only	\$60.81	27%	28%
Two Person	\$140.55	26%	27%
Family	\$155.42	23%	24%

All Employees Hired *After* 7/01/2009

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Employee Only	\$60.81	27%	28%
Two Person	\$145.96	27%	27%
Family	\$168.93	25%	25%

Part-time employees who work thirty (30) or more hours per week shall be treated as a full-time equivalent.

Part-time employees who work twenty-two and one-half (22.5) hours or more, but less than thirty (30) hours per week shall be eligible for health insurance upon payment of the applicable premium set forth above. Premiums are deducted per pay period.

DENTAL INSURANCE

Employee Contribution (pre-tax)
Per Pay Period

All Employees

<i>HMO</i>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Employee Only	\$6.20	\$6.20	\$6.20
Two Person	\$12.79	\$12.79	\$12.79
Family	\$16.70	\$16.70	\$16.70
<i>High Option PPO</i>			
Employee Only	\$10.66	\$10.66	\$10.66
Two Person	\$18.33	\$18.33	\$18.33
Family	\$31.20	\$31.20	\$31.20

VISION INSURANCE

Employee Contribution (pre-tax)
Per Pay Period

All Employees

<i>SVS Vision</i>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Employee Only	No Cost	No Cost	No Cost
Two Person	No Cost	No Cost	No Cost
Family	No Cost	No Cost	No Cost
<i>Blue Vision Choice</i>			
Employee Only	(\$3.62)100%	(\$3.62)100%	100%
Two Person	(\$7.25)100%	(\$7.25)100%	100%
Family	(\$12.03)100%	(\$12.03)100%	100%

APPENDIX D

HOLIDAY SCHEDULE OBSERVED

HOLIDAY	2019	2020	2021	2022
New Years' Day		Wednesday 01/01	Friday 01/01	Monday 01/03
MLK		Monday 01/20	Monday 01/18	Monday 01/17
Good Friday		Friday 04/10	Friday 04/02	Friday 04/15
Memorial Day		Monday 05/25	Monday 05/31	Monday 05/30
Independence Day		Friday 07/03	Monday 07/05	Monday 07/04
Labor Day		Monday 09/07	Monday 09/06	
Veteran's Day	Monday 11/11	Wednesday 11/11	Thursday 11/11	
Thanksgiving	Thursday 11/28	Thursday 11/26	Thursday 11/25	
Day after Thanksgiving	Friday 11/29	Friday 11/27	Friday 11/26	
Christmas Eve	Tuesday 12/24	Thursday 12/24	Thursday 12/23	
Christmas Day	Wednesday 12/25	Friday 12/25	Friday 12/24	
New Year's Eve	Tuesday 12/31	Thursday 12/31	Friday 12/31	

LETTER OF UNDERSTANDING

As a participant in the National Integrated Group Pension Plan (NIGPP), both the Union and the Company received notice of the Plan filing “Critical Status” in early 2009. In order for the Pension Plan to meet the requirements of the Pension Protection Act of 2006, the Plan was required to file a financial rehabilitation plan. Both bargaining parties received the details of the rehabilitation plan in December 2009. In order to comply with the terms of the rehabilitation plan the bargaining parties are required to adopt one of three options as listed below:

- Withdraw from the Plan (Significant withdrawal liability to the Company)
- Preferred Schedule of Contribution Increase and Benefit reductions
- Default Schedule of Contribution Increase and Benefit reductions

The bargaining parties mutually agree to adopt the Preferred Schedule which imposes a surcharge on the Company that will increase the negotiated contribution rates on a per employee per hour paid basis, as listed below:

- 2019 - \$1.43
- 2020 - \$1.47
- 2021 - \$1.51
- 2022 - \$1.55
- 2023 - \$1.60

Additionally, this option limits the reduction of benefits that will apply to members on or after the effective date of signed election of the Preferred Schedule option.

BEACON HEALTH OPTIONS, INC.

**INTERNATIONAL UNION,
UNITED AUTOMOBILE,
AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)
and ITS UAW LOCAL 412**

By: _____

By: _____

Its: _____

Its: _____