

QUESTIONS AND ANSWERS ABOUT THE CLARIFIED SEBAC AGREEMENT

1. What changes were made to the SEBAC Agreement?

There were no substantive changes made to the basic principles of the tentative agreement. Some language was clarified to eliminate confusion on the provisions of the health care and retirement sections of the agreement, including the extension of some specific dates (see Question 2). There was also a reaffirmation that the State Employee Pension and Health Care plans as set forth in contract are intended to and shall remain independent of any other pension or health care plans that may or may not be created by the State. Further, neither the legislature nor the governor will have the ability to include the state employees' health care plan in Sustinet or any other program.

2. Why were some start dates in the agreement adjusted?

Some dates in the original agreement were moved back in order to accommodate the start of some aspects of the agreement and to allow eligible employees who wish to retire this year to do so under the benefits of the previous contract.

3. Will we have to pay back our raises that started July 1?

The State and SEBAC have agreed that should the clarified TA be ratified, the 2013 raises will be delayed by the same amount of time that the 2011 raises are granted. This means that, beginning on July 29, you will see the previously negotiated raise reflected in your paycheck. If SEBAC passes the clarified agreement, your pay rate will return to its prior, pre-raise rate. Rather than having to pay the raise back, the negotiated 2013 raise will be delayed by the same amount of time that the 2011 raise was granted.

4. Will UCPEA's contract with UConn change at all?

UCPEA leadership was reassured by UConn President Susan Herbst that the May 25, 2011 Memorandum of Understanding between UCPEA and the University, which extends our collective bargaining agreement through 2016, provides layoff protection until July 1, 2015, and acknowledges the creation of a process to convert all UCPEA end date members on permanent funding to permanent status by October 31, 2011 will remain intact should the clarified SEBAC 2011 agreement be ratified.

5. Will state employees who opt into the Health Enhancement Program (HEP) in SEBAC 2011 have to change doctors?

No. Nothing in the plan changes including choice of doctors, hospitals or treatments. You add the health enhancement program to your current plan.

6. Is it true that some local pharmacies will no longer be able to fill prescriptions for state employees if the SEBAC 2011 agreement is ratified?

No, there is a new mandatory mail order program, but it affects only "maintenance

medications" - prescription drugs you take for a long period of time. Other medications, like antibiotics for strep throat, will continue to be available through the local pharmacies. Even for maintenance medications, the first order for any prescription will be available at the local pharmacy. Renewals will be delivered by mail to your home, with a 90-day supply available for a single co-pay. In addition, any local pharmacy that wishes to participate in the maintenance drug network, may serve as a mail drop for those members wishing to pick their mail order prescription up at a pharmacy, rather than receive them at home.

7. Under the Health Enhancement Program, who will decide if a participating state employee is making the best decisions about their own health care?

You, along with your doctor, will make your healthcare decisions just as you do now. The HEP is an effort to get the most number of state employees the best information about their health status, and assumes that most people, given the right information, will make the best treatment choices. There are no penalties for making the wrong treatment choices.

8. If there are no treatment requirements for participating state employees, what does the Health Enhancement Program require?

You must sign a written commitment to get the applicable physicals and screenings listed in the agreement, and if you have one of five listed illnesses to sign up for disease counseling and education. You do not make any promise, and will not be judged on whether you actually follow any recommended treatment approach or take any particular medication.

9. Can insurance companies play "gotcha" with state employees participating on the Health Enhancement Program to raise their rates?

No. The State is self-insured, so the insurance vendors are simply paid fees to administer our claims. Those fees will be unaffected whether you choose to participate in the HEP or not.

10. If a state employee has one of the Health Enhancement Program's five listed diseases, do they have to let a third party make their healthcare choices - or pay an extra \$100 per month?

No. If you have one of the five listed illnesses, and you choose to participate in the HEP, you will get free office visits and reduced pharmacy co-pays for your illness. You will also get disease counseling and education through programs already administered by our current insurance carriers. But counseling and education means what it says - you will get information about your illness and telephone suggestions from a nurse practitioner or other health care professional connected to the disease counseling and education program. You are not required to follow these - the decision about what treatment to get is up to you and your doctor.

11. How are employees that weren't paying 3% for retiree healthcare going to begin contributing? And what if they leave state service without qualifying or want to waive coverage?

Current employees who were not already paying 3% of their salary towards retiree healthcare will start to pay 1/2% beginning July 2013, increasing to 2% in July of 2014, and 3% in July of 2015. They will contribute for 10 years, or until they retire, whichever happens first. They get

their contributions back if they retire without qualifying for retiree healthcare. And if they can show they have retiree healthcare available from another employer, they can waive coverage and won't be required to contribute to the fund.

12. The wording of the new 15-year requirement for retiree healthcare that affects all new employees is confusing. Is there any way to say more simply how it will affect current employees?

Current employees do not have to meet the 15-year requirement in order to be eligible for retiree health care; new employees do.

13. Regarding the new chart of retiree healthcare premium shares for employees who choose to retire before their normal retirement age, is that in addition to the premium share they would currently pay if they choose the POS plan?

No. This premium is instead of the previously existing premium shares.

14. Is the retiree health care chart for early retirement in addition to the \$100 a month future retirees would pay if they choose not to enroll in the Health Enhancement Program?

The \$100 a month payment would be in addition to any other premium share owed by a retiree who declines to enroll in the Health Enhancement Program.

15. Does the language in the clarified tentative agreement "the maximum salary that can be considered as part of an individual's pension benefit is the amount outlined in Section 415 of the Internal Revenue Code" indicate the parties' agreement that hazardous duty members who retire at younger ages are appropriately subject to a lower maximum pension?

No. The Agreement reflects the current federal maximum salary cap for pension purposes. This agreement does not affect the separate federal issue of which hazardous duty employees are covered by the police and fire exemption. The SEBAC unions are jointly seeking to apply the police and fire exemption to all hazardous duty employees to the maximum extent allowed by federal law.