

**COLLECTIVE BARGAINING AGREEMENT BETWEEN
MICHIGAN STATE AFL-CIO HRDI AND OPEIU LOCAL 459**

TABLE OF CONTENTS

| | |
|--|-------|
| AGREEMENT | 2 |
| ARTICLE I - RECOGNITION..... | 2 |
| ARTICLE II - CHECK-OFF | 2 |
| ARTICLE III - HOURS OF WORK..... | 3 |
| ARTICLE IV - NON-DISCRIMINATION..... | 3 |
| ARTICLE V - SENIORITY | 3 |
| ARTICLE VI - PROMOTIONS, TRANSFERS AND VACANCIES | 4 |
| ARTICLE VII - UNION REPRESENTATION | 4 |
| ARTICLE VIII - GRIEVANCE PROCEDURE..... | 4 |
| ARTICLE IX - RESIGNATIONS | 5 |
| ARTICLE X - DISCIPLINES AND DISCHARGES..... | 5 |
| ARTICLE XI - LAYOFFS | 6 |
| ARTICLE XII - TEMPORARY EMPLOYEES..... | 7 |
| ARTICLE XIII - SUBCONTRACTING | 7 |
| ARTICLE XIV - PART-TIME EMPLOYEES | 8 |
| ARTICLE XV - LEAVES OF ABSENCE | 8 |
| ARTICLE XVI - VACATIONS | 11 |
| ARTICLE XVII - HOLIDAYS..... | 11 |
| ARTICLE XVIII - ELECTION AND PERSONAL LEAVE..... | 12 |
| ARTICLE XIX - INSURANCES | 12 |
| ARTICLE XX - PENSION..... | 13 |
| ARTICLE XXI - WAGES | 14 |
| ARTICLE XXII - COST-OF-LIVING | 14 |
| ARTICLE XXIII - GENERAL | 15 |
| ARTICLE XXIV - DURATION..... | 17 |
| LETTER OF UNDERSTANDING “A” | 18 |
| LETTER OF UNDERSTANDING “B” | 19 |
| LETTER OF UNDERSTANDING “C” | 20-21 |
| ATTACHMENT 1 – BCN \$500/0% HEALTH CARE PLAN | 22-24 |

AGREEMENT

This AGREEMENT is entered into this first day of July 2017 between the Michigan State AFL-CIO-HRD, Inc. (hereinafter referred to as the “Employer”) and the Office & Professional Employees International Union. Local 459, AFL-CIO (hereinafter referred to as the “Union”).

Both parties being desirous of establishing a harmonious relationship between the parties for the purpose of promoting the best interests and fraternal relations of both unions affiliated with the American Federation of Labor and Congress of Industrial Organizations, and for the purpose of defining their mutual rights and obligations, do agree as follows:

ARTICLE I - RECOGNITION

- 1.1 The Employer recognizes the Union as the exclusive bargaining agent for all office and clerical employees and will bargain with the Union on all matters of wages, hours of work and working conditions.
- 1.2 It is a condition of employment with the Employer that all employees covered by this Agreement shall be and remain members of the Union.
- 1.3 New office employees shall join the Union, if they are not already members of OPEIU Local 459, AFL-CIO, within thirty (30) calendar days.
- 1.4 Employees who have joined the Union shall be permitted and required to use the OPEIU 459 AFL-CIO label on all work.
- 1.5 An employee who is not a member of the Union may not use the OPEIU 459 AFL-CIO bug. If a document with the OPEIU 459 AFL-CIO bug is altered in any significant way by an employee who is not a member of the Union then the OPEIU 459 AFL-CIO bug shall be removed.
- 1.6 Temporary employees shall, after thirty days, purchase a monthly work permit from Local 459.
- 1.7 Effective on March 28, 2013, as a result of Michigan Public Act 348, the provisions of the foregoing paragraphs requiring membership in good standing as a condition of employment shall not be applicable except with regard to any work, or in any other circumstance, in which the provisions of Michigan Public Act 348 would not apply or be controlling. The Union and Employer further agree that if, during the term of this Agreement, Michigan Public Act 348 shall be repealed, amended, or otherwise nullified through legislation or an order of law rendered by a court or other tribunal of competent jurisdiction, the provisions of the foregoing paragraphs affected by such legislation or order shall become a binding provision in this Agreement immediately on the effective date of such legislation or order.

ARTICLE II - CHECK OFF

- 2.1 The Employer agrees to deduct union dues, initiation fees and assessments as levied and officially designated by the Union at each pay period and shall pay the same to the Secretary-Treasurer of the Union within ten (10) days of the end of each month.

ARTICLE III - HOURS OF WORK

- 3.1 The regular work week shall consist of forty (40) hours. One (1) hour off for lunch will be provided each day.
- 3.2 Time and one-half (1 ½) shall be paid for all hours in excess of the designated work week and for all work performed on Saturday. Double time shall be paid for all work performed on Sunday. All overtime work shall be distributed among all employees in a manner which will give each employee an equal share of overtime whenever possible. All overtime shall be paid in the paycheck following the pay period in which the overtime is worked.
- 3.3 Call-in pay shall be for no less than four (4) hours at the employee's rate of pay for that day.
- 3.4 The Employer shall grant fifteen (15) minutes in the morning and fifteen (15) minutes in the afternoon for relief-period. For any day in which two or more overtime hours are worked an additional fifteen (15) minute relief period shall be granted with an exception of Saturdays.

ARTICLE IV - NON-DISCRIMINATION

- 4.1 The Employer agrees there will be no discrimination against an employee because of Union activity.
- 4.2 The Employer and the Union agree not to discriminate in carrying out the obligations of this contract on the basis of race, creed, sex, marital status, age, national origin, gender identity, or sexual orientation.
- 4.3 The Employer and the Union have not and will not condone sexual harassment.
- 4.4 In the case of alleged violation of this Article, the employee may pursue the matter in a confidential manner through the designated representative of the Union and the Employer. If not resolved, the matter will be taken through the grievance procedure.

ARTICLE V - SENIORITY

- 5.1 The probationary period for new employees shall be ninety (90) calendar days from the date of hire, after which seniority shall be as of the original date of hire. The probationary period may be extended by mutual agreement.
- 5.2 Part-time employees shall accrue seniority at one-half (½) the rate of full-time employees.
- 5.3 Seniority rights shall be lost for any of the following reasons:
 1. Employee quits.
 2. Employee is discharged for just cause.
 3. Employee fails to report to work at the expiration of a leave of absence without permission

for extension of time.

4. An employee is laid off for a period equal to their seniority or for one (1) year, whichever is greater, but in no case more than two (2) years.

- 5.4 Seniority lists shall be available on a quarterly basis from the Employer.

ARTICLE VI - PROMOTIONS, TRANSFERS AND VACANCIES

- 6.1 The Employer shall post a notice of a vacancy or newly created job. The notice shall include a list of the qualifications needed. Employees shall have a five (5) working day period of time to apply for the position.
- 6.2 Selection for a promotion or transfer shall be made on the basis of seniority and ability. In the event two (2) or more qualified employees apply, the applicant with the greatest seniority shall be awarded the position for a trial period as specified in 6.3.
- 6.3 All employees promoted shall have a trial period of thirty (30) calendar days. If the employee does not qualify during this trial period, the employee shall be returned to his/her former position without any loss of seniority or pay. During the trial period the employee shall receive the rate of pay for the job being performed.
- 6.4 Any employee promoted or transferred may request, in writing, and return to his/her former position within the thirty (30) day trial period without loss of seniority or pay.

ARTICLE VII - UNION REPRESENTATION

- 7.1 The employees shall elect a steward and alternate.
- 7.2 The Union shall notify the Employer who is serving as steward and alternate.
- 7.3 The Employer will grant necessary and reasonable time off with pay during the steward's working hours to investigate grievances or to be present when necessary for participation in the processing of grievances in accordance with the grievance procedure. In addition, the Employer will grant the steward time off with pay for any time spent in connection with arbitration or arbitration procedure or processing.

ARTICLE VIII - GRIEVANCE PROCEDURE

- 8.1 For the purpose of this Article, the term grievance means any dispute between the Employer and the Union, or between the Employer and the employee concerning the effect, interpretation, application, claim of breach or violation of Agreement.
- 8.2 All grievances shall be subject to the following grievance procedure:

STEP ONE

An employee having a grievance shall present it in writing to the steward within ten (10) working

days after the inception of the matter giving rise thereto or it shall be deemed to have been waived. The steward shall present the grievance upon receipt to the CEO/ Chief Executive Officer or his/her designee, COO/Chief Operating Officer.

The Employer shall render a written decision within five (5) working days after receipt of the grievance.

STEP TWO

If the Union is not in agreement with the Step One decision, it may move the grievance to the next step by notifying the President of the Michigan AFL-CIO within five (5) working days after receiving the Step One response, that it desires to continue the grievance. The President or his/her designee shall hold a meeting with the Union and answer the grievance in writing within five (5) working days after the meeting.

STEP THREE

If the Union is not in agreement with the President's decision it may submit the grievance to arbitration. The Union shall notify the President, within twenty (20) working days after receiving the committee's decision, that it desires arbitration. The Union and the Employer shall attempt to agree on an impartial arbitrator. In the event an arbitrator is not mutually agreed upon within five (5) working days after the Union notifies the President it desires arbitration, using an odd numbered list either party may request a list of arbitrators from the American Arbitration Association. The arbitrator shall be selected through the process of elimination with each party alternately eliminating the name from the list of arbitrators, the last remaining name shall then be the arbitrator.

8.3 The fee of the arbitrator shall be borne equally by the parties. The arbitrator shall not change, amend or modify any provision of the Agreement. The decision of the arbitrator shall be final and binding on both parties.

8.4 Any time limits contained in this Article may be extended by mutual agreement of both parties.

ARTICLE IX - RESIGNATIONS

9.1 All employees shall give two (2) weeks notice before leaving employment. This two (2) weeks notice, however, may be waived if agreed upon between employee and the Employer.

9.2 The Employer agrees to grant employees who quit accrued vacation pay and deferred compensation in accordance with the provisions outlined in this Agreement. Employees who do not give two (2) weeks notice shall receive deferred compensation, but shall not received accrued vacation pay unless the notice requirement has been waived.

9.3 When an employee leaves the service of the Employer he/she shall, upon request, be furnished with a written statement of his/her character of service.

ARTICLE X - DISCIPLINES AND DISCHARGES

- 10.1 The employer agrees not to discipline or discharge employees except for just and sufficient cause.
- 10.2 The progressive discipline steps shall be as follows:
- Step 1 Verbal warning of an infraction.
 - Step 2 Written warning of an infraction.
 - Step 3 Three (3) days suspension without pay.
 - Step 4 Discharge.
- 10.3 Before an employee is discharged he/she shall be given a hearing in front of the CEO/Chief Executive Officer of the Employer or his/her designee, COO/Chief Operating Officer with a Union representative present.
- If the employee, after such hearing, is still aggrieved, the case may be referred to the grievance procedure Step Two (2). If the decision is reversed, the discharged employee shall be paid retroactive pay dating from the time of discharge and shall retain all seniority rights.
- 10.4 Any employee discharged shall be given accrued vacation pay and deferred compensation in accordance with the provisions outlined in this Agreement except if discharged for misappropriation of funds.

ARTICLE XI - LAYOFFS

- 11.1 Before a layoff, the Union shall be notified by the Employer. A meeting shall be held to explore alternatives, which may include transferring to a position not within the bargaining unit (this will only be done by mutual agreement). Any bargaining unit member transferred to a position not within the bargaining unit, shall not lose seniority as a result of such transfer, but shall not accumulate bargaining unit seniority while performing non-bargaining unit work. In the event the Employee requests to be reassigned, the employee shall be transferred to a work site with an available, open position at the compensation package (i.e. budgeted salary and insurance costs) established for that work site location. In the event a bargaining unit opening becomes available and more than one (1) former bargaining unit employee requests to be reassigned then Article VI shall apply.
- 11.2 In the event of a layoff, temporary employees shall be laid off first. The principles of seniority shall be applied for any layoffs. The employee with the lowest seniority shall be laid off first beginning with the lowest level of classification at the work site. Recall shall be on the basis of seniority and classification, provided the employee qualified for the work available within a trial period of thirty (30) calendar days.
- 11.3 A seniority employee who is about to be laid off shall receive two (2) weeks notice or the equivalent in wages. Employees laid off shall be paid accrued vacation pay, and must designate in writing when payment of accrued and banked vacation pay is to be made, as long as it occurs in the same program year.
- 11.4 An employee laid off may exercise his/her seniority to bump into any position held by the lowest seniority employee currently employed at a different work site (work site is defined as office location) at the bumped employee's compensation package (i.e. budgeted salary and insurance costs). An employee who bumps to a different worksite shall receive a weekly job performance

review (for eight (8) weeks) by the Employer to determine if the employee is meeting the requirements of the position. In the event the employee is not meeting the requirements of the position then, appropriate training shall be provided by the Employer; if at the end of eight (8) weeks the employee is still not meeting the requirements of the position, then the Employer and Union shall meet to explore alternatives prior to discipline being administered. An employee who bumps to a different worksite shall, seniority permitting, retain secondary recall rights to their previous worksite. An employee shall notify the Employer within ten (10) calendar days of the written layoff notice if he/she wishes to exercise her/his bumping rights.

11.5 An employee on layoff shall be offered any temporary work available.

If the laid off employees decline temporary work, the Employer may hire temporary employees in accordance with Article XII.

11.6 Seniority employees shall not be required to accept temporary or part-time work to retain their seniority. Seniority employees shall not be required to accept a bump to a position at a worksite more than thirty (30) miles from their worksite or bump to a lower job classification.

ARTICLE XII - TEMPORARY EMPLOYEES

12.1 The Employer may hire temporary employees for periods of peak work loads or for special projects.

12.2 Temporary employees shall not be employed for longer than ninety calendar days except the Employer may hire temporary employees to replace Union employees on leaves of absence. Such temporary employees may be employed for the duration of the leave of absence. Temporary employees shall, after 30 days, purchase a monthly work permit from Local 459.

12.3 Temporary employees shall not be covered by any other Articles of this Agreement unless specifically addressed below.

12.4 Should a temporary employee become permanent, that employee's seniority shall revert to the original date of hire.

12.5 The Employer shall give written notice to the Union upon hire of temporary employees. The notice shall include the expected duration of the employment.

The duration may be extended or reduced upon notice from the Employer.

12.6 A temporary employee shall be paid at 30% per week less than the prevailing wage for her/his classification.

12.7 A full-time temporary employee who is replacing a union employee on a leave of absence and who works more than six months and averages fifteen (15) hours per week shall receive vacation, sick leave, and holiday pay on a prorated basis.

ARTICLE XIII - SUBCONTRACTING

- 13.1 No work which is normally or customarily performed by employees within job classifications covered by this Collective Bargaining Agreement shall be subcontracted by the Employer to any outside office or agency.

ARTICLE XIV - PART-TIME EMPLOYEES

- 14.1 The Employer may hire part-time employees. Part-time employees shall assist the full-time work force. Part-time employees shall not be used in lieu of or to displace full-time employees.
- 14.2 Part-time employees shall not be regularly scheduled to work more than twenty (20) hours in any week. If a part-time employee regularly works more than twenty (20) hours per week, and the employee or the Union notifies the Employer to that effect, the Employer either shall make that employee a full-time employee entitled to all the rights and privileges of a full-time employee or shall reduce the employee's hours to less than twenty (20) hours a week for at least the next eight (8) consecutive week. For purposes of this section, regularly shall mean more than eight (8) weeks in any ten (10) week period.
- 14.3 A part-time employee shall be paid at 30% per week less than the prevailing wage for her/his classification.
- 14.4 Part-time employees who work more than six (6) months and average fifteen (15) hours per week shall receive vacation and sick leave which shall be pro-rated.

ARTICLE XV - LEAVES OF ABSENCE

15.1 Sick Leave

Employees shall receive one (1) accrued sick day per month with a maximum of twelve (12) paid sick days per year. .

In the event sick time is used prior to it being accrued it is understood by the parties that it must be earned or paid back in the same program year.

An employee may accumulate sick leave up to a maximum of twenty-four (24) days. The Employer may require proof of illness for employees using more than three (3) consecutive days of sick leave. Sick leave shall be granted in not less than one (1) hour increments. An employee shall continue to accrue seniority and all benefits while on sick leave.

15.2 Disability Leave

a. Short Term

Employees shall be entitled to up to ten (10) weeks of short-term disability leave with pay. Employer's Short Term Disability policy coverage is first (1st) day for an accident and eighth (8th) day of an illness. For an illness an employee must use five (5) sick or vacation days until the short term disability coverage starts. If employee doesn't have five (5) sick or vacation days, those days will be un-paid.

If an employee is paid benefits from an insurance plan paid for by the Employer while on Short Term Disability leave, the amount of pay received from the insurance plan shall be deducted from the employee's regular pay, for the 1st ten (10) weeks of the disability leave. However, both the wage replacement and health insurance continuation are contingent on the availability of funds and may terminate at the end of any current program year (June 30) or during a program year at the discretion of the Employer. This reduction will only apply if written notice has been given by a funding source of a funding cut or termination of a contract (i.e., closing of a work site).

An employee shall continue to accrue seniority and all benefits while on short-term disability leave.

b. Long Term

Paid Long Term Disability insurance is available for purchase by each employee through payroll deduction.

Long term disability leave shall begin at the end of the short-term disability leave if applicable.

Employees with at least six (6) months seniority but less than one (1) year's seniority shall be entitled to a long term disability leave of up to six (6) months. Employees with more than one (1) year's seniority shall be entitled to a long term disability illness leave for a period of up to three (3) years. This leave shall begin at the end of the short term disability leave. This leave shall be without pay or benefits. An employee may use any accrued sick or vacation leave. An employee on long term disability leave shall continue to accrue seniority.

c. Determination

The determination of disability shall be made by the employee's attending physician. The employer may require an employee to be seen by another physician at the Employer's expense.

If the physicians of the employee and the Employer do not agree and concurrence cannot otherwise be reached, the employee may request that an appropriate medical specialist be designated to determine disability. The Employer and the Union shall mutually agree as to who the appropriate specialist shall be. Failing agreement by the parties, the physicians of the employer and the employee shall select the appropriate specialist. The employee shall consult the specialist. The employee shall pay one half (1/2) of the specialist's fee and the Employer shall pay the other one-half (1/2) of the fee.

The specialist shall furnish a copy of his/her evaluation to the employee, Employer and the Union. The determination of the specialist shall be final and binding.

15.3 Jury Duty Leave

Leave shall be granted for jury duty and the Employer shall pay the difference between the employee's regular pay and the pay received for jury duty. Employees released from jury duty during normal working hours shall return to work for the balance of the day. An employee shall continue to accrue seniority and all benefits while on jury duty leave.

15.4 Maternity/Paternity/Adoption Leave

Maternity: Short Term Disability leave is available for the birth of a son or daughter. (see section 15.2 a.)

An employees with one (1) year or more of seniority shall be granted a maternity/paternity/adoption leave of up to six (6) months without pay or benefits. The leave shall begin at the end of the disability leave, if any.

An employee shall continue to accrue seniority while on maternity/paternity/adoption leave.

15.5 Union Leave

A leave of absence without pay shall be granted to an employee who is selected to serve as a full-time representative of his/her local or international union, delegate to an OPEIU or AFL-CIO convention or government service if selected by OPEIU. An employee on Union leave shall continue to accrue seniority for up to three (3) years. After three (3) years, the employee shall retain any seniority already accrued, but shall not continue to accrue seniority. An employee shall be returned to work in his/her previous position or a like position.

15.6 Armed Forces Leave

An employee drafted into the Armed Forces or volunteering into the Armed Forces during any war shall be granted a leave of absence. The Employee shall receive any accrued vacation pay and may receive deferred compensation pay in accordance with the provisions outlined in this Agreement at the time of induction. The employee will accumulate seniority and will be returned to work at his/her previous or like position providing he/she reports to work within ninety (90) days after discharge. At the employee's request, and for just cause, a ninety (90) day extension may be granted by the Employer.

15.7 Leave Without Pay

An employee with one (1) year or more seniority may be granted a leave without pay for up to three (3) months. The Employer may request adequate reason before granting such leave. A leave without pay may be extended by mutual agreement between the Union and the Employer. An employee shall continue to accrue seniority during the first three (3) months of leave without pay or benefits. After three (3) months an employee shall retain, but not accrue, seniority.

15.8 Bereavement Leave

Leave of absence with pay for five (5) work days shall be granted an employee in the event of a death of his/her immediate family (i.e., father, mother, spouse, child, sister or brother). Leave of absence with pay for three (3) work days shall be granted an employee in the event of death of his/her mother-in-law, father-in-law, grandparents and grandchildren. Further bereavement leave shall be subject for negotiation between the employee involved and the Employer. An employee shall continue to accrue seniority and all benefits while on bereavement leave.

15.9 Prolonged Illness in Immediate Family

An employee with one (1) year or more of seniority shall be granted a leave of absence of up to six (6) months without pay or benefits to attend to the physical or mental health of a member of the employee's immediate family.

An employee shall continue to accrue seniority while on a prolonged illness in immediate family leave.

Immediate family is defined as spouse, parent, dependent child, ward with guardianship, and significant other. Significant other is defined as an individual living with the Employee in a relationship which the employee considers analogous to marriage. Proof of claimed illness must be furnished by the employee when requested by the Employer.

ARTICLE XVI - VACATIONS

16.1 Employees shall be granted the following vacation with pay:

- 2 weeks first year
- 3 weeks beginning of second year
- 4 weeks beginning of fifth year
- 5 weeks beginning of fifteenth year

If an employee is terminated for misappropriation of funds, that employee shall not be entitled to accrued vacation pay.

16.2 Vacation schedules shall be arranged on the basis of seniority and shall be mutually agreed to by employees and Employer. Employees will be allowed to accrue vacation time up to 75 days. On or before May 15 of each contract year the Employer shall give written notice to each employee of the maximum vacation accrual for that year, which shall be determined by funding availability. Before June 30 of each year the Employer shall notify each employee as to his/her current vacation entitlement. The Employer and each employee shall reach an agreement as to the correct beginning balance as of July 1 of each year.

16.3 In the case of an employee's death, payment of accrued vacation pay shall be made to the employee's designated beneficiary if one has been so designated by the employee.

16.4 Any employee who suffers an accident or illness while on vacation shall be granted sick pay and leave in accordance with ARTICLE XV, Section 1, upon notification to the Employer. When the employee recovers and is able to return to work, mutually agreeable arrangements between the Employer and employee shall be made to complete the employee's vacation schedule. Proof of claimed accident or illness when and if requested by the Employer, must be furnished by the employee.

16.5 In the event of the death in the immediate family while an employee is on vacation, funeral leave shall be granted in accordance with ARTICLE XV, Section 8, upon notification to the Employer and this leave shall be excluded from the vacation period. When the employee returns to work, mutually agreeable arrangements between the Employer and employee shall be made to complete the employee's vacation schedule.

16.6 Employees shall take their vacation time off from work and not accept pay in lieu thereof.

ARTICLE XVII - HOLIDAYS

17.1 The following days shall be paid holidays:

- New Years Day, January 1
- Martin Luther King Jr. Day, Third Monday in January
- Presidents Day, Third Monday in February
- Memorial Day, Last Monday in May

Independence Day, July 4
Labor Day, First Monday in September
Veterans Day, November 11
Thanksgiving Day and the day after, the fourth Thursday and Friday in November
Christmas Eve, December 24
Christmas Day, December 25
New Years Eve, December 31
Employee's birthday. The employee shall be allowed to take it any day in the month in which it falls.

- 17.2 Employees who work during the three (3) days between Christmas Day and New Years Eve shall be given an equivalent amount of time off to be taken at a mutually agreed upon date and within the same program year.
- 17.3 If any of the listed holidays falls on Saturday, they shall be observed on the preceding Friday, and if they fall on Sunday, they shall be observed on the following Monday except if Christmas Day and New Years Day fall on Saturday, they shall be observed on Monday. If Christmas Eve and New years Eve fall on Sunday, they shall be observed on Friday.
- 17.4 In addition to holiday pay, double time shall be paid for all hours worked on a holiday except for the three (3) days between Christmas Day and New Years Eve.

ARTICLE XVIII - ELECTION

- 18.1 Two (2) hours with pay shall be granted on all general election days for voting for those eligible to vote. Half of the employees shall take their two (2) hours from 9:00 a.m. to 11:00 a.m. on Election Day, and the other half from 3:00 p.m. to 5:00 p.m. on that same day. Employees who serve on Election Commissions shall be granted time off without pay on all election days.

ARTICLE XIX - INSURANCES

- 19.1 The employer agrees to pay the cost of the premium for single, two person or full family (depending upon the status of the employee) for health care insurance. The plan shall be the BCN \$500/0% plan with a Health Reimbursement Arrangement (HRA) covering the first \$350 of the single person deductible and the first \$700 of the two-person or family deductible. The plan shall have a \$4 copay on value generic/\$15 copay on other generic/\$40 copay on preferred name brand/\$80 copay on non-preferred name brand/20% copay up to a maximum of \$200 for preferred specialty/20% copay up to a maximum of \$300 for non-preferred specialty prescription drug with a mail order option for a three (3) month supply with three (3) copays minus \$10. The other benefits covered by this plan are attached at the end of this agreement. Effective July 1, 2015, the HRA shall cover one hundred percent (100%) of the deductible. The total annual out-of-pocket maximums shall be \$1,000 per member/\$2,000 per two-person or family per year. Any payment made through the HRA shall be applied to the total annual out-of-pocket maximums.
- 19.2 The Employer agrees to pay the cost of the premium for single, two person or full family (depending upon the status of the employee) for dental insurance. The plan shall be a plan with the same benefits covered as of June 30, 2013 through MetLife with the \$1,500 annual maximum using the MetLife and Dentamax network.

- 19.3 The Employer agrees to pay for the cost of the premium for single, two person or full family (depending upon the status of the employee) for optical insurance. The plan shall be a plan ~~with~~ through MetLife using the VSP network with a \$150 in network frame allowance (\$85 at Costco) and a \$150 contacts maximum allowance.
- 19.4 The Employer agrees to pay the cost of the premium for short-term and long-term disability income insurance. The plan shall provide a weekly benefit of sixty-six and two-thirds percent (66 2/3rd) for short-term disability up to a maximum benefit not to exceed a \$400 weekly benefit and sixty percent (60%) for long-term disability up to a maximum monthly benefit not to exceed a \$3,000 monthly benefit for through MetLife. The elimination period shall be zero (0) days for an accident and seven (7) days for a sickness.
- 19.5 The Employer agrees to pay the cost of term life insurance for each employee with coverage of \$40,000.
- 19.6 Employees may purchase the following additional insurance through payroll deductions:
1. Group Hospital Confinement Indemnity Insurance
 2. Group Long-Term Disability Income Insurance
 3. Group LTD - Coordinated Disability Plan
 4. Group Dependent Life Insurance
 5. Group college Fund Benefit
- 19.7 An employee, after providing proof of coverage through his or her spouse to the employer, may elect not to participate in the health insurance plan currently offered to the employees in the bargaining unit. An employee who elects not to participate shall be paid a monthly sum according to the following schedule.

Reduction or elimination of coverage – The employee shall be reimbursed 40% of the savings under the medical coverage between their current coverage and the reduced coverage.

The employee will not be allowed to re-enter the plan until the regular enrollment period. However, if the employee loses coverage through his or her spouse, the employee may be allowed to re-enter the plan on the first day of the succeeding month after providing verification to the employer of the loss of coverage.

ARTICLE XX - PENSION

- 20.1 The Michigan State AFL-CIO HRDI Deferred Compensation Plan for Employees established July 1, 1988 shall be established and maintained by the Employer and shall be printed under separate cover and is incorporated by reference as part of this Agreement. Contributions to the Deferred Compensation Plan will be made by the Employer per the plan documents. Effective July 1, 2013, the Employer shall contribute eight (8) percent of Salary of each such Participant for that Plan Year, which shall be credited to the Participant's Account.

20.2 The Michigan State AFL-CIO HRDI Health Retirement Account (HRA) for Employees established July 1, 2002 shall be established and maintained by the Employer and shall be printed under separate cover and is incorporated by reference as part of this Agreement. Contributions to the HRA will be made by the Employer per the plan documents. Effective March 1, 2016, the Employer shall contribute three percent (3%) of Salary of each such Participant for that Plan Year, which shall be credited to the Participant's Account.

ARTICLE XXI - WAGES

21.1 Effective March 1, 2016, the following wage structure for Program Technicians I, II, III shall be in effect. The salary for Program Technicians I, II, III will consist of a series of salary ranges as follows:

| | |
|------------------------|---------------------|
| Program Technician I | \$25,449 - \$29,998 |
| Program Technician II | \$29,999 - \$46,999 |
| Program Technician III | \$47,000- |

Effective March 1, 2016, all bargaining unit employees' salary shall be increased by \$1,000.

The Employer reserves the right to raise wages, if the economic conditions in the geographic area can support the increase, and if the employee demonstrates the skills and work habits to accomplish progressively more challenging job activities required by the regional office. Salary range increases will require written justification and performance evaluation from the employee's regional manager or direct supervisor and approved by the HRDI Management Team and union leadership.

21.2 If, during the period of this contract, the Employer awards bonuses or wage increases to non-bargaining unit staff, the Employer will award a bonus or wage increase to the employees covered by this contract in an amount equal to the bonus or wage increase awarded to non-bargaining unit staff. Bonuses or wage increases shall be granted only in the event funds become available and can be granted to all employees.

21.3 Budgeted Positions

Program Technicians will be budgeted positions by region for each program year. A budgeted position is one which is paid from a specific region's budgeted salaries appropriation.

The Employer reserves the right to reduce the salary rate of any vacant Program Technician position as a result of funding restrictions, within the salary ranges outlined in 21.1. Incumbents in similar positions, who remain in that position, will remain at their present salary rate. The Employer and Union agree to meet at the end of the Collective Bargaining Agreement to review salary ranges and job activities for each Program Technician by office location.

21.4 Temporary employees shall be paid in accordance with Article 13.

ARTICLE XXII - COST-OF-LIVING

22.1 Cost-of-living allowance will be suspended for the entire term of the Collective Bargaining Agreement.

If, during Program Years 2017 - 2019, HRDI awards cost-of-living allowance to non-bargaining unit staff, HRDI will award cost-of-living allowance to the employees covered by this contract.

1. The cost-of-living allowance as of July 1, 2001 is five cents (\$.05) per hour. This and subsequent increases to the cost-of-living allowance is more than five cents (\$.05) per hour, any amount over the five cents (\$.05) per hour shall be added to and made a part of the base rate for Program Technicians I, II, III so that the cost-of-living allowance at no time exceeds five cents (\$.05) per hour. It is agreed that only the cost-of-living allowance be subject to reduction. In no event will a decline in the index provide the basis for a reduction in the base rate for each Program Technician, including additions to such base rates made in accordance with the foregoing.
2. The cost-of-living allowance, which has been added to each employee's salary will be adjusted up or down every three (3) months in line with the cost-of-living allowance provided for in Sections A, D and E of this Article, except that it shall not exceed seven per cent (7%) of the employee's base wage per year.
3. The amount of the cost-of-living allowance shall be determined using the CPI-U (1982-84 = 100), all items, published by the Bureau of Labor Statistics, United States Department of Labor and referred to herein as the Index.
4. The cost-of-living allowance shall be adjusted the first pay period on or after September 1, 1988 (and at quarterly intervals thereafter) using the index of June, 1998 (and at quarterly intervals thereafter).
5. The cost-of-living allowance shall be calculated on the basis of three quarters of a cent (\$.0075) for each 0.1 rise or fall in the Index.
6. The amount of any cost-of-living allowance in effect at the time shall be included in computing overtime premium, night shift premium, vacation payments, holiday payments and call-in pay.
7. In the event the Bureau of Labor Statistics does not issue the index on or before the beginning of any pay period referred to in Section D of this Article, any adjustments required will be made at the beginning of the first pay period after receipt of the Index.

ARTICLE XXIII - GENERAL

23.1 The employer agrees to maintain a high standard of sanitary, lighting and general working conditions.

23.2 Employees shall not be asked to make any written statement or verbal contract which may conflict

with this Agreement.

- 23.3 No clause in this Agreement is to be understood to imply a lowering or working conditions heretofore existing in this office.
- 23.4 In the event of an administrative change in the office of the Michigan State AFL-CIO, the status of all employees shall be governed by this Agreement. Employees shall be entitled to retain their same jobs, and there shall be no lowering of Program Technicians I, II, III.
- 23.5 Notice in writing of discharge, layoffs, transfers, intended hiring, Program Technician changes, and leaves granted must be given the Union by the Employer.
- 23.6 Rates of pay for new Program Technicians shall be mutually agreed upon by the Union and the Employer.
- 23.7 In the event of proposed technological changes, such as the introduction of automatic office machinery, the Employer agrees to offer such employment to its present employees before hiring from the outside market. The Employer agrees to give each employee a reasonable time to qualify for such new employment.
- 23.8 The Employer agrees to provide one copy of this Agreement to each employee.
- 23.9 Hours of work will be recorded daily for each employee by means of a time sheet.
- 23.10 Program Year shall be July 1 – June 30.

ARTICLE XXIV - DURATION

- 24.1 This Agreement supersedes and incorporates all previous memoranda of agreement and supplements heretofore agreed to by both parties and shall remain in full force and effect for three (3) years from July 1, 2017 to June 30, 2020.
- 24.2 In the event either party wishes to change, amend, modify or terminate this Agreement, notice shall be given by either party to the other in writing sixty (60) days prior to the expiration of this Agreement.
- 24.3 Due to funding constraints, the employer and union have over the last five (5) years negotiated Collective Bargaining Agreements that have resulted in concessions or neutral status. This has enabled the employer to be competitive while bidding for workforce development contracts.

In the event the employer regains their (SDW) State Dislocated worker and/or obtains a new (MWA) Michigan Works Area contract, the employer agrees to notify the Union in writing. If the Union wishes to change, amend, modify or terminate this Agreement, it give notice to the Employer in writing sixty (60) days following such notice.

FOR THE EMPLOYER:

FOR THE UNION:

Ron Bieber, President
Michigan State AFL CIO

Jeffrey Fleming, OPEIU Local 459
Service Representative

Ron Rose, CEO
Michigan HRDI

Sandra Payne
Bargaining Team / Steward

Missy Guth-Beach
Michigan HRDI

Julie Gregory
Bargaining Team

LETTER OF UNDERSTANDING "A"

This Letter of Understanding is entered into this **FIRST** day of **JULY, 2017** between the Michigan AFL-CIO HRD, Inc (hereinafter referred to as the "Employer") and the Michigan State AFL-CIO (hereinafter referred to as the AFL-CIO) and the Office & Professional Employees International Union, Local 459 (hereinafter referred to as the "Union").

WHEREAS, the Employer and the Union have entered into a collective bargaining agreement covering the clerical employees of the Employer, (hereinafter referred to as the "HRD, Inc. Contract"); and

WHEREAS, the AFL-CIO, the Employer and the Union desire to establish a mechanism in the event of transfers between the Employer and AFL-CIO. It is agreed that:

- 1 The Employer agrees that, should a clerical vacancy at the Employer exist and the position not be filled by an internal full-time OPEIU 459 employee, the job shall be posted at the offices of the AFL-CIO. The posting shall include budgeted salary, benefits, and job requirements.
- 2 The Employer agrees that any employee covered under the AFL-CIO contract may apply for the position, and that all employees applying shall be interviewed.
- 3 Should an employee under the AFL-CIO contract be accepted for the position, the Employer agrees that he/she shall be provided a trial period of thirty (30) calendar days. Should that employee decide to return to his/her previous job within that 30 days, or should the employee not pass the trial period, the AFL-CIO agrees to allow the return of the employee to the Employer.

Should the employee pass the trial period, the HRD, Inc. agrees to credit the employee with seniority under the HRD, Inc./ Union contract for all purposes including layoff equal to the seniority the employee had under the AFL-CIO/Union contract.

LETTER OF UNDERSTANDING “B”

This letter of Understanding is entered into this **FIRST** day of **JULY, 2017** by and between the HRD, Inc. (hereinafter referred to as the “Employer”) and the Office & Professional Employees International Union, Local 459 (hereinafter referred to as the “Union”).

Whereas, the Employer and the Union have entered into an agreement to add additional lower paid Program Technicians to the collective bargaining agreement,

It is agreed as follows:

The Employer shall not eliminate Program Technician II or Program III positions and replace them with a lower paid position.

This Letter of Understanding does not apply in the event of a voluntary separation.

LETTER OF UNDERSTANDING “C”

This Letter of Understanding is entered into this **FIRST** day of **JULY, 2017** between the Michigan AFL-CIO HRD, Inc (hereinafter referred to as the “Employer”) and the Michigan State AFL-CIO (hereinafter referred to as the AFL-CIO) and the Office & Professional Employees International Union, Local 459 (hereinafter referred to as the “Union”).

Whereas, the Employer is experiencing a significant revenue reduction in state and federal funding, and

Whereas the Employer proposed a series of concession to help bring costs in line with the reduced funding;

Therefore, the following amendments shall be made to the collective bargaining agreement:

1. Article III – HOURS OF WORK: increased from thirty-five (35) to forty (40) hour.
2. Article XV – LEAVES OF ABSENCE: the Employer no longer qualifies under the Family Medical Leave Act therefore all language and references to FLMA have been removed. In the event the Employer qualifies for FMLA the following language will be reinstated:

15.2 b. Long Term

Paid Long Term Disability insurance is available for purchase by each employee through payroll deduction.

Long Non-paid Long Term Disability Leave is available to employees under the Family Medical Leave Act (FMLA). Employees who have been employed for at least 12 months by the employer or have at least 1250 hours of service with such employer during the previous 12-month period may qualify for FMLA if said employer is required to cover employees under the rules of The Family Medical Leave Act. FMLA states that an employer is required to abide by FMLA if the company employs 50 employees within a 75 mile radius. Availability of FMLA would solely rely on the employer meeting the guidelines of the Family Medical Leave Act requirements. FMLA requires an employer who falls under the FMLA to allow an employee to receive 12 weeks of leave within a 12-month period. This leave is un-paid. Said employer can require employee to use any unused/accrued vacation or sick leave as part of this 12 week leave period.

Long term disability leave shall begin at the end of the short-term disability leave if applicable. Short Term Disability Leave and Long Term Disability leave shall exceed 12 weeks within a 12-month period.

All FMLA leave shall follow the Family Medical leave Act of 1993.

15.4 Maternity/Paternity/Adoption Leave

Paternity/Adoption: Family Medical Leave is available in order for an employee to care for the birth or adoption of a son or daughter. Employees who have been employed for at least 12 months by the employer or have at least 1250 hours of service with such employer during the previous 12-month period may qualify for FMLA for the birth or adoption of a son or daughter, if said employer is required to cover employees under the rules of The Family Medical Leave Act. FMLA states that an employer is required to abide by FMLA if the company employs 50 employees within a 75 mile radius. Availability of FMLA would solely rely on the employer meeting the guidelines of the Family Medical Leave Act requirements. FMLA requires an

employer who falls under the FMLA to allow an employee to receive 12 weeks of leave within a 12-month period. This leave is un-paid. Said employer can require employee to use any unused/accrued vacation or sick leave as part of this 12 week leave period. This leave cannot be taken intermittently or on a reduced leave schedule unless the employee and the employer of the employee agree otherwise.

Long term disability leave shall begin at the end of the short-term disability leave if applicable. Short Term Disability Leave and Long Term Disability leave shall exceed 12 weeks within a 12-month period. All FMLA leave shall follow the Family Medical leave Act of 1993.

15.9 Prolonged Illness in Immediate Family

Family Medical Leave is available in order for an employee to care for the spouse, or a son, daughter, or parent of the employee, if such spouse, son, daughter, or parent has a serious health condition. Employees who have been employed for at least 12 months by the employer or have at least 1250 hours of service with such employer during the previous 12-month period may qualify for FMLA for the birth or adoption of a son or daughter, if said employer is required to cover employees under the rules of The Family Medical Leave Act. FMLA states that an employer is required to abide by FMLA if the company employs 50 employees within a 75 mile radius. Availability of FMLA would solely rely on the employer meeting the guidelines of the Family Medical Leave Act requirements. FMLA requires an employer who falls under the FMLA to allow an employee to receive 12 weeks of leave within a 12-month period. This leave is un-paid. Said employer can require employee to use any unused/accrued vacation or sick leave as part of this 12 week leave period. This leave may be taken intermittently or on a reduced leave schedule. All FMLA leave shall follow the Family Medical leave Act of 1993.

3. ARTICLE XVII – HOLIDAYS: eliminated Cesar Chavez Day, Good Friday and the three (3) days between Christmas and New Year’s Eve.
4. ARTICLE XVIII – PERSONAL LEAVE: eliminated the five (5) personal leave days per year.
5. ARTICLE XIX – INSURANCES: reduce the medical coverage opt out from fifty percent (50%) to forty percent (40%) .
6. ARTICLE XX – PENSION: Reduced Employer contribution to the Deferred Compensation Plan for Employees from fifteen percent (15%) down to eight percent (8%).
7. ARTICLE XXII – COST-OF-LIVING: suspended for the entire term of the Collective Bargaining Agreement.

If additional funding becomes available and any of the above concession(s) are restored for non-bargaining unit staff; the concession(s) shall also be restored for employees covered by this agreement. All amendments to the Collective Bargaining Agreement outlined in LETTER OF UNDERSTANDING “C” shall continue past June 30,2020only by mutual agreement.