SEBAC 2022 AGREEMENT -between-STATE OF CONNECTICUT -and-STATE EMPLOYEES BARGAINING AGENT COALITION (SEBAC)

In order to assist in preserving public services and in providing adequate levels of staffing for state employee benefits programs which are an asset to the State as well as its employees, the State of Connecticut and the State Employees Bargaining Agent Coalition ("SEBAC") agree to the following provisions. This agreement shall amend previous SEBAC Agreements as necessary to carry out the specific changes set forth herein.

I. MODIFICATIONS TO THE CURRENT SEBAC PENSION AND HEALTH CARE AGREEMENT

- A. Health Care Preservation and Enhancement of Current Plans and Joint Efforts. Except as specifically referenced herein, all the provisions of 1997-2017 Pension and Health Care Agreement, as amended, shall apply. The Changes to Health Care are:
 - i. Affecting Active Employees:
 - 1. Voluntary Prudent RX.
 - ii. Affecting Retirees not on Medicare:
 - 1. Voluntary Prudent RX.

The specifics of the Prudent RX Program are set forth in Appendix A.

II. PROVISIONS AFFECTING BARGAINING UNIT AGREEMENTS

The State and SEBAC recognize that wages and other matters are negotiated on a bargaining unit basis by the union designated as the exclusive bargaining representative for that unit. However, in order to carry out of the intent of this agreement with respect to the protection and preservation of state services and to encourage staffing levels that are consistent with those purposes and wage and benefit levels that are fair and consistent among the affected bargaining units, the State and SEBAC have agreed that the parameters in Appendix B shall apply to all units participating in this agreement.

III. TENTATIVE AGREEMENT, SUBJECT TO RATIFICATION AND APPROVAL BY THE GENERAL ASSEMBLY

By their signatures below, the parties indicate that this tentative agreement has been approved by the Governor, and ratified by SEBAC Leadership, and that each of the bargaining unit agreements tentatively agreed to in accordance with Attachment B by their appropriate negotiating parties have been fully ratified and attached as Attachment C to this agreement. This

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agreement is further subject to the approval of the General Assembly in accordance with the provisions of Connecticut General Statutes §5-278(b).

Daniel E. Livingston, Chief Negotiator SEBAC

David Krayeski, Office of Labor Relations State of Connecticut

Dated this 31st day of March, 2022.

Attachment A – Health Insurance Design Specifications

I. Further Explanation of Prudent RX - Voluntary Specialty Drug Discount Program

Beginning July 1, 2022, all active employees and non-Medicare eligible retirees will be enrolled in a specialty drug discount program that provides enrollees with \$0 cost share for all specialty medications. Participation in the specialty discount program will be automatic unless the member chooses to opt out. Members can optout of the program during open enrollment each year, beginning with the May 2022 open enrollment, by filling out a form, which will be made available by the Comptroller and the plan's pharmacy benefit manager. ÷

Enrollees will receive \$0 cost share for all specialty medication for participating in the specialty discount program. In exchange for the \$0 cost share, participants are required to enroll in available manufacturer assistance programs with the assistance of the specialty discount program administrator. Failure to enroll in manufacturer discount programs as recommended by the program administrator will result in removal from the program, effective with the start of the following plan year and a resumption of the previously applicable specialty copay. The appropriateness, amount and nature of any compliance incentive which the parties determine is likely to increase overall savings to the state shall be determined by the Health Care Cost Containment Committee.

Members enrolled in the program will also be enrolled in a specialty management program, which ensures appropriate and safe use of specialty drugs, be subject to a specialty formulary and will be offered a limited specialty pharmacy network. Enrollees currently utilizing specialty drugs will not be subject to the specialty management review for current prescriptions.

The value of drug manufacturer coupons or copay assistance associated with the specialty discount program will not count towards the calculation of a member's cost sharing responsibility for purposes of out-of-pocket maximums.

If specialty drug discount programs are discontinued by pharmaceutical manufacturers or fail to reduce overall prescription drug costs to plan members and the State, all members shall revert to their standard specialty copay.

ATTACHMENT B

State of Connecticut and SEBAC – Framework Concerning Wages and Other Matters (hereinafter referred to as the "2022 Agreement Framework")

I. The following parameters shall apply to wage agreements through June 30, 2024:

a. Wage increases for FY 2021-22¹

Effective and retroactive to July 1, 2021, and upon legislative approval, fulltime employees shall receive a \$2,500 (two thousand five hundred dollars) special lump sum payment. This special lump sum payment shall be pro-rated for part-time unit employees. The special lump sum payment shall be paid upon legislative approval for those who were an active employee, who are in the bargaining unit as of March 31, 2022.

Effective and retroactive to July 1, 2021, and upon legislative approval, the base annual salary shall be increased by two and one- half percent (2.5%) for those who are active employees and in the bargaining unit, employees who left in good standing with ten (10) years or more of state service or employees who retired after July 1, 2021.

Retroactive to the annual increment date or dates for the respective bargaining unit and individual, and upon legislative approval, the annual increment or their equivalent shall be paid for those who are active employees and in the bargaining unit, employees who left in good standing with ten (10) years or more of state service or those employees who retired after July 1, 2021. Non-increment units will receive additional payments in lieu of increments in accordance with the parties' usual practice.

b. Wage increases for FY 2022-23 Fiscal Year. Provide a two and one-half percent (2.5%) increase plus step increases, annual increments or their equivalent to those units that have them as part of their collective bargaining agreement. Non-increment units will receive additional payments in accordance with the parties' usual practice. This will be paid in the payroll that includes July 1, 2022.

Effective July 1, 2022, full-time employees who are active and in the bargaining unit shall receive a \$1,000 (one thousand dollars) special lump sum payment.

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¹ The parties have agreed to the attached Memorandum of Agreement regarding the retroactivity of the FY2021-2022 wages. In addition, some individual collective bargaining agreements may vary in terms of the effective date of general wage increases consistent with those units' usual practices. Non-increment units have bargained the manner of distribution of the payments in lieu of increment at the local bargaining tables.

This special lump sum payment shall be pro-rated for part-time unit employees.

- c. Wage increases for 2023-2024 Provide a two and one-half percent (2.5%) increase plus step increases, annual increments or their equivalent to those units that have them as part of their collective bargaining agreement. Non-increment units will receive additional payments in accordance with the parties' usual practice. This will be paid in the payroll that includes July 1, 2023.
- d. Wage increases for 2024-2025 Wage Reopener for 2024-2025 (for effective date July 1, 2024) for those units that elected a four-year collective bargaining agreement. Either party, by a notice in writing no sooner than January 1, 2024, may reopen pursuant to the language in their collective bargaining agreement on the following:
 - General Wage Increase
 - Increment and Lump Sum

All other provisions of the collective bargaining agreement shall remain in full force and effect unless otherwise specifically set forth in the agreement.

- II. Funds and other payments All other funds (e.g., tuition reimbursement) and other wage payments e.g., shift differential, allowances, etc., shall remain in place and continue in the same amounts presently in the respective collective bargaining agreement, except to the extent otherwise called for in the collective bargaining agreements.
- III. **Longevity** Payments shall be made, for all years of the contract, in accordance with the individual collective bargaining agreements.

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Attachment C -- Unit Agreements

Bargaining units' tentative agreements which have been negotiated and ratified in connection with the 2022 discussions between the State and SEBAC are attached hereto along with their required supporting documents.