

MEMORANDUM OF UNDERSTANDING
By and Between
The Township of Waterford
and
Teamsters Local 214

The Township of Waterford and Teamsters Local 214 hereby agree that the following Article 42 shall take effect immediately, supersedes the Memorandum of Understanding dated June 6, 2012, and shall be incorporated in the 2012-2015 Collective Bargaining Agreement.

ARTICLE 42
HOSPITALIZATION AND MEDICAL COVERAGE

42.1 Hospitalization.

Eligible employees may select during the Township's open enrollment period one of the following health insurance plans:

- A. BCBS PPO HSA with \$10/40/80 RX ("Simply Blue")
- B. Blue Care Network with \$10/40 RX ("BCN")
- C. Blue Cross PPO CB 10 with \$10/\$20/\$20 Rx ("CB 10")
- D. Blue Cross PPO CB 4 with \$10/\$40/\$80 ("CB 4")

The information regarding these plans, as the plan costs may vary from year-to-year, will be maintained on-line at the HR connection site (www.hrconnection.com).

42.2 Premium (or indicated rate) payments.

In accordance with PA 152 of 2011, the Township will pay up to the following premium (or indicated rate) annual costs subject to any statutory increase in the "hard cap" with any excess to be paid by the employee through pay-roll deduction:

Single	\$5,500.00
Two-person	\$11,000.00
Family	\$15,000.00

42.3 Employees shall make insurance selections during the Township open enrollment period on the www.hrconnection.com website. If an employee fails to timely make a selection, the plan provided will default to "BCN" until the next open enrollment period.

42.4 Probationary employees shall receive health insurance effective on the first day of the month following thirty (30) days of employment.

42.5 Employees who have health insurance provided to them through a spouse or by other means may elect to waive coverage in lieu of a payment of \$80.00 per pay. Should the employee lose his/her alternative coverage, they may rejoin the Township plan as permitted by the carrier. The employee shall elect at the annual open enrollment period to receive the hospitalization coverage options or the payment in lieu of coverage.

42.6 **Retiree Health Insurance and Medicare Supplement**

- A. Employees who retired from the bargaining unit prior to August 1, 2012 shall be allowed to maintain the health insurance coverage provided them at the time of their retirement.
- B. All retirees shall be provided the least expensive coverage that was selected by them in any of the 3 years prior to the employee's retirement subject to the payment of premiums in accordance with Section 42.11 and further subject to any legal limitations on receiving or continuing "BCN" coverage. A retiree who was provided "BCN" coverage or retired at or after age 65 (or whose spouse was age 65 at the time of retirement) shall be subject to the provisions of Section 42.6(E).
- C. A retiree may elect to upgrade coverage to any health care plan available at the time of retirement provided the retiree shall pay any premium differential in advance. For example: If the retiree's option was the "Simply Blue" plan and the retiree wanted to select "CB 4", the retiree would pay the difference in premium between the "Simply Blue" and "CB 4" in addition to the premium percentage required by Section 42.11.
- D. "BCN" coverage shall not be available to a retiree or whose spouse at the time of retirement is medicare eligible.
- E. A retiree who was at the time of retirement or becomes ineligible for "BCN" coverage shall be provided "Simply Blue" coverage subject to the payment of premiums in accordance with Section 42.11.
- F. Retiree coverage includes coverage for eligible dependants between the ages of nineteen (19) and twenty-six (26) as defined by the carrier.
- G. A retiree who, as a result of disability, is eligible for medicare benefits prior to age 65 shall sign up for both Medicare Part A and Medicare Part B coverage. If the retiree fails to do so, the retiree will not be covered under the Township-provided health care coverage.
- H. All new retirees shall be provided with Delta Dental POS coverage.
- I. All such coverage's will not be provided by the Township if available from another source.

42.7 Contribution to Township Retiree Health Insurance fund:

Employees hired after August 1, 2012 shall pay 3.0% of all wages into the Township Retiree Health Insurance Fund.

42.8 Dental Coverage:

Effective six (6) months following the employee's date of hire, the Township shall provide each employee, eligible spouse and children with Delta Dental POS coverage or similar.

42.9 FLEXIBLE SPENDING ACCOUNTS.

The Township shall establish Flexible Spending Accounts ("FSA") as governed by IRS Code 125 regulations. The FSA program year shall be from August 1 through July 31. Maximum contributions per employee are \$2,500 of medical accounts and \$5,000 for dependent care accounts. Upon completion of the program year, all funds remaining in either the medical or dependent care accounts shall revert to the Township to cover program costs as specified under IRS regulations.

42.10 Probationary employees wishing to maintain Blue Cross/Blue Shield coverage from another contract, that is transferring to the Township contract, may do so by paying the full premium costs to the Township until the effective date of their Township paid coverage.

42.11 The Township can change insurance carriers where the Union agrees that such change would provide comparable or better benefit coverage for employees.

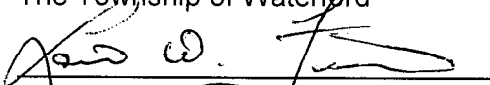
42.12 Employees who became members of the bargaining unit after October 13, 1999 and who retire on or after August 1, 2012, shall participate in the cost of the health, dental, and optical premiums based on the following:

- A. Those who retire with less than fifteen (15) years of service shall pay one hundred percent (100%) of the premiums;
- B. Those who retire with fifteen (15), but less than twenty (20) years of service shall pay fifty percent (50%) of the premiums;

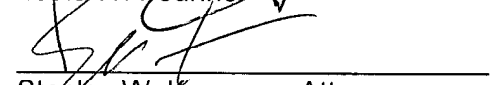
- C. Those who retire with twenty (20), but less than twenty-five (25) years of service shall pay twenty-five percent (25%) of the premium; and
- D. Those who retire with twenty-five (25) or more years of service shall pay twenty percent (20%) of the premium.

Agreed to: June 11, 2012

The Township of Waterford

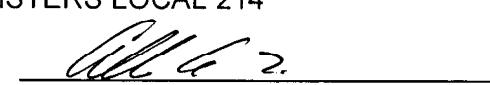


Louis W. Feurino

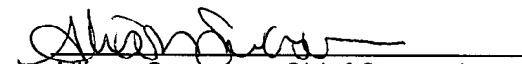


Stanley W. Kurzman, Attorney

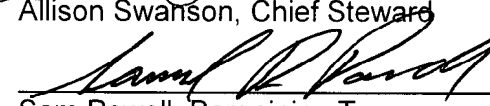
TEAMSTERS LOCAL 214



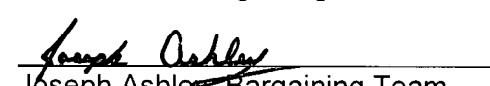
Allen Lewis, Business Agent



Allison Swanson, Chief Steward



Sam Powell, Bargaining Team



Joseph Ashley, Bargaining Team