

AGREEMENT

CITY OF ESCANABA

AND

LOCAL 979, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

July 1, 2008 to June 30, 2011

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## **AGREEMENT**

### **ARTICLE 1**

This agreement made and entered into on this 1st day of July, 2008, between the City of Escanaba (hereinafter referred to as the "EMPLOYER") and Local 979, International Brotherhood of Electrical Workers (hereinafter referred to as the "UNION").

(NOTE: The headings used in this Agreement and exhibits neither add to nor subtract from the meaning, but are for reference only.)

### **PURPOSE AND INTENT**

The general 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 Employer, the Employees and the Union.

The parties recognize that the interest of the community and the job security of the employees depend upon the Employer's success in establishing efficient, economical service to the community.

To these ends, the Employer and the Union encourage to the fullest degree, friendly and cooperative relations between the respective representatives at all levels and among all employees.

### **ARTICLE 2**

#### **RECOGNITION - EMPLOYEES COVERED**

- (a) Pursuant to and in accordance with all applicable provisions of Act 379 of the Public Acts of Michigan of 1965, as amended (otherwise referred to as the Public Employee's Relations Act of 1965), the Employer does hereby recognize the Union as the exclusive representative for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment covered by this Agreement for the term of the Agreement for all employees of the Employer as described herein.
- (b) The bargaining unit covered by this Agreement is hereby set forth as all employees of the Escanaba Municipal Electric Department, but excepting from the bargaining unit supervisory, Electric Superintendent, and Electric Engineer.
- (c) The above recognition clause shall be construed to apply to employees and not to work. The City shall have the right to sub-contract and contract out work only when it will not result in lost time for department personnel.
- (d) The Union shall be responsible for furnishing the City with a list of stewards and the names of the bargaining committee and the City will deal only with the representatives as designated on the list in all matters covered by this Agreement. The Union shall furnish a new list of authorized representatives every time the representation is changed.

### **ARTICLE 3**

## **RESPONSIBILITY AND RIGHTS**

- (a) It is the intent of the parties to bind the Union and all local and international officers and representatives of the Union, and all employees as defined in Article 2 hereof, and the City, its officers and representatives to observe and adhere to the terms of this contract.
- (b) The Union enters into this Agreement with the objective of achieving the highest level of employee performance and efficiency consistent with safety, good health, and sustained effort, and agrees that the Union, its agents and members will not take, authorize or condone any action which interferes with the attainment of such objective.
- (c) The City will not interfere with the rights of its employees to become members of the Union. There shall be no discrimination, interference, restraint or coercion by the City or any of its agents against any employee because of membership in the Union. The Union agrees that neither it, nor any of its officers or members, will illegally engage in any Union activity on City time, or on property of the City, in any manner which shall interfere or tend to interfere with the City's operations.
- (d) Except to the extent expressly abridged by a specific provision of this Agreement, the City reserves and retains, solely and exclusively, all of its Common Law rights to manage the business, as such rights existed prior to the execution of this, or any other previous agreement with the Union or any other union. The sole and exclusive rights of management which are not abridged by this Agreement, shall include but are not limited to its rights to determine the existence or non-existence of facts which are the basis of a management decision, to determine prices of services, extent of services and methods of financing, to drop a service, contract a service when such contracting will not result in lost time for departmental personnel, or any part thereof, free of the liabilities of this Agreement; to establish or continue policies, practices and procedures for the conduct of the business, and from time to time, to change or abolish such policies, practices, or procedures; the right to determine and from time to time to redetermine the number, location, relocation and types of its operations and the methods, processes and materials and services to be employed; to discontinue services, processes or operations or to discontinue their performance by employees of the City; to determine the number of hours per day or per week operations shall be carried on; to select and to determine the number and types of employees required; to assign work to such employees in accordance with the requirements determined by management; to establish and change work schedules and assignments; to transfer, promote or demote employees or to lay off, terminate, or otherwise relieve employees from duty for lack of work or other legitimate reasons; to determine the facts relating to lack of work; to make and enforce reasonable rules for the maintenance of discipline; to suspend, discharge, or otherwise discipline employees for cause, and otherwise to take such measures as management may determine to be necessary for the orderly, efficient and economical operation of the City.
- (e) This Agreement does not in any way abridge the right and responsibility of the citizens of Escanaba, acting either through their elected representatives, or as a group, or singularly, from reflecting their will and ideas relative to City policy, administration and financing as set forth in the City Charter and the Michigan Home Rule Act; said rights and responsibilities of the citizens shall not be subordinate to the terms of the Agreement.

## **ARTICLE 4**

### **UNION SECURITY**

- (a) Membership in the Union is not compulsory. It is hereby acknowledged that all employees have the right to join and maintain membership in the Union; however, neither party shall discriminate against any employee on the basis of membership or non-membership in the Union.
- (b) All employees in the bargaining unit governed by this Agreement shall as a condition of continued employment, pay to the Union such initiation fees and regular union dues as may, from time to time, be approved by the membership of the Union, or an amount of money equal to such initiation fee and regular union dues. All new employees hired in classifications covered by the terms and provisions of this Agreement, and within the bargaining unit defined herein, shall commence payment of such fees and/or such dues thirty-one (31) days from the date of employment.

## **ARTICLE 5**

### **UNION MEMBERSHIP**

- (a) During the period of time covered by this Agreement, the Employer agrees to deduct from the pay of any employee all dues and/or initiation fees of the Union or amounts equivalent thereto, and pay such amounts deducted to said Union, provided, however, that the Union presents to the Employer written authorization signed by such employee allowing such deductions and payments to the local Union.
- (b) The Union will annually furnish the Employer with a list of all Union members and will keep the list updated during the year, as the membership changes.
- (c) The authorized form for payroll deductions will be identical to Addendum #1.
- (d) Any dispute arising as to an employee's membership in the Union shall be reviewed by the designated representative of the Employer and a representative of the local Union, and if not resolved, may be decided at the final step of the grievance procedure.

## **ARTICLE 6**

### **SICK LEAVE, LEAVE OF ABSENCE, EMERGENCY LEAVE, MILITARY LEAVE, JURY DUTY**

- (a) Sick leave will be accrued for all full-time employees at a rate of eight (8) hours per employee, per calendar month, during the term of this Agreement.
- (b) It shall be the responsibility of the Employer to maintain the sick leave records and it shall be the responsibility of the employee to verify their records and notify the City if a discrepancy is noted.
- (c) An employee shall be credited for accrued sick leave on the first day of each month following the date of the commencement of employment; except that no employee may use sick leave until he has been employed for six (6) months.
- (d) Employees retiring from the City's service under the City's retirement plan will be compensated for unused, accumulated sick leave in accordance with the following formula:

All unused sick leave accumulated over and above 720 hours shall be paid at one-half (½) of the employee's hourly rate at the last day worked, not to exceed \$1,500.

- (e) Employees will not qualify for pay for unused sick leave under the following circumstances:
  - (1) Discharge from City employment due to misconduct or malfeasance.
  - (2) Voluntary termination of employment, prior to qualifying under the provisions of the Michigan Employees' Retirement System.
  - (3) Lay off (under the provisions contained herein) before employee qualifies under the Michigan Employees' Retirement System.
- (f) Each department head will be responsible for approving sick leave, and he may do so only for valid reason and after an employee informs him of his intention not to report for work. (Unless the employee is hospitalized, he will be responsible for notifying the department head on the first day of his intended absence. After three days, the employee must furnish doctor's certificate.)
- (g) Each employee will be granted two (2) personal days at the beginning of the fiscal year which can be accumulated to no more than four (4) days total. Advance notice (prior to the day it will be utilized) is not required, but is appropriate as it will assist the department head in his scheduling functions. Notification is required no later than the beginning of the shift that the employee is requesting the leave, except in a rare case when notification is impractical. When notification is not timely, the employee will subsequently be required to provide an explanation for the lack of notice.

The department head is urged to make every effort to allow employees to use the time as requested. However, if the granting of a personal day results in staffing below minimum requirements, the department head should deny the request.
- (h) Funeral leave will be granted in the event of a death in the immediate family; the immediate family being defined as follows: Spouse, Mother and Father of Spouse, Mother and Step-mother of Employee, Father and Step-father of Employee, Children of employee, Step-children of Employee; Brother of Employee, Sister of Employee, Sister-in-Law, Brother-in-Law, Grandmother, Grandfather, Son-in-Law, Daughter-in-Law, and Grandchildren of the Employee.
- (i) Funeral leave will not extend more than four (4) days, including and consecutive with the first day off and including weekend and holidays. Provisions for taking such emergency leave must be approved by the Employee's department head. Funeral leave will not be deducted from an employee's sick leave.
- (j) Time off with pay may be granted by the City Manager for funerals of more distant relatives if the time can be made up at a later date.
- (k) Leave of absence may be obtained with the written permission of the City manager for a period not to exceed one year. The decision will be based on the value of the employee to the City, departmental needs and the purpose of the request.

- (l) Limited leave or time off without pay may be granted by the department head if such approval will not impair the efficiency of the department and providing such leave will not exceed 40 working hours.
- (m) Military leave shall be granted according to applicable State and Federal laws.
- (n) National Guard Field Training will be paid at a rate to be computed as follows:

The City will pay the difference between the regular City rate based on a standard 40-hour work week and the amount they receive from their National Guard pay.
- (o) An employee will be excused from work for jury duty and will be compensated at the regular rate of pay less the amount received for serving on the jury for hours spent on jury duty during the employee's regular working hours. The above provision will not be applicable during the times of emergency as may be designated by the department head. The employee may choose to take annual leave if he so desires and retain all of his jury duty pay.

## **ARTICLE 7**

### **SENIORITY**

- (a) Seniority shall be defined for the purpose of this Agreement as the net credited service of the employee. Net credited service shall mean continuous employment with the City beginning with the date and hour on which the employee began to work after last being hired, less deductions for leave of absence or unauthorized absences; plus paid sick time, workers compensation time off, plus Armed Forces Service.
- (b) New employees will be considered probationary employees for a period of not less than six (6) months from the date of permanent employment. An employee may be terminated at any time during the trial service period by the appointing authority without the right of appeal or a hearing.
- (c) An employee's probation may be extended for another (consecutive) period of six (6) months after review and decision by joint bargaining committee and in such cases the provisions of paragraph (b) above will apply throughout this extended period.
- (d) Employees laid off without misconduct on their part and who make a request in writing within two years after separation from the service shall have their names placed on either or both a general reemployment or departmental reemployment list, depending upon the request. The rank of such employees on the list shall be determined by a combined rating giving equal consideration to efficiency as demonstrated on the job and the length of service with the City. The eligibility of all candidates on reemployment lists shall expire two years from the date of their separation from the service; renewal of reemployment eligibility shall be on a year-to-year basis and must be requested in writing by candidates before expiration of their current eligibility. In cases where an employee is separated because of a job-related disability, and a financial settlement is reached between the City and the disabled employee, that person shall not be eligible for inclusion on any reemployment list.
- (e) Seniority shall be figured on a departmental basis.
- (f) The employer will post departmental seniority lists annually.

- (g) An employee shall lose his seniority for the following reasons only:
  - (1) He quits.
  - (2) He is discharged and the discharge is not reversed through the procedure set forth in this Agreement.
  - (3) He is absent for three (3) consecutive working days without notifying the Employer. The Employer will send written notification to the employee at his last known address that he has lost his seniority and his employment has been terminated. If the disposition made of any such case is not satisfactory, the matter may be referred to the grievance procedure.
  - (4) If he does not return to work when recalled from layoff as set forth in the recall procedure.
- (h) An employee who is injured on duty shall continue to accumulate seniority during his absence due to such injury and shall be reinstated upon recovery to his former position with full seniority rights, provided he is physically qualified to return to work. It is understood that when such an employee returns to work, the regular rules of seniority for layoff, as set forth in ARTICLE 7 above, will prevail for those men below him on the seniority list unless otherwise mutually agreed between the City and the Union.
- (i) Seniority shall be a factor for consideration in selecting an employee for promotion in any department. The other two factors shall be ability and qualifications.
- (j) Employees assigned to vacancies or new positions will be given a reasonable opportunity, not to exceed six (6) months, to demonstrate their qualifications and ability to fill such vacancies or positions. If the employee is unable to qualify for the new position, he shall be returned to his original classification with no loss of seniority in the original classification.

## **ARTICLE 8**

### **GRIEVANCE PROCEDURES**

- (a) Grievances within the meaning of the grievance procedure and of this arbitration clause shall consist only of disputes about the interpretation or application of particular clauses of this Agreement and under no circumstances will grievances be brought up as matters for negotiation.
- (b) Step 1. - Any employee who believes he has suffered a grievance shall, with his steward, discuss the matter with his foreman in an attempt to arrive at a satisfactory settlement. The foreman shall make his decision and, within five (5) working days thereafter, advise the employee of said decision.
- (c) Step 2. - If no satisfactory settlement is reached at Step 1, the grievance shall be reduced to writing, in duplicate, and signed by the employee and his steward and both copies shall be presented by the steward to the department head within ten (10) working days after the date that the grievant either knew of the dispute or should have known of the dispute. If no agreement is reached by the parties, the Employer shall advise the Union and the aggrieved employee, in writing, as to the position of the Employer within ten (10) working days of having received the written grievance.



- (d) Step 3. - Within ten (10) working days of the Employer advising the Union that the matter cannot be resolved as described above, either party shall have the right to request, in writing, binding arbitration. Either party may ask the Michigan Employment Relations Commission to submit a list of persons eligible to serve as arbitrators. If, within ten (10) days from the receipt of the list, the parties have not agreed on a single arbitrator, such arbitrator shall be appointed by the Michigan Employment Relations Commission. In rendering a decision, the arbitrator will confine him or herself to the terms and conditions delineated in the Agreement. The rules of the Michigan Employment Relations Commission shall prevail in the proceedings.
- (e) Each party will bear the expense of its representative. The expense of the arbitration shall be equally divided between the Union and the Employer. There shall be no suspension or refusal to handle work during the negotiations or arbitration.
- (f) By mutual agreement, mediation may be utilized as an intermediate step towards grievance resolution.

## **ARTICLE 9**

### **WAGES AND PAY DAYS**

- (a) Annual increments shall take effect on the first day of each fiscal year. An apprentice appointed, promoted or reinstated prior to the first day of January in any fiscal year shall be eligible to receive an increment on the first day of the next succeeding fiscal year.

An apprentice appointed, promoted or reinstated on or after the first day of January in any fiscal year shall not be eligible to receive an increment until the first day of the second succeeding fiscal year.

No apprentice shall receive an increment which would result in his receiving an annual salary in excess of the maximum of the salary grade to which his position is allocated.

- (b) Upon completion of the approved apprenticeship, of which at least half of this time was completed at the City of Escanaba Electric Department, a journeyman examination shall be given to the applicant. If he passes this examination with a score of 85% or better, he will automatically be moved to the top journeyman rate.
- (c) The journeyman lineman's classification will consist of two (2) steps. The lower of the two journeyman steps will be used for journeymen new to the City's distribution system and those apprentices writing examinations of between 70% and 85%.
- (d) Apprentice lineman who fail the journeyman examination must wait at least six months before retaking the examination and an apprentice who fails the journeyman examination two consecutive times shall continue further employment at the discretion of the Superintendent of the Electric Department.
- (e) The Line Foreman classification will consist of two (2) classifications (See Addendum #2 for Foreman and Temporary Foreman). The lower classification of Line Foreman will be used for the Temporary Foreman scale and is not to be effective unless a Temporary Foreman will be on the job for one or more days and will be effective until the end of the temporary assignment.

- (f) See Addendum #2 for pay rates and increment steps.
- (g) The pay rates under this Agreement will be effective July 1, 2008, and will be paid in pay periods at the two-week intervals.

**ARTICLE 10**

**HOLIDAY PAY**

- (a) Holidays Defined:
  - (1) Full Holiday. When used herein, the term "full holiday" shall mean a full 24 hours, commencing at 12:00 midnight of the eve of the holiday and ending at 12:00 midnight of the night of the holiday.
  - (2) Half Holiday. When used herein, the term "half holiday" shall mean a period of 12 hours commencing at 11:30 a.m. of the holiday and ending at 11:30 p.m. on the night of the holiday. Scheduled work time on a half holiday would be four (4) hours, 7:30 a.m. to 11:30 a.m.
- (b) Employees shall receive no pay for holidays unless they work their scheduled work days preceding and succeeding such holiday providing, however, that if either of these two days is vacation time, sick leave, or an excused absence, it shall be excepted.

All hourly employees shall be entitled to pay for holidays subject to the conditions contained herein.

- (c) The following holidays will be recognized:

Full Holiday:

New Year's Day  
President's Day  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Day following Thanksgiving Day  
Christmas Day

Half Holidays:

Christmas Eve  
New Year's Eve  
Good Friday Afternoon

- (d) Employees working holidays will be compensated as follows:

Full Holiday:

Work during regular shift: Rate - Base rate X 1 ½ for hours worked plus 8 hours holiday pay for full holiday.

Work other than during regular shift hours: Rate - Base rate X 2 ½ X hours worked.

Half holiday: (as defined in Sec. [a] [2]).

Work during regular shift: 11:30 a.m. to 11:30 p.m. - Rate - Base rate X 1 ½ for hours worked during regular shift plus 4 hours holiday pay.

Work other than during regular shift hours: 11:30 a.m. to 11:30 p.m. Rate - Base rate X 2 ½ X hours worked.

- (e) If an employee is called out on one of the holidays listed below, they will be paid their base rate x 2½ for hours worked, regardless of whether the hours were during their "regular" shift:

New Year's Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Christmas Day

## **ARTICLE 11**

### **VACATIONS WITH PAY**

- (a) Vacation leave with pay will be granted to all permanent full-time employees who have completed one year of service; said vacation to be credited to the employee on each anniversary date of City employment.
- (b) Vacation schedules are subject to approval of the department head who is charged with the responsibility of insuring that vacation time granted will not seriously impair the operation of his department.
- (c) Vacation will be granted on the following schedule:

<u>No. of Yrs. of Service</u>	<u>Days of Vacation to be Granted</u>
1	6
2 through 6	11
7 through 11	16
12 through 14	18
15 through 20	21
21	22
22	23
23	24
24	25
25	25
26	26

27	27
28	28
29	29
30	30

- (d) Seniority, along with department personnel needs, will be the determining factors in apportioning vacation.
- (e) Pre-approved vacation schedules (see Sec. d) will be declared closed on specific dates as advertised by the department head and will no longer be subject to change because of seniority; however, such permission may be revoked by the department head when departmental needs dictate such action.
- (f) Employees terminating their City employment will be entitled to pay for the unused and accrued portion of their vacation leave to the last date of their employment. The last day of City employment is declared to be the last date on which an employee worked a full eight-hour shift.

**ARTICLE 12**

**HOURS OF WORK AND OVERTIME AND PREMIUM PAY**

- (a) The provisions of this article are intended to provide a base for determining the number of hours of work for which an employee shall be entitled to be paid at overtime rates and shall not be construed as a guarantee to such employee of any specified number of hours of work, either per day or per week, or as limiting the right of the City to fix the number of hours of work (including overtime) either per day or per week for such employee.
- (b) The standard week for computing pay will begin at 12:01 a.m. Monday and extend until Sunday, 12:00 midnight, 7 days hence.
- (c) Hourly employees working in excess of 5 days and 40 hours during a standard week will be paid at a rate of time and one-half of their regular hourly rates.
- (d) Hourly employees working over eight (8) hours in any one day will be paid at a rate of time and one-half of their regular hourly rate for the time worked over eight (8) hours.
- (e) The hours of work and specific shift assignment will be determined by the department head, posted on the bulletin board and will be adjusted when notice of change has been posted in advance. This applies only to the regular departmental hours and does not prohibit the department head from changing the hours of individual employees as the need arises.
- (f) A minimum of two hours at time and one-half shall be paid an employee who returns to duty after having been released from a regular day's work or on days other than this scheduled work days. An employee who answers an emergency call shall be considered as being on duty for the full two hours and another call within this two-hour period shall not entitle the employee to extra consideration beyond the time and one-half for actual time worked in excess of such two hours.
- (g) Scheduled overtime shall be posted a minimum of twenty-four (24) hours in advance.

(h) Employees responding to emergency calls on holidays will be paid a minimum of two (2) hours at the respective holiday rate. When a holiday falls on Sunday and is celebrated on a Monday, the provisions for holiday emergency call back shall apply to both days. When a holiday falls on a Saturday and is celebrated on a Friday, the provisions for holiday emergency call back shall apply to both days.

(i) Employees working on any Sunday will be paid as follows:

A minimum of two hours at 2X their base rate of pay for the hours worked.

(j) Employees shall be allowed two rest periods of reasonable duration, one each morning and one each afternoon. This shall be taken as the work schedule permits.

### **ARTICLE 13**

#### **REDUCTION, DISCHARGE, SUSPENSION OR DEMOTION**

The following may be considered just cause for reduction, suspension, discharge or demotion, although discharge, reduction, suspension or demotion may be made for other just causes. That the employee:

- (a) has been convicted of a felony or of a misdemeanor involving moral turpitude, or
- (b) has violated any of the provisions of this contract; or
- (c) has violated any lawful official regulation or order, or failed to obey any proper direction made and given by a superior; or
- (d) has been under the influence of intoxicants while on duty; or
- (e) has been guilty of insubordination while on duty, or of disgraceful conduct, whether such conduct occurred while on duty or off-duty; or
- (f) is offensive in his conduct or language in public, or towards the public, city officers, or employees, either on or off duty; or
- (g) is incompetent or inefficient in the performance of the duties of his position; or
- (h) is careless or negligent with the moneys or other property of the City; or
- (i) has used or threatened to use, or attempted to use, personal or political influence in securing promotion, leave of absence, transfer, change of rate of pay, character of work; or
- (j) has induced, or has attempted to induce, an officer or employee in the service of the City to commit unlawful act or to act in violation of any lawful departmental or official regulation or order; or
- (k) has taken any fee, gift, or other valuable thing in the course of his work or in connection with it, for his personal use from any person, when such gift or other valuable thing is given in the hope or expectation of receiving a favor or better treatment than that accorded other persons; or

- (l) is absent from work without permission from department head or without valid reason.

## **ARTICLE 14**

### **INSURANCE, HOSPITALIZATION, LIFE, DENTAL**

- (a) The employer shall, at its own expense and without cost to the employee, provide healthcare coverage equivalent to the coverage summarized in Addendum 3 attached hereto. Such coverage shall consist of the same coverage offered to members on 6/30/08, except that the coverage shall be modified by the addition of the "UP Blue" rider, which is also summarized in Addendum 3.
- (b) Payment in lieu of insurance benefits, otherwise known as "opt out pay", shall be established at 40% of the cost of the applicable policy during each year of this contract. Continuation of opt out payments beyond 6/30/09 is contingent upon the City's health insurance carrier allowing for such payments.

## **ARTICLE 15**

### **WORKER'S COMPENSATION**

- (a) All employees injured or incapacitated in the actual discharge of duty shall receive compensation and medical care, subject to the provisions of the Michigan Worker's Compensation Act. Subject to the limitations in sub-section (b), the City shall pay the regular salary of the injured employee, less the legal rate of compensation provided in the Worker's Compensation Act.
- (b) Such additional payment shall be known as Supplementary Worker's Compensation.

It shall apply:

- (1) From the date of injury and continue during the period of incapacity, but not to exceed more than six months of payment for any one personal injury.

It shall not apply:

- (1) In partial incapacity cases when an employee refuses to accept limited duties after certification for such duties by a physician.
- (2) When employment terminates, through death, retirement or other reasons.
- (3) When injury results from the employee's misconduct or negligence.
- (4) When the employee's injury claim is disputed by the City through lack of visual evidence or other reasonable proof.
- (5) To those employees with less than one year's service, provided however, that an employee having less than one year's continuous service may appeal through normal grievance procedures.

- (c) The provisions in Section (a) and Section (b) are subject to the legal limitations as provided for in the Michigan Worker's Compensation Act as well as the City's authority to continue as a self-insured employer under Michigan Law.

**ARTICLE 16**

**RETIREMENT**

- (a) All union members employed on 6/30/05 shall be covered by the MERS B3 retirement option, which option shall include a 36 month FAC calculation and 1% annual COLA. The annual COLA will be implemented January 1<sup>st</sup> of each year and is applicable to those who retired before August 1<sup>st</sup> of the preceding year.

Employees with 25 or more years of credited service and who are at least 55 years old will be eligible for full retirement pay through MERS.

- (b) Members hired after 6/30/05 will be covered under a defined contribution (DC) plan. Under the DC plan, the City will automatically contribute 4% of pay for each participating employee. In addition, the City will match up to the first 3% contributed by an employee, resulting in a maximum City contribution of 7%. Employees shall vest in City contributions 12 months after the receipt thereof.
- (c) All employees who have ten or more years of service and are eligible to retire with a pension, shall receive upon retirement, a wristwatch valued at an amount not to exceed \$150.00, including the cost of engraving.
- (d) Employees who have reached age 55 will be eligible for retirement bonus under the following schedule, upon retirement:

<u>Years of Service</u>	<u>Bonus Payment</u>
20	\$100
21	120
22	140
23	160
24	180
25	200
26	225
27	250
28	275
29	300
30	325
31	350
32	375
33	400
34	425
35	450
36	500
37	550
38	600 Maximum

**ARTICLE 17**

**LONGEVITY PAY**

- (a) After completing five full years of service as of November 1st, each employee receives annually, on the payday closest to December 1st, longevity pay computed as follows:

<b><u>Years of City Service</u></b>	<b><u>Pay</u></b>
After 5 years	\$200
After 10 years	350
After 15 years	450
After 20 years	550

**ARTICLE 18**

**GENERAL PROVISIONS**

- (a) In the event that a dispute arises regarding past practice or if it is mutually agreed by the parties to the Agreement that an omission in contract terminology is cause for a dispute, past Civil Service rules and procedures will serve as a common law basis for settling the dispute.
- (b) It is agreed by the parties to this Agreement that all Civil Service rules, regulations, rights or obligations are superseded by this Agreement and that this Agreement will be the basis by which all matters pertaining to wages, hours and working conditions will be determined.
- (c) For the purposes of job description and definition, the Civil Service classification plan will be utilized.
- (d) All existing Administrative Regulations governing City policy will remain in effect and future Administrative Regulations may from time to time be adopted. Said regulations are not to conflict with the provisions of this Agreement.
- (e) All employees who take and complete training courses that will benefit them in their work will, for the purpose of computing salary increments, be given credit for an additional year spent in that position occupied, provided that no increment will be allowed that will raise the salary beyond the maximum for the class, and further provided, that such credit will not be allowed unless the course is approved by the Personnel Officer.
- (f) No employee shall be appointed, demoted or removed, or be in anyway favored or discriminated against because of his political or religious opinions or affiliations or national origin.
- (g) All employees governed by this Agreement will maintain residence within twenty (20) miles from the corporate limits of the City of Escanaba.
- (h) If any Article or Section of this Agreement or any supplements thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, the remainder of this Agreement and



supplements shall not be affected thereby and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such Article or Section.

- (i) It shall be expressly understood by both parties that this contract may be revised, amended or otherwise altered to include new agreements, or effect changes in the existing contract language, when mutually agreed upon by the Union and the Employer.
- (j) It shall not be obligatory on either party, however, to reopen negotiations during the agreed upon three-year period for effectuation of this contract.
- (k) Both parties shall exchange written proposals with each other at the first (1st) meeting held to commence negotiations on a new contract.
- (l) Employees of the Electric Department will be entitled to meal allowances in the amount of \$11.00 per meal under the following conditions:
  - (1) Whenever an employee in the Electric Department works overtime beyond 5:30 p.m. in the evening, he shall receive a meal allowance. For call back situations between 4:15 p.m. and 6:00 p.m. on any day, the employee shall receive a meal allowance.
  - (2) When an employee is called out in the morning between the hours of 4:00 and 9:00 a.m., the employee shall receive a meal allowance.
  - (3) When an employee works between the hours of 11:00 a.m. and 1:00 p.m., not on his regular shift, the employee shall receive a meal allowance.
  - (4) All meals shall be eaten on the employee's own time, except when an employee would lose time from his regular shift.
- (m) There shall be monthly safety meetings for all employees covered by this Agreement; said meetings to be attended by all personnel during the course of the regular work day.
- (n) Employees will be required to comply with the provision of the Michigan Commercial Drivers License requirements. Employees will be required to possess a valid driver's license and the appropriate endorsement (Group Designation) for the vehicle they are required to drive.

Fees for the renewal of the regular driver's license will be the responsibility of the employee. Any fees for required endorsements (designations) will be paid for by the employer.

- (o) **Safety Shoes/Clothing.** All employees designated by the City shall be required to wear approved safety -toed shoes/boots and specified shirts, jackets and bibs at all times. To help defray the cost of said shoes and clothing, the City will provide to each employee required to wear said safety shoes and clothing a clothing allowance in the amount of \$375.00 per fiscal year. If future State or Federal regulations require the employer (City) to purchase compliant, flame retardant, clothing for the employees covered by this agreement, then this provision shall become null and void.

The City will reimburse Electric Custodian up to 25% of the cost of purchasing safety toe footwear upon evidence of the purchase of qualifying footwear. This will be allowed once each fiscal year.

- (p) **Compensatory Time.** Employees may earn and accumulate compensatory time in lieu of overtime, at the option of the employee, for a period not to exceed two (2) regular 40-hour work weeks, or a total of 80 hours. Compensatory time may also be credited to an employee while in attendance outside of regular hours of work at school or classes which contribute to the improvement of skills and knowledge utilized in the performance of such employee's job duties, upon approval by the City Manager.

Compensatory time credited to employees in lieu of overtime, shall be credited at a rate equivalent to the pay they would have received.

A notice of 24 hours must be given by an employee to his department head requesting earned time off. The 24-hour notice shall not be a mandate in the event of a proven emergency. The department head may grant compensatory time off for less than 8 hours, at his discretion.

It is agreed, however, that the granting of compensatory time off shall not unnecessarily interfere with the efficient operation of the department.

**ARTICLE 19**

**TERM OF THIS AGREEMENT**

The provisions of the Agreement and Addendums #1, #2 and #3 thereto, shall become effective as of July 1, 2008. This Agreement and addendums shall continue in full force and effect until midnight June 30, 2011, and for successive annual periods thereafter unless, not more than one hundred and fifty (150) but at least one hundred twenty (120) days prior to the end of its original term or of any annual period thereafter, either party shall serve upon the other written notice that it desires termination, revision, modification, alteration, renegotiation, change or amendment, or any combination thereof, shall have the effect of terminating this Agreement in its entirety, on the expiration date in the same manner as a notice of desire to terminate unless, before such date of termination, all subjects of agreement proposed by either party have been disposed of by agreement or by withdrawal by the party proposing amendment.

In the event of any notice above referred to, the parties shall begin to hold negotiation meetings no later than ten (10) working days following the receipt of such notice.

IN WITNESS THEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

CITY OF ESCANABA

INTERNATIONAL ROTHERHOOD OF  
ELECTRICAL WORKERS LOCAL 979

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date

Date



**ADDENDUM #2**  
**Wage Schedule**

		90%	92.5%	97.5%	100%
APPRENTICE LINEMAN	07/01/2007				24.97
EQUIPMENT OPERATOR	07/01/2008	23.15	23.79	25.08	25.72
	07/01/2009	23.72	24.38	25.70	26.36
	07/01/2010	24.32	24.99	26.34	27.02
JOURNEYMAN LINEMAN	07/01/2007				27.08
	07/01/2008			27.19	27.89
	07/01/2009			27.88	28.59
	07/01/2010			28.57	29.30
FOREMAN	07/01/2007				28.14
METER MECHANIC	07/01/2008	26.08	26.81	28.26	28.98
	07/01/2009	26.73	27.47	28.96	29.70
	07/01/2010	27.40	28.16	29.68	30.44
TEMPORARY FOREMAN	07/01/2007				27.96
	07/01/2008				28.80
	07/01/2009				29.52
	07/01/2010				30.26
ELECT MAINT PERSON	07/01/2007				21.23
	07/01/2008	19.68	20.23	21.32	21.87
	07/01/2009	20.18	20.74	21.86	22.42
	07/01/2010	20.68	21.26	22.41	22.98
ELECT BLDG MAINT	07/01/2007				18.02
	07/01/2008	16.70	17.17	18.10	18.56
	07/01/2009	17.12	17.59	18.54	19.02
	07/01/2010	17.55	18.04	19.01	19.50
ELECT OFFICE CLERK	07/01/2007				15.86
	07/01/2008	14.71	15.11	15.93	16.34
	07/01/2009	15.08	15.49	16.33	16.75
	07/01/2010	15.45	15.88	16.74	17.17

## ADDENDUM #3 Healthcare Coverage

### Your Health Care Plan

The benefit chart(s) in Your Benefits Guide are designed to provide you with a summary of the services covered under your health plan. You will need to reference the actual certificate(s) or rider(s) for detailed information about a benefit including any exclusions or limitations.

When you need to reference a certificate or rider, simply match the form number from the benefit chart (located to the left of the benefit) to the same form number on the navigation bar. Then double click on the form number in the navigation bar.

#### Eligibility information

Member	Form	Eligibility Criteria
Dependents	6225	Your spouse, and unmarried children until the end of the year in which they turn age 19.
Dependent Continuation	4656 -DC	Dependents between the ages of 19 and 25 provided they meet all of the requirements of this rider.

### Community Blue PPO Benefit Chart

**Deductible, Copays and Dollar Maximums - \$1 million lifetime per covered specified organ transplant type and a separate \$5 million lifetime per member for all other covered services and as noted below for individual services.**

Benefits	Form	In-Network	Form	Out-of-Network
Deductible	5778	\$250 per person or \$500 for the family per calendar year	6225	\$250 per person or \$500 for the family per calendar year <b>Note:</b> Your out-of-network deductible amount will also be applied to your in-network requirement.
Fixed Dollar Copays	5794 6225	\$15 copay for specific services \$50 copay for emergency services, waived if admitted or for an accidental injury	6225 6225	Not applicable \$50 copay for emergency services, waived if admitted or for an accidental injury
Percent Copays	577801	10 percent copay after deductible	5769	30 percent copay after deductible
Mental Health Percent Copay	5517	20 percent percent copay requirement after deductible	5517	20 percent copay requirement after deductible, if applicable
Private Duty Nursing Percent Copay	6225	50 percent copay after deductible	6225	50 percent copay after deductible
Copay Dollar Maximums	5815	\$500 per member, \$1,000 for the family per calendar year	5857	\$1,500 per member, \$3,000 for the family per calendar year

## Preventive Care Service -\$250 annual maximum for covered preventive care services.

Benefits	Form	In-Network	Form	Out-of-Network
Health Maintenance Exam -includes chest X-ray, EKG and select lab procedures, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered
Gynecological Exam -one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered

Pap Smear Screening, laboratory and pathology services, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered
Well-Baby and Child Care -6 visits, birth through 12 months -6 visits, 13 months through 23 months -2 visits, 24 months through 35 months -2 visits, 36 months through 47 months -1 visit per birth year, 48 months through age 15	6225	Covered -100 percent of approved amount	6225	Not Covered
Immunizations, up through age 16	6225	Covered -100 percent of approved amount	6225	Not Covered
Fecal Occult Blood Screening, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered
Flexible Sigmoidoscopy Exam, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered
Prostate Specific Antigen (PSA) Screening, one per member, per calendar year	6225	Covered -100 percent of approved amount	6225	Not Covered

## Mammography Physician Office Services

Benefits	Form	In-Network	Form	Out-of-Network
Mammography Screening, one per calendar year, no age restrictions	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

Benefits	Form	In-Network	Form	Out-of-Network
Office Visits	5794	Covered -\$15 copay for specific services	5769	Covered -70 percent of approved amount after deductible, must be medically necessary
Outpatient and Home Visits	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible, must be medically necessary
Office Consultations	5794	Covered -\$15 copay for specific services	5769	Covered -70 percent of approved amount after deductible, must be medically necessary
Urgent Care Visits	5794	Covered -\$15 copay for specific services	5769	Covered -70 percent of approved amount after deductible, must be medically necessary

## Emergency Medical Care

Benefits	Form	In-Network	Form	Out-of-Network
Hospital Emergency Room	6225	\$50 copay for emergency services, waived if admitted or for an	6225	\$50 copay for emergency services, waived if admitted or for an

		accidental injury		accidental injury
Ambulance Services when medically necessary	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible

## Diagnostic Services

Benefits	Form	In-Network	Form	Out-of-Network
Laboratory and Pathology Services	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Diagnostic Tests and X-rays	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Therapeutic Radiology	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

## Maternity Services Provided by a Physician

Benefits	Form	In-Network	Form	Out-of-Network
Prenatal and Postnatal Care	6225	Covered -100 percent of approved amount	5769	Covered -70 percent of approved amount after deductible
Delivery and Nursery Care	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

## Hospital Care

Benefits	Form	In-Network	Form	Out-of-Network
Semiprivate Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies <b>Note:</b> Nonemergency services must be rendered in a participating hospital	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Inpatient Consultations	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Chemotherapy	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

## Alternatives to Hospital Care Surgical Services

Benefits	Form	In-Network	Form	Out-of-Network
Skilled Nursing Care -Up to 120 days per member, per calendar year	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible
Hospice Care -limited to dollar maximum which is reviewed and adjusted periodically	6225	Covered -100 percent of approved amount	6225	Covered -100 percent of approved amount
Home Health Care	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible

Benefits	Form	In-Network	Form	Out-of-Network
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Surgery -includes related surgical services -Participating Ambulatory Surgery Facility	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Voluntary Sterilization	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Voluntary Abortions	4725	Not Covered	4725	Not Covered

### Human Organ Transplants Mental Health Care and Substance Abuse Treatment

Benefits	Form	In-Network	Form	Out-of-Network
Specified Organ Transplants – in <b>designated</b> facilities only, when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504), up to \$1 million lifetime maximum per transplant type	6225	Covered -100 percent of approved amount	6225	Covered -100 percent of approved amount in designated facilities only
Bone Marrow – when coordinated through the BCBSM Human Organ Transplant Program (1-800-242-3504); specific criteria applies	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Kidney, Cornea and Skin	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Specified Oncology Clinical Trials	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible

Benefits	Form	In-Network	Form	Out-of-Network
Inpatient Mental Health Care	5517	Covered -80 percent of the approved amount after deductible, if applicable after deductible	5517	Covered -80 percent of the approved amount after deductible
Inpatient Substance Abuse Treatment - limited to \$15,000 annually and \$30,000 lifetime.	6225	Covered -50 percent of approved amount after deductible	5517	50 percent of the approved amount after deductible, if applicable
Outpatient Mental Health Care -Facility and Clinic -Physician's Office (deductible is waived for services provided by in-network provider)	5517 6225	Covered -80 percent of the approved amount after deductible, if applicable after deductible Covered -50 percent of approved amount after deductible	5517 6225	Covered -80 percent of the approved amount after deductible Covered -50 percent of approved amount after deductible

### Other Services

Benefits	Form	In-Network	Form	Out-of-Network
Outpatient Diabetes Management Program (ODMP)	577801	Covered -90 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Allergy Testing and Therapy	6225	Covered -100 percent of approved amount	5769	Covered -70 percent of approved amount after deductible
Prescription Contraceptive Devices	9973	Covered -100 percent of approved amount after deductible	9973	Covered -70 percent of approved amount after deductible
Contraceptive Injections	577801	Covered -90 percent of approved amount after deductible	5315	Covered -70 percent of approved amount after deductible



Chiropractic Spinal Manipulation <b>Note:</b> Up to 24 visits per member, per calendar year	6225	Covered -100 percent of approved amount	5769	Covered -70 percent of approved amount after deductible
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## Other Services

Outpatient Physical, Speech and Occupational Therapy <b>Note:</b> A combined 60-visit maximum per calendar year for physical therapy in the outpatient department of a hospital as well as in the physician's office - Facility and Clinic	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible
-Physician's Office -excludes speech and occupational therapy	6225	Covered -100 percent of approved amount after deductible	5769	Covered -70 percent of approved amount after deductible
Durable Medical Equipment	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible
Prosthetic and Orthotic Appliances	577801	Covered -90 percent of approved amount after deductible	577801	Covered -90 percent of approved amount after deductible
Private Duty Nursing	6225	Covered -50 percent of approved amount after deductible	6225	Covered -50 percent of approved amount after deductible

**Note: Temporary benefits for hospital services – When a hospital chooses to terminate its participating contract with BCBSM, your coverage provides temporary benefits for emergency care and for certain services for up to six months from the date the hospital terminates its participating contract with Blue Cross Blue Shield of Michigan. Please refer to rider Temporary Benefits for Hospital Services (form #1700) for covered benefits under this arrangement.**

## Blue Preferred RX Benefit Chart for Prescription Drug Coverage

The following benefit chart is designed to provide you with a summary of the services covered under your plan. You will need to reference the actual certificate(s) or rider(s) for detailed information about a benefit including any exclusions or limitations

### Choosing your pharmacy

The amount you pay in out-of-pocket costs depends on whether or not you use a network or non-network pharmacy. You will have the least out-of-pocket costs when you use network pharmacies.

**Important: Pharmacies outside of Michigan must use the MedImpact BIN and PC number below to verify your eligibility, not the five-digit group number on your ID card.**

**MedImpact Rx BIN 003585/Rx PCN 23615**

If the pharmacist needs assistance, he or she may call the MedImpact Provider Help Desk at 1-800-239-1023.

## Copay Requirements

Benefits	Form	Network Pharmacy	Form	Non-Network Pharmacy
Dollar Copay	2617	\$10 for each generic drug \$40 for each brand-name drug, even if the prescription is marked "DAW" or there is no generic equivalent drug available	2617	\$10 for each generic drug \$40 for each brand-name drug, even if the prescription is marked "DAW" or there is no generic equivalent drug available, plus 25 percent of the approve amount
Mail Order (Home Delivery) Prescription Drugs	3948	Same Copay as above - up to a 90 -day supply of prescription or refill	3948	Not Covered

## Preferred RX Drug Plan

Benefits	Form	Network Pharmacy	Form	Non-Network Pharmacy
Federal Legend Drugs	3607	Covered -100 percent of approved amount less plan copay	3607	Covered -75 percent of approved amount less plan copay
State-controlled Drugs	3607	Covered -100 percent of approved amount less plan copay	3607	Covered -75 percent of approved amount less plan copay
Disposable Needles and Syringes – dispensed with insulin	3607	Covered -100 percent of approved amount less plan copay for insulin	3607	Covered -75 percent of approved amount less plan copay for insulin
Contraceptive Medications	5138	Covered -100 percent of approved amount less plan copay	5138	Covered -75 percent of approved amount less plan copay
Mail Order (Home Delivery) Prescription Drugs	3948	Covered -100 percent of approved amount less plan copay	3948	Not Covered

## Medicare Supplement Coverage Benefit Chart

The following benefit chart is designed to provide you with a summary of the services covered under your plan. You will need to reference the actual certificate(s) or rider(s) for detailed information about a benefit including any exclusions or limitations.

### About your supplemental coverage

As your secondary coverage, Blue Cross Blue Shield pays your Medicare deductible and coinsurance or fixed dollar copay if the service is a Supplemental benefit.

**Note: When you reach 65 and become eligible for Medicare, but are still working for an employer of 20 or more persons, you have options for health care coverage. Please see your human resource area for more information on these options.**

### Preventive Care Services

<b>Benefits</b>	<b>Form</b>	<b>Medicare</b>	<b>Form</b>	<b>BCBSM Traditional Supplemental Coverage</b>
Pap Smear Screening – laboratory services only	0800	Covered at Medicare approved amount, once every 24 months	0800	Covered in full by Medicare
Immunizations -Flu Shots and Pneumonia Vaccines	0800	Covered at Medicare approved amount	0800	Covered in full by Medicare
-Hepatitis B Vaccines – for those at risk of contracting the disease	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered
Prostate Specific Antigen (PSA) Test	0800	Covered at Medicare approved amount, once every 12 months at age 50 and older	0800	Covered in full by Medicare

### Mammography

<b>Benefits</b>	<b>Form</b>	<b>Medicare</b>	<b>Form</b>	<b>BCBSM Traditional Supplemental Coverage</b>
Mammography Screening	0800	Covered at Medicare approved amount less Part B coinsurance, once every 12 months at age 40 and older	0800	Covers Medicare coinsurance

### Physician Office Services

<b>Benefits</b>	<b>Form</b>	<b>Medicare</b>	<b>Form</b>	<b>BCBSM Traditional Supplemental Coverage</b>
Office Visits	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered
Outpatient and Home Visits	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered
Office Consultations	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered

### Emergency Medical Care

<b>Benefits</b>	<b>Form</b>	<b>Medicare</b>	<b>Form</b>	<b>BCBSM Traditional Supplemental Coverage</b>
Hospital Emergency Room (professional services) – must be medically necessary	0800	Covered at Medicare approved amount less Part B deductible and coinsurance or set copayment	0800	Covers Medicare deductible and coinsurance or set copayment
Ambulance Services – must be medically necessary	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance

## Clinical Laboratory Services Hospital Care Alternatives to Hospital Care

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Laboratory and Pathology Tests – used in the diagnosis and treatment of an illness or injury	0800	Covered at Medicare approved amount	0800	Covered in full by Medicare

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Semi-Private Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies -Days 1-60	2017	Covered at Medicare approved amount less Part A deductible	2017	Covers Medicare deductible
-Days 61-90	2017	Covered at Medicare approved amount less Part A daily coinsurance	2017	Covers Medicare daily coinsurance
-Lifetime Reserve Days (60 days)	2017	Covered at Medicare approved amount less Part A daily coinsurance	2017	Covers Medicare daily coinsurance
-Additional days	2017	Not covered	2017	Covered at BCBSM approved amount, up to an additional 275 days
Chemotherapy	2017	Covered for administration and drugs, at Medicare approved amount less deductible and coinsurance; must meet Medicare criteria	2017	Covers Medicare deductible and coinsurance; pays chemotherapy drugs which Medicare does not cover; must meet BCBSM criteria for payment

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Skilled Nursing Facility Care – specific criteria applies -Days 1-20	2017	Covered at Medicare approved amount	2017	Covered in full by Medicare
-Days 21-100	2017	Covered at Medicare approved amount less daily coinsurance	2017	Covers Medicare coinsurance
-Days 101 and after	2017	Not covered	2017	Not covered
Hospice Care	2017	Covered at Medicare approved amount less small copayment for outpatient drugs and less small coinsurance for inpatient respite care	2017	Covers limited costs not covered by Medicare
Home Health Care – medically necessary	2017	Covered at Medicare approved amount	2017	Covered in full by Medicare

## Surgical Services Provided by a Physician

Benefits	Form	Medicare	Form	BCBSM Traditional Supplemental Coverage
Surgery – includes related surgical services	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance

## Human Organ Transplants

Note: Payment is based on medical necessity and must be rendered in an approved facility.

<b>Benefits</b>	<b>Form</b>	<b>Medicare</b>	<b>Form</b>	<b>BCBSM Traditional Supplemental Coverage</b>
Heart and Liver	990965	Covered at Medicare approved amount less deductible and coinsurance	990965	Covers Medicare deductible and coinsurance
Lung and Heart-lung	990965	Covered at Medicare approved amount less deductible and coinsurance	990965	Covers Medicare deductible and coinsurance
Pancreas	990965	Not covered Note: Pancreas transplants are covered under certain conditions. Please call Medicare for more information.	990965	Not covered Note: Covers Medicare deductible and coinsurance when covered by Medicare.
Cornea	990965	Covered at Medicare approved amount less deductible and coinsurance	990965	Covers Medicare deductible and coinsurance
Bone Marrow and Kidney	990965	Covered at Medicare approved amount less deductible and coinsurance	990965	Covers Medicare deductible and coinsurance

### Mental Health Care Other Services Foreign Travel

<b>Benefits</b>	<b>Form</b>	<b>Medicare</b>	<b>Form</b>	<b>BCBSM Traditional Supplemental Coverage</b>
Inpatient Mental Health Care in psychiatric hospital -Days 1-190 Lifetime	2017	Covered at Medicare approved amount less deductible and coinsurance Note: In most cases, psychiatric care in general (as opposed to psychiatric) hospitals is not subject to the 190-day limit.	2017	Covers Medicare deductible and coinsurance
-Additional days after 190 lifetime days are used	2017	Not covered	2017	Not covered
Outpatient Mental Health Care	2017	Covered at Medicare approved amount less Part B deductible and coinsurance or set copayment for therapeutic services. Diagnostic services are covered at the approved amount less Part B deductible and coinsurance.	2017	Covers Medicare deductible and coinsurance or set copayment

<b>Benefits</b>	<b>Form</b>	<b>Medicare</b>	<b>Form</b>	<b>BCBSM Traditional Supplemental Coverage</b>
Allergy Testing and Therapy -with approved diagnosis	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance for testing; injections are not covered
Chiropractic Spinal Manipulation -must be medically necessary	0800	Covered when medically necessary, at Medicare approved amount less Part B deductible and coinsurance	0800	Not covered
Outpatient Physical, Speech and Occupational Therapy	0800	Covered at Medicare approved amount less Part B deductible and coinsurance or set copayment Note: Services of independent physical or occupational therapist subject to annual dollar limit.	0800	Covers Medicare deductible and coinsurance or set copayment
Durable Medical Equipment	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance
Prosthetic Appliances	0800	Covered at Medicare approved amount less Part B deductible and coinsurance	0800	Covers Medicare deductible and coinsurance
Oral Cancer Drugs	0800	Approved drugs are covered	0800	Covered in full by Medicare

<b>Benefits</b>	<b>Form</b>	<b>Medicare</b>	<b>Form</b>	<b>BCBSM Traditional Supplemental Coverage</b>
Hospital Services	2017	Not covered, except for inpatient hospital services in Canada or Mexico in rare situations	2017	Covered at BCBSM approved amount, up to 30 days for covered services
Physician Services	0800	Not Covered, except for services rendered in Canada or Mexico in connection with a covered inpatient stay	0800	Covered up to BCBSM approved amount

**ADDENDUM #3 CONT.  
UP Blue Rider**

**IMPORTANT  
KEEP THIS RIDER WITH YOUR CERTIFICATE  
RIDER CB-CSR  
COMMUNITY BLUE – COST-SHARING  
REQUIREMENTS  
AMENDS  
COMMUNITY BLUE GROUP BENEFITS CERTIFICATE  
6225**

Rider CB-CSR amends the certificate named above to change the member's cost-sharing requirements for out-of-state services. This rider is effective when you, your employer or remitting agent is notified.

**A nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association**

**The “Language of Health Care” section of your certificate is amended to add the following definitions:**

**Approved Referral**

The authorization a Michigan PPO panel provider must obtain from BCBSM or its designee to refer a patient to a provider outside of Michigan.

**BlueCard Participating Provider**

A provider who participates with the Host Plan.

**BlueCard Program**

A program that allows Blue Cross Blue Shield members to receive health care services in other states and have claims processed by the Host Plan, subject to Blue Cross and Blue Shield Association policies.

**Designated Payment Level**

The amount used to calculate your BCBSM copayment under the BlueCard Program. This amount is the lesser of:

- The provider’s billed charges for covered services, or
- An amount based on such factors as agreements with the Host Plan’s provider community or historical average reimbursement levels.

**NOTE:** BlueCard Program policies permit Host Plans to adjust negotiated prices going forward to correct for overestimation or underestimation of past prices. However, the designated payment level used to calculate your BCBSM copayment is considered a final price. Some state laws require that a special calculation be applied to determine the Host Plan’s payment. In such instances, the designated payment level will reflect any statutory requirements in effect at the time you receive care.

**Host Plan**

A Blue Cross and/or Blue Shield Plan outside of Michigan that participates in the BlueCard Program and processes claims for services that you receive in that state.

**The "Out-of-state" subsections under "Coverage for Hospital, Facility and Alternatives to Hospital Care" and "Coverage for Physician and Other Professional Provider Services" in your certificate are replaced with the following:**

**Out-of-state Providers**

For covered services obtained outside the state of Michigan, the nonpanel cost sharing requirements will apply unless you:

Ⓢ Have a BCBSM approved referral from a Michigan PPO panel provider

**NOTE:** You must obtain the referral **before** receiving the referred service or nonpanel cost sharing requirements will apply.

Ⓢ Receive care for an accidental injury or a medical emergency or

Ⓢ Receive covered services from a provider for which there is no PPO panel.

**NOTE:** You will be responsible for any panel deductible or copayments required under your certificate for services obtained from the above providers. Covered benefits, described in your certificate, that are payable only when obtained from a Michigan panel provider are not payable when rendered out-of-state (e.g., preventive care services).

### **BlueCard Program**

If you receive covered services in another state from a BlueCard participating provider, the Host Plan will pay the provider the amount required under its contract with the provider less any deductible or copayment required under your BCBSM certificate. After the Host Plan pays the provider, BCBSM reimburses the Host Plan the amount required under the BlueCard Program.

If the provider is not a BlueCard participating provider, we will pay for the services as described above in the “Out-of-state Providers” subsection.

If your certificate requires a deductible, that amount will apply to services received outside of Michigan. If your certificate requires a copayment, your copayment for services received outside of Michigan will be calculated using the designated payment level.

**NOTE:** Your deductible and copayment requirements are based on your certificate and remain the same regardless of which Host Plan processes your claim for services.

BlueCard Program (continued)

The BlueCard Program will not apply if:

- The services are not a benefit under your certificate
- Your certificate excludes the services from being performed outside of Michigan
- The services are performed by a vendor or provider who has a contract with BCBSM for those services.

## **GENERAL**

Until further notice, all the terms, definitions, limitations, exclusions, and conditions of your certificate and related riders remain unchanged and in full force and effect, except as provided in Rider CB-CSR.



**BLUE CROSS BLUE SHIELD OF MICHIGAN**

**Richard E. Whitmer**

**President and Chief Executive Officer**

**Form No. 1090 Bureau Approved 11/05**

# Master Medical 65 Coverage Benefits-at-a-Glance

## Copayment, Deductible and Maximum

Benefits are addition to your Medicare and Traditional plans. Services are payable after exhausting benefits in your basic Medicare and Traditional plans

Benefits	Form	Requirements
Deductible	MMPD65	\$100 per person per calendar year
Percent Copay	MMPD65	20 percent copay requirement
Private Duty Nursing Copay	MMPD65	50 percent copay requirement
Copay Dollar Maximum	MMPD65	\$2,500 per calendar year up to a lifetime maximum of \$5,000 <b>Note:</b> Once the \$5,000 lifetime maximum has been reached, an additional \$1,000 allowance is restored for each calendar year of continuous coverage.

## Hospital Coverage

Benefits	Form	Requirements
Additional days for Semi-Private Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies	MMPD65	Covered – 100 percent of the approved amount, no copay or deductible requirement

## Mental Health Care

Benefits	Form	Requirements
Inpatient Mental Health Care in psychiatric facility	MMPD65	Covered – 80 percent of the approved amount after deductible and after Medicare and Traditional coverage has been exhausted

## Other Services

Benefits	Form	Requirements
Private duty nursing in the hospital or at home	MMPD65	Covered – 50 percent of the approved amount after deductible

These are the codes for your Certificates and Riders and are for internal use by BCBSM:

0660-ASC MOD 3054

0738-65 OPTION 1

1700-TBHD  
261765-\$10/40 65  
360765-PREFERRED RX 65  
3948Y1-MOPD 10/40 65  
4725-XVA  
513853-PDCM \$10/40  
5315-CI  
5517-CB-MHP 20%  
577801-CBD\$250P 90/10  
5815-CB-CMP \$500/90  
6225-COMM BLUE BASIC  
6600-CNM  
993009-GLE-1  
MMPD65-CATASTROPHIC 65  
  
5756-CBC 10%

2617-\$10/\$40 RX  
3607-PREFERRED RX  
3948X9-MOPD 10/40  
408703-RDR GPC SAT II  
472565-XVA65  
5216-ECIP  
5385-CRNA  
5769-CBC 30% NP  
5794-CB-OV \$15.00  
5857-CBCMNP1500  
6502-65 OPT 2  
6603-CB-PCB  
9973-PCD

**Tracking Number 210301**  
**Service Key Effective Date**  
C1AGWE 07/01/2004  
S1ABXK 07/01/2004

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Blue Cross Blue Shield of Michigan provides administrative claims payment services only and does not assume any financial risk or obligation with respect to claims.

This handbook is not a contract. It is intended as a brief description of benefits. Every effort

has been made to ensure the accuracy of the information within. However, if statements in this description differ from the applicable coverage documents, then the terms and conditions of those documents will prevail.

Blue Cross Blue Shield of Michigan administers the program for your employer. Blue Cross Blue Shield of Michigan does not insure the coverage. Benefits and future changes in benefits are the responsibility of your employer. Information concerning members may be reviewed by your employer and Blue Cross Blue Shield of Michigan.

The coverage is provided pursuant to a contract entered into in the state of Michigan and shall be construed under the jurisdiction and according to the laws of the state of Michigan.

Tracking Number 210301  
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