



UNION UPDATE

Connecticut Employees Union Independent • February 2014

STATE EMPLOYEE HEALTH INSURANCE HEALTH ENHANCEMENT PLAN (HEP)

- Improved health outcomes for our family members
- Lives saved through improved chronic disease care and screenings
- Savings to the state and our members in current and future premiums

Have you and your family members met all the requirements for the January 1, 2013 through December 31, 2013 plan year?

The only way to confirm your status is to log on to the web site or contact the call center. You have until February 28, 2014 to complete the (2013) HEP requirements.

Note: If you do not meet the requirement you could receive a letter indicating that you are being taken off the HEP plan and will be billed \$100 per month in additional health insurance premium and be subject to a \$350 deductible per family member for non co-pay health services.

HOW TO CHECK YOUR STATUS

Web Based Information:

- The State Comptrollers website is: <http://www.osc.ct.gov>
- From the home page under "Hot Issues", click on HEP – FAQ
- The HEP website is located at www.cthep.com
- For a tutorial on how to use the website and comply with HEP, go to: <https://www.brainshark.com/ConnectiCare/HEP>

IMPORTANT NOTE: It is imperative that every enrolled dependent over 18 have a separate account and log in separately at www.cthep.com to verify their HEP status and complete the requirements. Status for dependents under 18 may be reviewed by the member.

Phone Information:

If you have read all of the frequently asked questions, on the HEP website but are still having difficulty and need to speak with someone directly, please call a CMS customer service representative at 877.687.1448 Monday through Friday between 7am and 7pm.

"WISCONSIN MOMENT"

It's that time of the year again when the political season has begun and candidates are starting to show their true colors. Most recently, the Republican candidate from 2010, Tom Foley, announced that he will be running for Governor again this year. There is no doubt that the Republican primary is going to be contentious but Tom Foley is still expected to be the front-runner to face off against Governor Dannel Malloy. As he seeks the Republican nomination he will most likely appeal to the center but his past shows that he is exactly the opposite. Nothing made this clearer than last July when Mr. Foley said that he was waiting for Connecticut to have its "Wisconsin moment." All of us know that the last thing Connecticut needs is a "Wisconsin moment" and the last thing working families need in Connecticut is someone that will be looking west and trying to bring Wisconsin to Connecticut.

LEGISLATIVE SESSION HAS BEGUN

Last week, Governor Dannel Malloy rang in the legislative session with his State of the State address where he laid out his priorities for this session. We have a lot to look forward to over the next few months as these proposals make their way through committees and to the full legislature. Here are the highlights from Governor Malloy's proposal:

- Adding \$100 million to the State pension plan which will save \$430 million over 20 years and ensure that current and future retirees will have a secure retirement. If the State continues this strategy we will have a fully funded pension plan in the future.
- Adding \$1.7 million to Technical High Schools which will add 24 custodial positions and money for supply upgrades.
- Adding 109 positions at DOT which will mean more job opportunities for our members and possibly new positions.
- Exempting over the counter drugs from sales tax which will result in more money in your pocket.
- \$60 million for capital investments in the CSU system leading for better working conditions and increased work opportunities.
- \$40 million increase in ECS funding and exempting Municipal health care policies from the insurance premiums tax meaning healthier municipalities and should lead to better benefits for our members.

These are just a few of the highlights from Governor Malloy's proposals that he will look to achieve this legislative session. While we know these proposals will be debated as they go through the legislature which may lead to some adjustments, we thank the Governor for clearly outlining his priorities and showing again that he will stand by our members and working families throughout the State.

OJE UPDATE

On December 23, 2013, the OJE Committee mailed all members the announcement that our OJE report had been received from DAS and advising members to call if they wanted the Committee to consider appealing their job classification. The Committee heard from members in only a handful of classes during that process. Of the classifications the Committee reviewed/heard from, they denied three classifications and two of those classifications made appeals to the full Executive Board for final decision. The Executive Board chose to uphold the decision of the OJE Committee regarding those appeals.

On February 6, 2014, the OJE Committee submitted its official appeal package to DAS. The Committee appealed the following classifications: QCW (Auto), QCW (Locksmith), GTW, Environmental Controls Maintainer (NEW), Master Gardener (NEW), and University Arborist (NEW). Additionally, we have submitted a request to negotiate over the following sub-classes/issues related to OJE: DOT "Trainers", DOT Service Patrol, CAA positions (in particular to FAA regulation/clearance and runway clearance), Landscaping/Grounds Work (misuse of NP-2 classes performing this work), Storekeeper Series (utilization in relation to current needs of stockrooms and issues relative to MSS positions), Maintenance Series (GTW misuse, non-use of intern positions, and upward mobility issues), Water Reclamation Plant (new plant at Uconn), Q-Items(denial for certain class series), New Job Classes (disagree with them being Uconn specific), and Exempt classes (request they be studied before next report).

The Committee has requested that negotiations commence in approximately 8 weeks. Until that time, the Committee will be doing more research, reviewing DAS documents related to these classes, and contacting members in the classes above for more information. The Committee anticipates having the next update available by the May membership meetings.

If you have any questions about this matter, please contact the OJE Committee at (860) 343-8744.

TIER II, TIER IIA, TIER III PENSION MULTIPLIER INCREASED!

For retirements on or after July 1, 2013, for final average earnings below the break point (2014: \$69,000) the multiplier will increase from 1.33% to 1.4%. This includes all past and future years of service for Tier II, Tier IIA, Tier III retirees.

History

- When Tier II was created in 1981, (the actual date of implementation was delayed until 7/1/1984) the parties agreed that it would include a breakpoint. (Breakpoint for Tiers IIA and III is the same as the one for Tier II).
- The multiplier for income below the breakpoint was set at 1 and 1/3% (about 1.33%). For income above the breakpoint, it was set at 1/2% higher, or 1 and 5/6% (about 1.83%).
- The Tier II breakpoint was agreed to go up 6% each year. However, the experience in the 1980s was that inflation slowed, and the unions felt the breakpoint was increasing too quickly. When the parties negotiated again in 1988 it was agreed that the breakpoint would have a new "stop gap."
- The breakpoint is now \$69,000, which means that many workers have all of their pensions computed using the lower breakpoint multiplier and even workers whose salary is greater than the breakpoint still have a large part of their pensions' computed using the lower below breakpoint multiplier. On a percentage basis the impact is greatest on lower paid workers, but the negative impact affects everyone.
- The SEBAC 2011 agreement included a provision that in 2013 (once the immediate financial and budgetary crisis was over), the State would set aside 1/2% of payroll (or approximately \$35 million on an annualized basis) to improve the breakpoint, particularly as it impacted lower paid workers. It was recognized that the 1/2% was not nearly sufficient to eliminate the breakpoint. But it was enough to help.

The Breakpoint Bargaining

- In 2013, the unions through SEBAC established a rank & file negotiating committee to consider how best to use the 1/2% set aside by SEBAC 2011. The Committee included a mix of newer and longer service workers as well as higher and lower paid workers, and the SERS plans actuaries were engaged to provide analysis and figures. The committee adopted a set of principles that included trying to improve the situation for everyone, especially lower paid workers, and avoiding harming anyone.
- The Committee then studied several approaches to using the 1/2% of payroll, the two most prominent being to use the money to slow the growth of the breakpoint, and using the money to increase the multiplier below the breakpoint.
- Using the money to increase the multiplier below the breakpoint worked better. The actuaries found that the 1/2% of payroll was enough to increase the multiplier below the breakpoint for all years of service (including those years before the July 1, 2013 effective date of the change) to 1.4% from its current 1 and 1/3% (or about 1.33).
- This means that all workers regardless of their years of service benefit from the change. And all workers regardless of their salary benefit from the change, since everyone has at least part of their salary below the breakpoint. Also, the improvement to the 1.4% multiplier is a guaranteed improvement – regardless of what happens to the cost of living, 1.4% is always higher than 1.33%. The Committee recommended increasing the multiplier below the breakpoint to 1.4%, and leaving the multiplier above the breakpoint as it is (about 1.83%). This approach uses all the funding to increase pensions for lower paid workers whose pensions are under the current \$69,000 breakpoint.

Example

This example is based on a retiree with 30 years of service and is an illustration to give you an idea of how the increase in multiplier could impact your retirement benefit.

- Example 2013 final average earnings of \$50,000 at (1.33) = \$19,995 yr
2013 final average earnings of \$50,000 at (1.4) = \$21,000 yr
- Example 2013 final average earnings of \$80,000 at (1.33) = \$34,197 yr
2013 final average earnings of \$80,000 at (1.4) = \$35,510 yr

GOLF TOURNAMENT

It's time to start thinking about playing some golf! The 27th Annual Salvatore J. Perruccio Golf Tournament will be held on June 26th at the Portland Golf Course. We are looking for golfers and sponsors. Please contact Tracy at 860-343-8712 or via email at tdeegan@ceui.org to request registration material. This tournament is the major fundraiser for the scholarships the Union awards every year.

SCHOLARSHIPS AVAILABLE

Applications are available for the 2014 Salvatore Perruccio Scholarship. CEUI offers four (4) \$2,500 scholarships to a deserving child (note: grandchildren are excluded) of an active (not retired) dues paying member of CEUI. The specifics for qualifying are:

1. You must be a senior in high school about to enter a four-year accredited college in the fall of 2014.
2. You must fill out a preliminary application and return it by April 15, 2014.
3. You must return a final application postmarked by May 16, 2014.
4. Qualifying students will be individually interviewed by the Scholarship Committee.
5. Winners will be expected to attend the 27th Annual Salvatore J. Perruccio Golf Tournament held on June 26, 2014.

To obtain a preliminary application please call Tracy at 860-343-8712. You may also request an application by email: tdeegan@ceui.org. Please be sure your email indicates both the name of the parent and the child.

HUMANITARIAN AWARD NOMINATIONS

The Salvatore J. Perruccio Humanitarian Award is presented to a member for outstanding recognition of his/her time spent serving the community by volunteering and/or providing his/her leadership and lending a helping hand whenever needed. The award is presented to a CEUI member who demonstrates qualities such as being humane, kindhearted, public-spirited, idealistic, generous, merciful, considerate and exceptionally kind. If you would like to nominate a "special" CEUI member whose efforts are deserving of this award, please submit his or her name by May 16, 2014, to Tracy at the Union office or email it to: tdeegan@ceui.org. The Humanitarian Award will be presented at the 27th Annual Salvatore J. Perruccio Golf Tournament on June 26, 2014.

UNION PLUS EDUCATION SERVICES

If you are a union member with dreams of getting an advanced education, or if your son or daughter is looking to continue their schooling after high school, now's the time to start making progress toward your goal. Visit www.UnionPlus.org/Education — there you will find multiple links to scholarships, grants, rebates and discounts. Union Plus brochures are available at the Union office. Please call if you'd like one mailed to you.

SAVE THE DATE

- April 28 -- Workers Memorial Day / 12:00 noon / North Steps, State Capitol, Hartford
- May 12 -- Membership meetings begin
- June 21 -- Rock Cats Labor Recognition Night, Rock Cats Stadium, New Britain
- June 26 -- 27th Annual Salvatore J. Perruccio Golf Tournament, Portland Golf Course