



2017 SEBAC Negotiations



The Starting Point

The State has a significant budget crisis. Our unions face attacks on collective bargaining over:

- Wages/Longevity;
- Healthcare;
- Pensions; &
- Retirement Benefits.

The Starting Point

Items SEBAC leaders said were non-negotiable:

- Extension of SEBAC 2022 to 2027 – to preserve collective bargaining;
- Job security (no programmatic layoffs);
- Privatization protection; &
- No significant changes to retirement during the life of the current agreement.



All 33 affected locals will have two votes

Local contract vote – determines wages, longevity, pools of money, and language changes.

SEBAC vote – determines negotiated changes to pension and healthcare.

Contract Vote

Wages/Longevity

Wages 0 - 0 - 0* - 3.5 - 3.5

- Job protection through 7/1/2021;
- Year 1 began July 2016:
 - *The fight for first year “0” changed when budget deficit increased by \$1.5B; &*
 - ** Year 3 has a \$2000 July bonus, or \$1000 + top step bonus for those eligible.*
- Years 4 and 5 include increments & top step bonuses; &
- Frozen years not affected by promotions (scale changes).



Contract Vote

Wages/Longevity

Longevity – One time delay

- 2017 Longevity payments will be on time
- 2018 Spring Longevity payment delayed until July

Tuition Reimbursement & PD funds filled retroactively

Three Furlough Days 7/1/2017-6/30/2018



Contract Vote Wages/Longevity

What does a 'Yes' vote mean?

Contract 'Yes' votes = wage structure discussed, delayed longevity in 2018, 3 furlough days, and 4 years of job security

What does a 'No' vote mean?

Contract 'No' votes = possible arbitration for wages and pools of money, and NO job security



Pension, Healthcare, and Retirement – SEBAC Items [Second Vote]

SEBAC [Second Vote]

Pension – SERS, ARP, Hybrid

- SERS All Tiers – contribution increase by 1.5% starting July 1, 2017. Delayed payment optional:
 - Members may cover this cost by “borrowing” the 1.5% from current 3% Retiree Health Contributions; &
 - Return payment is an additional 0.5% for 4 years starting 7/1/2019.
- SERS All Tiers – additional contribution increase by 0.5% starting July 1, 2019.
- No changes to stipend or overtime rules, or TRB.
- ARP – State contribution 7.25%, employee 5% (can add .75%) starting 7/1/2017. State contribution 7%, employee 6% 7/1/2019

SEBAC [Second Vote]

Pension – Cola

- Cola – effective 7/1/2022 new retirees will receive 1st cola payment 30 months from retirement date (unless CPI [consumer price index] is over 5.5%);
- Cola calculation formula - effective 7/1/2022, formula is CPI, even under 2%, over 2% current rules apply; &
- Disability Retirees – must apply for Social Security.

SEBAC [Second Vote]

Healthcare

- 3% Contribution to Retiree HealthCare for all current State employees, unchanged. Those already contributing are done in 10 years;
- Increase in Premium Share (cost of plan, not % of salary):
 - Additional 1%, but not over 15% total 7/1/2019;
 - Additional 1%, but not over 15% total 7/1/2020; &
 - Additional 1%, but not over 16% total 7/1/2021.

SEBAC [Second Vote]

Healthcare – Continued

- Increased co-pay for unnecessary emergency room visits to \$250;
- Non-HEP drugs go to \$5/\$10/\$25/\$40; &
- No increase co-pay primary care physicians.

SEBAC [Second Vote]

Retirement

- 60 day window to maintain current benefit;
- Change to retiree medical contribution (1.5% to 3%) for new retirees in effect October 2, 2017:
 - No change for those with more than 25 years of state service; no cost after age 65;
- Retiree medical contribution 5% for those retiring after 7/1/2022; hazardous duty 3%. No contribution after age 65; &
- Additional charge imposed on high end earners (those who claim more than \$85,000/year on W2).

SEBAC [Second Vote]

Retirement – Tier IV – Hybrid Plan

- SERS contribution additional 3% immediately (5% total); hazardous duty (8% total) - DB;
- No breakpoint – 1.3% multiplier;
- Define contribution - State contribution 1%, employee contribution 1%, 5% voluntary;
- Split the Risk to max of 2%;
- OT effect on base-pay pension may not be greater than 60%;
(continued on next slide)

SEBAC [Second Vote]

Tier IV (Continued)

- 3% Retiree HealthCare contribution 15 year;
- 3% increase to HealthCare premium immediately, capped at 16%;
- Hybrid and Hazardous Duty benefits same as Tier III; &
- ARP – Employer and employee contribution 6.5%.



SEBAC 2017

Extension of SEBAC 2022 to 2027

Ensures State workers' bargaining rights over pension and healthcare benefits.

Contract Negotiations

Will be settled as part of any tentative agreement.



SEBAC 2017

What do 'No' votes mean?

- Contract 'No' votes = possible arbitration for wages and NO job security;
- Likelihood legislature would vote down any contract or arbitrated award that includes raises; &
- SEBAC 'No' votes = real possibility of losing collective bargaining after 2022 & still no individual contracts.