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**MEMORANDUM OF UNDERSTANDING  
MICHIGAN CORRECTIONS ORGANIZATION  
and the OFFICE OF THE STATE EMPLOYER**

*SMB 1/12/10*  
*MJ 1/12/10*

- The collective bargaining agreement for the Security Unit will be extended for one year. Non-compensation provisions will continue through December 31, 2011; compensation provisions will continue through September 30, 2012.
- However, in the event an across the board wage increase for FY12 is voluntarily agreed to during negotiations in 2010 with the UAW, MSEA, or AFSCME, and approved by the Civil Service Commission, upon request of the Union on or before March 1, 2011, negotiations for an across the board increase for FY12 will be reopened no later than April 1, 2011.
- The New State Health Plan will be implemented for employees hired into the Security Unit on or after April 1, 2010. The Employer will pay 80% of the premium, and the enrolled employee shall pay 20% of the premium for the New State Health Plan. The HMO available for employees hired into the Security Unit on or after April 1, 2010 will have office visit, emergency room, and retail and mail order prescription co-pays that mirror those in the New State Health Plan. The Employer will pay 85% of the HMO premium up to the amount paid for the same coverage code under the New State Health Plan. See attached.
- As soon as administratively feasible, during the first pay period in which a designated holiday occurs Security Unit employees will receive 3 hours of Banked Leave Time (BLT), with regular pay reduced accordingly. The 3 hours of BLT will not go into the annual leave formula calculation.
- For the duration of the agreement, the number of compensatory time hours a Security Unit employee may accrue in a fiscal year will be increased from 150 to 200 hours, with the hours above 150 not going into the annual leave formula calculation. This does not affect the number of compensatory hours subject to payoff upon separation from state employment.
- One year sick leave/overtime reduction pilot program: See attached.
- Administrative Leave Bank usage for Union leadership meetings and arbitration hearings will be clarified as follows:
  - Article 7, Section E add #6: "For second and third shift employees, this Administrative Leave Bank may be used to provide time off on a scheduled shift immediately prior or subsequent to the scheduled meeting or necessary travel."
  - Article 9, Section G add to the end of the last paragraph: "The Union's request to utilize Administrative Leave Bank credits for the remainder of the partial shift shall be approved for a designated union representative, properly designated union witness(es) or grievant(s)."

Sick Leave Use/Overtime Reduction Pilot Program

MS 1/12/10  
Sub 1/12/10

- The sick leave use/overtime reduction pilot will be effective April 4, 2010 through April 2, 2011
- during the pilot, the attendance incentive and physical fitness incentive provided in Article 37 will be suspended
- in the event the required overtime reduction is not met and no payment is made under the pilot, the attendance incentive and physical fitness incentive will be reinstated effective April 4, 2010
- if during the pilot period the Employer identifies any problem with the pilot, the parties agree to meet to try to resolve the problem; in the event the problem is not resolved, the Employer reserves the right to suspend the pilot and reinstate the attendance incentive and physical fitness incentive effective retroactively to April 4, 2010
- the attendance incentive and physical fitness incentive for the period of October 1, 2009 through March 31, 2010 will be one-half of the payment for a fiscal year based upon one-half of the sick leave utilization permitted in a fiscal year
- for any payment to be made under the pilot, the overtime costs attributable to the use of sick leave in the Security Unit during the effective dates of the pilot must be lower than the overtime costs attributable to the use of sick leave in the immediately preceding 12 months by an amount equal to or greater than the cost of the pilot
- to be eligible to participate in the pilot, an employee must have a balance of 300 or more sick leave hours as of the pay period ending April 3, 2010
- to be eligible to receive payment under the pilot, an employee must be in full pay status in the Security Unit for 2,000 or more hours of service during the effective dates of the pilot. Time required to be treated as "full pay status" pursuant to state statutes dealing with injury arising from a prison riot or prisoner or inmate or patient assault, not to exceed 80 hours in a pay period, but not to exceed six pay periods, shall be credited as if it had been in full pay status.
- upon meeting the required overtime reduction, an eligible employee may elect to receive payment for up to 50% of the sick leave hours accumulated during the pilot period at the employee's base rate of pay as of April 2, 2011
- the employee's sick leave balance will be adjusted downward by the number of accumulated sick leave hours paid off
- during the pilot, when a third shift employee also works the subsequent first shift, the hours worked on the first shift shall be compensated at the overtime rate.

**New Hire State Health Plan PPO and  
New Hire HMO Designs**

*msd 1/12/10  
ams 1/12/10*

	<b>Current SHP PPO</b>	<b>New Hire SHP PPO</b>	<b>Current HMO</b>	<b>New Hire HMO</b>
Employer Premium Share	90%	80%	95% of the premium up to the amount paid for the same coverage code under the SHP PPO	85% of the premium up to the amount paid for the same coverage code under the SHP PPO
Prescription Drug Copays	R-\$10/\$20/\$40 M-\$20/\$40/\$80	R-\$10/\$30/\$60 M-\$20/\$60/\$120	R-\$5/\$10 M-\$10/\$20	R-\$10/\$30/\$60 M-\$20/\$60/\$120
<b>In-network</b>				
Preventive Limit	\$ 1,500	\$ 1,500	na	na
Deductible (Not applied to OOPM)	\$300 / \$600 Not Applied to OOPM	\$400 / \$800 Not Applied to OOPM	na	na
Office Visit Copay	\$15	\$20	\$10	\$20
Emergency Room Copay	\$50	\$200	\$50	\$200
Coinsurance	0% after Ded	10% after Ded	na	na
Out-of-Pocket Maximum (%)	\$1000 / \$2000	\$1500 / \$3000	na	na
<b>Out-of-Network</b>				
Preventive Limit	Not Covered	Not Covered		
Deductible	\$600 / \$1200 Not Applied to OOP	\$800 / \$1600 Not Applied to OOP		
Office Visit Copay	10% after Ded	20% after Ded		
ER Copay	\$50	\$200		
Coinsurance	10% after Ded	20% after Ded		
Out-of-Pocket Max (%)	\$2000 / \$4000	\$3000 / \$6000		