

MEMORANDUM OF AGREEMENT
BARGAINING UNIT 01
JULY 1, 2011 THROUGH JUNE 30, 2013

This MEMORANDUM OF AGREEMENT is made and entered into on this 28th day of November, 2011 by and between the United Public Workers, AFSCME, Local 646, AFL-CIO, hereinafter referred to as the "Union" and the State of Hawaii, the Hawaii Health Systems Corporation, the Judiciary, the City and County of Honolulu, the County of Hawaii, the County of Maui, and the County of Kauai, hereinafter referred to as the "Employer," as defined in HRS 89-6.

WHEREAS, Tentative Agreements were reached during negotiations of the collective bargaining agreements covering Employees in BU 01 effective July 1, 2011 through June 30, 2013.

NOW THEREFORE, the Employer and Union mutually agree that this MEMORANDUM OF AGREEMENT shall be used to implement the Tentative Agreements reached and the collective bargaining agreement referenced herein, effective July 1, 2011 through June 30, 2013.

The Employer and Union agree that the terms and conditions of the collective bargaining agreement between the Employer and the Union effective July 1, 2009 through June 30, 2011 for BU 01 are incorporated without change for the period July 1, 2011 through June 30, 2013, except for the SECTIONS listed below as described in the attached Tentative Agreements.

SECTION 62 BENEFIT PLANS

SECTION 66 DURATION

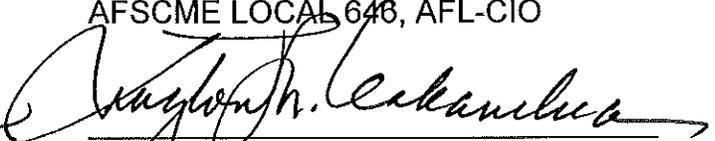
This Agreement may be signed in separate counterparts, and/or via facsimile, each of which shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

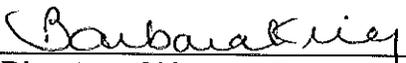
IN WITNESS WHEREOF, the Employer and the Union by their authorized representatives have executed this MEMORANDUM OF AGREEMENT.

STATE OF HAWAII

UNITED PUBLIC WORKERS
AFSCME LOCAL 646, AFL-CIO


Governor


State Director



Director of Human Resources Development



Chief Negotiator



Director of Budget and Finance

COUNTY OF HAWAII

Mayor

Human Resources Director

COUNTY OF MAUI

Mayor

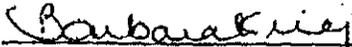
Human Resources Director

COUNTY OF KAUAI

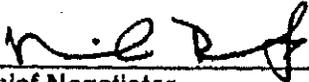
Mayor

Human Resources Director

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Bargaining Unit 01
July 1, 2011 through June 30, 2013
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Director of Human Resources Development

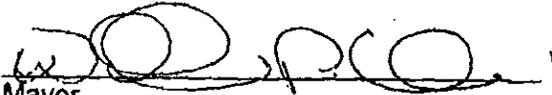


Chief Negotiator

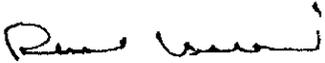


Director of Budget and Finance

COUNTY OF HAWAII



Mayor



Human Resources Director

COUNTY OF MAUI

Mayor

Human Resources Director

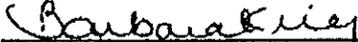
COUNTY OF KAUAI

Mayor

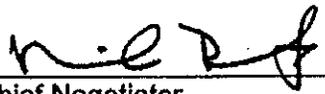
Human Resources Director

Dated 11/9/11

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Bargaining Unit 01
July 1, 2011 through June 30, 2013
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Director of Human Resources Development



Chief Negotiator



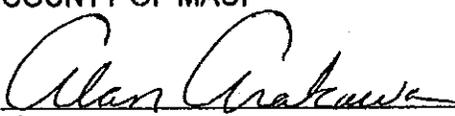
Director of Budget and Finance

COUNTY OF HAWAII

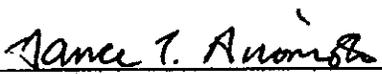
Mayor

Human Resources Director

COUNTY OF MAUI



Mayor



Human Resources Director

COUNTY OF KAUAI

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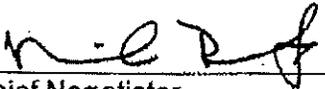
Human Resources Director

Dated 11/9/11

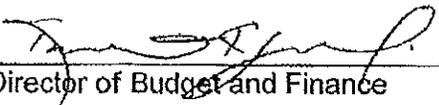
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Bargaining Unit 01
July 1, 2011 through June 30, 2013
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Director of Human Resources Development



Chief Negotiator



Director of Budget and Finance

COUNTY OF HAWAII

Mayor

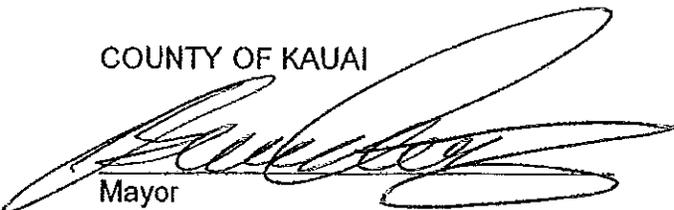
Human Resources Director

COUNTY OF MAUI

Mayor

Human Resources Director

COUNTY OF KAUAI



Mayor



Human Resources Director

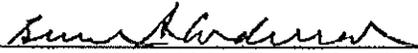
Dated 11/9/11

CITY AND COUNTY OF HONOLULU

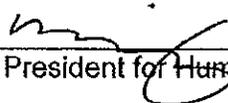
Mayor

Human Resources Director

HAWAII HEALTH SYSTEMS CORPORATION



President and Chief Executive Officer



Vice President for Human Resources

JUDICIARY

Administrative Director of the Courts

Human Resources Director

APPROVAL AS TO FORM:

Deputy Attorney General

Dated 11/9/11

CITY AND COUNTY OF HONOLULU

Mayor

Human Resources Director

HAWAII HEALTH SYSTEMS CORPORATION

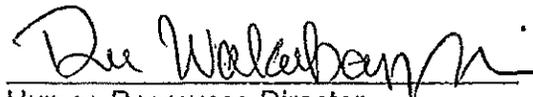
President and Chief Executive Officer

Vice President for Human Resources

JUDICIARY



Administrative Director of the Courts



Human Resources Director

APPROVAL AS TO FORM:

Deputy Attorney General

CITY AND COUNTY OF HONOLULU

Mayor

Human Resources Director

HAWAII HEALTH SYSTEMS CORPORATION

President and Chief Executive Officer

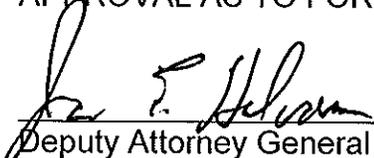
Vice President for Human Resources

JUDICIARY

Administrative Director of the Courts

Human Resources Director

APPROVAL AS TO FORM:


Deputy Attorney General

SECTION 62. BENEFIT PLANS

1
2 Delete the existing language in this Section in its entirety and replace with the following:
3

4 Subject to the applicable provisions of Chapters 87A and 89, Hawai'i Revised
5 Statutes, the Employer shall pay monthly contributions to the Hawai'i Employer-Union
6 Health Benefits Trust Fund ("Trust Fund" or EUTF) as follows:
7

8 A. "Health Benefit Plan" shall mean the medical PPO, HMO, HDHP,
9 prescription drug, dental, vision, and dual coverage medical plans.

10
11 B. Effective July 1, 2011.
12

13 Beginning December 1, 2011 during plan year 2011-2012, the Employer shall
14 pay a specific dollar amount equivalent to fifty percent (50%) of the premium rates
15 established by the Trust Fund Board for the respective health benefit plan plus fifty
16 percent (50%) of all administrative fees:
17

18 1. The amounts paid by the Employer in plan year 2011-2012 for each Employee-
19 Beneficiary with no dependent-beneficiaries shall be limited to those enrolled in the
20 following self only Trust Fund Health Benefit Plans:
21

22 SELF ONLY BENEFIT PLAN
23

- 24 a. Medical (PPO, HMO, or HDHP)(& chiro)
25 b. Prescription Drug
26 c. Dental
27 d. Vision
28 e. Dual Coverage (medical, drug, chiro):
29 (1) HMSA
30 (2) Royal State
31

32 2. The amounts paid by the Employer in plan year 2011-2012 for each Employee-
33 Beneficiary with one dependent-beneficiary shall be limited to those enrolled in the
34 following two-party Trust Fund Health Benefit Plans:
35

36 TWO-PARTY BENEFIT PLAN
37

- 38 a. Medical (PPO, HMO, or HDHP)(& chiro)
39 b. Prescription Drug
40 c. Dental
41 d. Vision
42

- 1 e. Dual Coverage (medical, drug, chiro):
2 (1) HMSA
3 (2) Royal State

4
5 3. The amounts paid by the Employer in plan year 2011-2012 for each Employee-
6 Beneficiary with two or more dependent-beneficiaries shall be limited to those enrolled
7 in the following family Trust Fund Health Benefit Plans:

8
9 FAMILY BENEFIT PLAN

- 10
11 a. Medical (PPO, HMO, or HDHP)(& chiro)
12 b. Prescription Drug
13 c. Dental
14 d. Vision
15 e. Dual Coverage (medical, drug, chiro):
16 (1) HMSA
17 (2) Royal State

18
19 4. For each Employee-Beneficiary enrolled in the Trust Fund group life insurance
20 plan, the Employer shall pay a specific dollar amount equivalent to one hundred percent
21 (100%) of the premium rates established by the Trust Fund Board plus one hundred
22 percent (100%) of all administrative fees in plan year 2011-2012.

23
24 C. Effective July 1, 2012.

25
26 Effective July 1, 2012 for plan year 2012-2013, the Employer shall pay a specific
27 dollar amount equivalent to fifty percent (50%) of the premium rates established by the
28 Trust Fund Board for the respective health benefit plan plus fifty percent (50%) of all
29 administrative fees:

30
31 1. The amounts paid by the Employer in plan year 2012-2013 for each Employee-
32 Beneficiary with no dependent-beneficiaries shall be limited to those enrolled in the
33 following self only Trust Fund Health Benefit Plans:

34
35 SELF ONLY BENEFIT PLAN

- 36
37 a. Medical (PPO, HMO, or HDHP)(& chiro)
38 b. Prescription Drug
39 c. Dental
40 d. Vision
41 e. Dual Coverage (medical, drug, chiro):
42 (1) HMSA
43 (2) Royal State

44
45 2. The amounts paid by the Employer in plan year 2012-2013 for each Employee-
46 Beneficiary with one dependent-beneficiary shall be limited to those enrolled in the

1 following two-party Trust Fund Health Benefit Plans:

2
3 TWO-PARTY BENEFIT PLAN

- 4
5 a. Medical (PPO, HMO, or HDHP)(& chiro)
6 b. Prescription Drug
7 c. Dental
8 d. Vision
9 e. Dual Coverage (medical, drug, chiro):
10 (1) HMSA
11 (2) Royal State

12
13 3. The amounts paid by the Employer in plan year 2012-2013 for each Employee-
14 Beneficiary with two or more dependent-beneficiaries shall be limited to those enrolled
15 in the following family Trust Fund Health Benefit Plans:

16
17 FAMILY BENEFIT PLAN

- 18
19 a. Medical (PPO, HMO, or HDHP)(& chiro)
20 b. Prescription Drug
21 c. Dental
22 d. Vision
23 e. Dual Coverage (medical, drug, chiro):
24 (1) HMSA
25 (2) Royal State

26
27 4. For each Employee-Beneficiary enrolled in the Trust Fund group life insurance
28 plan, the Employer shall pay a specific dollar amount equivalent to one hundred percent
29 (100%) of the premium rates established by the Trust Fund Board plus one hundred
30 percent (100%) of all administrative fees in plan year 2012-2013.

31
32 D. Rounding Employer's Monthly Contribution. - Whenever the Employer's
33 monthly contribution (premium plus administrative fee) to the Trust Fund is less than
34 one hundred percent (100%) of the monthly premium amount, such monthly contribution
35 shall be rounded to the nearest cent as provided below:

36
37 1. When rounding to the nearest cent results in an even amount, such even
38 amount shall be the Employer's monthly contribution. For example:

39 (a) \$11.397 = \$11.40 = \$11.40 (Employer's monthly contribution)

40 (b) \$11.382 = \$11.38 = \$11.38 (Employer's monthly contribution).

41
42 2. When rounding to the nearest cent results in an odd amount, round to the
43 lower even cent, and such even amount shall be the Employer's monthly
44 contribution. For example:

45 (a) \$11.392 = \$11.39 = \$11.38 (Employer's monthly contribution)

46 (b) \$11.386 = \$11.39 = \$11.38 (Employer's monthly contribution)

1 Employer contributions effective July 1, 2011 and July 1, 2012 shall be rounded
2 as described in item D. after administrative fees have been determined by the Trust
3 Fund Board

4
5 E. The parties shall meet and negotiate the EUTF contributions effective
6 7/1/2013; if the parties do not reach agreement, the procedures set forth in HRS Section
7 89-9(e) and Section 89-11(g) shall apply. The Employer will continue paying a specific
8 dollar amount equivalent to 50% of the premium rates established by the Trust Fund
9 Board plus 50% of the administrative fees until a resolution is reached, through
10 negotiation or determination by the Legislature, as to contributions effective on and after
11 7/1/2013.

12
13 F. No later than three (3) weeks after the Trust Fund Board formally
14 establishes and adopts premium rates for Fiscal Years 2011-2012 and 2012-2013 (or
15 for other periods should the board adopt mid-year changes), the Office of Collective
16 Bargaining shall distribute the calculation of the Employer's monthly contribution
17 amounts for each health benefit plan.

18
19 G. Should the Trust Fund Board eliminate any significant portion (e.g. the
20 elimination of prescription drug benefits in the medical plan) or part of a Trust Fund
21 health benefit plan or adopt a new plan, this Article shall be reopened for the purpose of
22 renegotiating the Employer's monthly contribution amounts

Tentative Agreement
Bargaining Unit 1
Union: [Signature]
Employer: [Signature]
Date: 11/9/11

1 SECTION 66. DURATION.

2

3 **66.01 EFFECTIVE DATES.**

4

5

6

7

8

9

10 **66.02 NOTICES AND PROPOSALS.**

11

12

13

14

15

The Unit 1 Agreement shall be effective July 1, [2009] **2011** and shall remain in full force and effect to and including June 30, [2011]-**2013**. It shall be renewed thereafter in accordance with statutes unless either party hereto gives written notice to the other party of its desire to modify, amend, or terminate the Unit 1 Agreement.

Notices and proposals shall be in writing and shall be presented to the other party between June 15 and June 30, [2010] **2012**. When the notice is given, negotiations for a new Unit 1 Agreement shall commence on a mutually agreeable date following the exchange of written proposals.