

# STER AGREEMENT

BETWEEN

SS BLUE SHIELD OF MICHIGAN



Blue Cross  
Blue Shield  
of Michigan

and



INTERNATIONAL UNION, UNITED AUTOMOBILE  
AEROSPACE AND AGRICULTURAL IMPLEMENT  
WORKERS OF AMERICA (U.A.W.)

and

LOCALS 1781, 2145, 2256 AND 2500, I

September 1, 2002 to August 31, 2

Blue Cross Blue Shield of Michigan is a nonprofit corporation  
independent licensee of the Blue Cross and Blue Shield Assn.

## 2002

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## AGREEMENT

This AGREEMENT is made and entered into this September 1, 2002 between BLUE CROSS BLUE SHIELD OF MICHIGAN (BCBSM), hereinafter referred to as the "Company" and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (U.A.W.) and its LOCAL UNIONS 1781, 2145, 2256 and 2500, hereinafter referred to collectively as the "Union".

### ARTICLE 1 RECOGNITION

#### 1.0 PARTIES TO THE AGREEMENT

Blue Cross Blue Shield of Michigan, hereinafter referred to as the "Company", recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (U.A.W.) and the Local Union specified below for each area unit, hereinafter, collectively referred to as the "Union" as the sole and exclusive collective bargaining representative with respect to wages, hours of employment and other conditions of employment, for the following employees of the Company in the bargaining unit described in Sections 1.1.1 through 1.1.6 below, with any other inclusions or exclusions resulting from National Labor Relations Board certifications or mutual agreements of the parties.

## 1.1 BARGAINING UNITS

### 1.1.1 Local 1781 - Metro Service Center and Metro Offices Area Unit

**A. Inclusions** - The term employee shall include all full-time and regular part-time office clerical and technical employees including Dental Review Specialists, Trainer 1, Apprentice Trainer, Trainer 2, located at the Metro Service Center in Southfield, Michigan; and Sales Support, Customer Service and Special Market activities and Field Services at the Utica Office in Utica, Michigan; and the Lyon Meadows Conference Center in New Hudson, Michigan. The term employee shall also include Document Production Services employees for all Michigan locations (including 600 Lafayette East).

**B. Exclusions** - The term employee shall not include vice-presidents, directors, managers, assistant managers, Senior Trainers, secretaries to directors and certain secretaries to managers; sales representatives, and all other professional employees, confidential, managerial employees, guards and supervisors, as defined in the National Labor Relations Act, as amended.

### 1.1.2 Local 1781 - Lyon Meadows Conference Center

**A. Inclusions** - The term employee shall include all full-time and regular part-time employees classified as Materials Processor, Receiving Clerk, Automated Machine Operator, Provider Manual Processor, Inventory Control Clerk, Group Leader, Benefit Analyst, Tape Receipt and Control Operator, EDI Support Specialist, Internal Support Clerk, Automated Billing Processor,

Senior Automated Billing Processor, Electronic Media Claims Specialist, **Receptionist**, General Clerk, Driver, Data **Emboss**er, Inspection Clerk, Account Service Representative, Inventory Support Specialist, Eligibility Clerk, Department Secretary, Production Control Specialist, and Statistical Clerk performing in the **EDI Systems**, **Mail Services**, Group Systems, and Plastic Card Services departments; and those classified as General Clerk, Quality Control Clerk, Archive Specialist, and Data Input Clerk in the Record Services department at the Lyon Meadows Conference Center in New Hudson, Michigan. **The term employee shall also include Document Production Services employees for all locations.**

**B.** **Exclusions** - The term employee shall exclude all other employees including those classified as professional employees, confidential employees, managerial employees, guards and supervisors as defined in the National Labor Relations Act, as amended.

**1.1.3** **Local 1781 - Customer Service Office Areas**

**A.** **Inclusions** - The term employee shall include all full-time and regular part-time office clerical employees performing customer service activities at the Company's offices in Port Huron, Michigan.

**B.** **Exclusions** - The term employee shall not include managers, assistant managers, sales representatives, and all other professional employees, confidential employees, managerial employees, guards and supervisors, as defined in the National Labor Relations Act, as amended.

**1.1.4**      **Local 2256 - Lansing Regional Service Center and Customer Service Offices**

**A.**      **Inclusions** - The term employee shall include all full-time and regular part-time office clerical and technical employees performing at the Account Service office in Flint, Michigan; at the Customer Service Walk-In offices in Flint and Jackson, Michigan; Provider Audit activities at the **Park Place Facility** in East Lansing, Michigan; and the Account Services, Customer Service, Claims Processing and **Field Services** performed at the Lansing Regional Customer Service Center in Lansing, Michigan.

**B.**      **Exclusions** - The term employee shall not include managers, assistant managers, certain secretaries to managers, sales representatives, senior trainers, and all other professional employees, confidential employees, managerial employees, guards and supervisors, as defined in the National Labor Relations Act, as amended.

**1.1.5**      **Local 2145**

**A.**      **Inclusions** - The term employee shall include all full-time and regular part-time office clerical and technical employees in Account Services, Claims, Professional Services, Customer Service, Information Services (IS), National Accounts, Market Relations, Provider Inquiry, **Pricing and Account Inquiry Department**, Field Services and Training at offices located in Marquette, Alpena, Traverse City, Muskegon, Mount Pleasant, Portage, Holland, Saginaw and Grand Rapids, Michigan.

**B.**      **Exclusions** - The term employee shall not include managers, assistant managers, certain secretaries

to managers, sales representatives, and all other professional employees, confidential employees, managerial employees, guards and supervisors, as defined in the National Labor Relations Act, as amended.

#### **1.1.6 Local 2500 - Downtown Detroit Area Unit**

**A. Inclusions** - The term employee shall include all full-time and regular part-time office, clerical and technical employees, including computer operators, payroll department clerks, trainers, and production control analysts, i.e., employees presently classified by the Company as non-exempt, employed by the Company at its facilities located at 600 Lafayette East, 500 Lafayette East, Bricktown, 441 East Jefferson Avenue, Detroit, Michigan. **The term employee shall also include Facilities Management employees classified as clerks, technician, skilled trades and service workers for all Michigan locations.**

**B. Exclusions** - The term employee shall not include president, vice presidents, directors, managers, assistant managers, sales representatives, external relations representatives, providers, field service representatives, registered nurses, human resources department employees, legal department employees, individuals classified by the Company as supervisors, medical doctors, dentists, doctors of osteopathy, performance analysts, division training coordinators, confidential employees, Manager Secretary, Professional Audit Administration; Manager Secretary, Quality **Assessment**; Senior Control Examiner; Senior Program Examiner; Quality Control Examiner and Utility Clerk, Quality **Assessment**; Manager Secretary, Internal Audit;

Secretary, Corporate Project Coordinator; Administrative Secretary, Corporate Relations Department; Steno-Typist, Vice President, Systems Management; Administrative Secretary, G.M. Administrator; Administrative Secretary, Chrysler Administrator; Administrative Secretary, Ford Administrator; Receptionist, Librarian, Manager Secretary, Support Analyst, Documentation Specialist, Executive Reps I, II and III, and Utility Clerk, President's Office; Manager Secretary, Corporate Reporting & Evaluation; Department Secretary, Corporate Relations; **Manager Secretary, Facilities Management;** Corporate Information Specialist, Corporate Relations; Executive Inquiry Representative, Inquiry Analyst, and Secretary, Ombudsman Office; Manager Secretary, Corporate Planning Services (including secretaries to directors, vice presidents, and the president), and all other professional employees, managerial employees, guards, and supervisors, as defined in the National Labor Relations Act, as amended.

## 1.2      **TRANSFER OF WORK**

1.2.1      **Relocation of Activities** - If the Company relocates any of its offices, activities or facilities, the employees covered by this Agreement will, subject to the other provisions of this Agreement, be offered transfer rights to the new location and this Agreement will apply at the new location.

1.2.2      **New Facilities** - If the Company establishes a new facility and transfers to it a majority of work performed by employees covered by this Agreement, then the employees covered by this Agreement will, subject to the other provisions of this Agreement, be transferred to the new facility

and this Agreement will apply to those employees transferred to the new facility.

**1.2.3**     **Merged Operations** - If the Company merges separate operations involving unrepresented and represented employees performing work covered by this Agreement, the represented employees shall continue being covered by this Agreement. In addition, this Agreement shall apply when the majority of the employees in the merged unit are from operations covered by this Agreement. If the parties cannot agree to the application of this Agreement at the new or merged facility, or to the representative status of the Union at the new or merged facility, such disputes may be resolved by arbitration, however, the parties recognize that ultimate jurisdiction shall be under the National Labor Relations Act.

**1.2.4**     In the event the Company opens a new facility within the City of Detroit and transfers to it work being performed by employees covered by this Agreement, together with a majority of the employees performing the same, this Agreement shall apply to such work and employees at such facility.

**1.3**     **PRESERVATION OF BARGAINING UNIT WORK**

Supervisors and non-bargaining unit employees of the Company may perform bargaining unit work for instruction and training purposes, for those instances when a qualified regular bargaining unit employee is not reasonably available, and emergencies. It is understood Supervisors and non-bargaining unit employees will not be used for the purpose of replacing a bargaining unit employee.

**ARTICLE 2**  
**PURPOSE and INTENT**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
2.1	General Purpose
2.2	Description of Company
2.3	Common Interests
2.4	Changing Environment
	Letter of Understanding #2.1
	RE: Sub-Titles

**ARTICLE 2**  
**PURPOSE AND INTENT**

- 2.1** The general purpose of this Agreement is to set forth the wages, hours and other conditions of employment of the employees covered by this Agreement, to establish the machinery for collective bargaining, and to promote an orderly and peaceful labor-management relationship between, and in the mutual interest of, the employees, the Union, and the Company.
- 2.2** The Union recognizes that BCBSM is a regulated, non-profit health care corporation. There is a direct correlation between the legislation and regulations affecting it, and its ability to preserve the work of the Company employees covered by this Agreement and periodically improve upon their wages, hours and other conditions of employment. The Union also recognizes that there is a direct correlation between the retention and expansion of existing Company subscriber groups and services, and the Company's ability to meet the aforesaid work preservation and improvement objectives.
- 2.3** Therefore, the Union and its members, and the Company, in the spirit of labor-management cooperation, recognize that they have the foregoing common economic, job security, work preservation and other employment-related improvement interests in the achievement by the Company of goals and objectives which impact upon such interests. For that reason, the Union and its members, and the Company agree to individually and collectively cooperate in achieving those goals and objectives which will materially

advance and promote their aforesaid common interests.

**2.4**

The parties recognize that the changing face of health care servicing may change the way we provide service to our customers. The Union understands management's need to respond to this changing environment and BCBSM recognizes its Local Unions' need for stability for its membership. The parties agree to approach this changing environment both proactively and collaboratively and to exchange information and have discussions at the Union-Management Action Committee (UMAC) level (Article 27). Furthermore, the parties agree to discuss the forecasting of change in order to best preserve the combined interests of each and to approach questions of redesign and reorganization proactively and collaboratively and in the spirit of the Job Security provisions (Article 25). In the best interest of the Union and Company, the parties commit to promoting and supporting new competitive products such as Point of Service that will allow for the continued viability of the Company and Union.

**ARTICLE 3**  
**MANAGEMENT RIGHTS**

**SECTION**

**TOPIC**

3.1

Company Limitations

**ARTICLE 3**  
**MANAGEMENT RIGHTS**

- 3.1** It is understood and agreed that the Company possesses and may exercise all of the rights, powers, privileges and authority that it had prior to the execution of this Agreement, and that nothing in this Agreement shall be construed or implied to limit the Company in any way in the exercise of any such rights, powers, privileges or authority, except to the extent relinquished, modified or limited herein.

**ARTICLE 4**  
**FAIR EMPLOYMENT PRACTICES**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
4.1	Responsibilities
4.2	Communication
4.3	Changes - Affirmative Action
4.4	Grievances - Affirmative Action
4.5	Grievances - Civil Rights

**ARTICLE 4**  
**FAIR EMPLOYMENT PRACTICES**

**4.1** The Company and the Union recognize their respective responsibilities under federal and state laws and regulations relating to fair employment practices. The Company and the Union also recognize the moral principles involved in the area of civil rights and have affirmed their commitment not to discriminate with respect to bargaining unit jobs because of race, religion, color, age, sex, national origin, disability and marital status and to administer this Agreement in accordance with applicable fair employment practices, laws and regulations.

**4.2** The Company and the Union recognize the desirability of increased communication and cooperative effort on this subject (i) to encourage employees and grievance representatives to use, where applicable, the grievance and arbitration procedures as the exclusive contractual method for the prompt resolution of all such complaints, (ii) to determine the cause of such complaints in order to reduce the probability of such claims arising or recurring, and (iii) to maintain liaison with appropriate federal and state civil rights agencies for the following purposes: (a) to increase understanding, (b) to promote and encourage the use of the contractual grievance and arbitration procedure in order to avoid multiplicity of litigation in many forms simultaneously which is frequently time consuming, contradictory and, hence, non-productive to relieving employee problems, (c) to seek solutions to mutual problems, (d) to relieve tensions in this area, and (e) to exchange

information, expertise and advice. The Union agrees that it will discourage its members from bypassing the grievance and arbitration procedure with respect to any claim or complaint against the Company which may be made the subject of a grievance under the Agreement.

**4.3** In the event the Company revises, amends or modifies its existing Affirmative Action Plan (AAP) with respect to the filling of bargaining unit job vacancies, the Company will give the Union reasonable advance notice and information, and upon request, will discuss with the Union such revisions, amendments or modifications. The Union may have a representative of its Civil Rights Department present during such discussions.

**4.4** Grievances involving alleged non-compliance with those provisions of the AAP applicable to the filling of bargaining unit job vacancies may be filed by the Union at Step 3 of the Grievance Procedure.

**4.5** Grievances involving alleged violations of an employee's civil rights may be filed by the Union at Step 3 of the Grievance Procedure. The Union may choose to involve the Local's Civil Rights Committee Chairperson at the Third Step Meeting.

**ARTICLE 5**  
**UNION SECURITY**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
5.1	Union Shop
5.2	Check-off
5.3	Dues/Initiation Fee Changes
5.4	Hold Harmless
5.5	Participation In Credit Union
5.6	V-Cap Check-off
	Letter of Understanding #5.1
	RE: Voluntary Retiree Dues

**ARTICLE 5**  
**UNION SECURITY**

**5.1**      **UNION SHOP**

**5.1.1**      An employee who is a member of the Union at the time this Agreement becomes effective shall continue membership in the Union for the duration of this Agreement to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union.

**5.1.2**      An employee who is not a member of the Union at the time this Agreement becomes effective shall become a member of the Union on or before the thirtieth (30th) day following the effective date of this Agreement, or on or before the thirtieth (30th) day following employment, whichever is later, and shall remain a member of the Union to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union, whenever employed under and for the duration of this Agreement.

**5.1.3**      The Union shall accept into membership each employee covered by this Agreement who tenders to the Union the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership in the Union.

**5.1.4**      Initiation fees and dues for membership in the Union shall not exceed the maximum prescribed by the Constitution of the International Union at the time the employee becomes a member.

**5.1.5** An employee whose membership in the Union is terminated by reason of the failure of the employee to tender such initiation fees or dues shall not be retained as an employee for more than five (5) working days following receipt of written notification to the Company of such termination of membership.

**5.2**        **CHECK-OFF**

**5.2.1** The Company, at the time of hire into a bargaining unit job, shall provide to a new or rehired employee an "Authorization For Check-Off of Dues" card, containing the appropriate Local Union number. The Company agrees to deduct from the pay of members of the Union, who individually authorize such deductions, in writing, to the Company on authorization cards, the regular monthly Union dues and initiation fees. The monthly dues shall be deducted from the first paycheck issued in each calendar month and forwarded, within seven (7) work days, by certified mail, to an address designated, in writing, by the respective Local Financial Secretaries. (Reference Letter of Understanding 5.1 Re: Voluntary Retiree Dues)

**5.2.2** A list containing name, social security number, cost center, department name, amount deducted, year-to-date deductions, rate of pay, and employment status code of all employees for whom the deductions were made shall be mailed to the respective Local Financial Secretaries at previously designated addresses, in writing, not later than the seventh (7th) work day following such deductions. The Union shall furnish blank authorization cards to the Company for distribution to new employees.

**5.2.3** In the event of an adjustment resulting from a manual or void and re-issue check, the appropriate deduction and the respective report will be included in the following month's transactions.

**5.2.4** On a monthly basis, any of the respective Local Financial Secretaries may submit a list to the Payroll Department, reflecting name and social security number of any employee whom the Union believes to be in arrearage regarding initiation fees and/or monthly dues. Such list must designate the amount of arrearage and the period to which such amount applies. Such amount shall be deducted from the next subsequent first paycheck of the month following receipt of such notice, provided that sufficient earnings remain to cover the amount of arrearage after deductions required by law. Any continued arrearage will be carried forward and deducted in the next subsequent first paycheck of the following month(s) until the total arrearage has been deducted, or until the employee loses seniority, whichever occurs first. In the event of termination of employment, any such arrearage will be deducted from accrued vacation pay or any other monies due the employee.

**5.2.5** In the event of a rehire or reinstatement of an employee who has previously executed an authorization for check-off and paid the designated initiation fee, no additional initiation fee will be deducted.

**5.2.6** In the event of a duplicate withholding of an initiation fee or monthly dues from an employee's paycheck, any required refund will be issued by the respective Local Financial Secretary.

**5.3** The Union shall give the Company written notice of any variations in dues and initiation fee deductions at least thirty (30) days prior to the scheduled deduction date. The authorization for deduction shall be irrevocable for periods as outlined on the authorization cards submitted.

**5.4** The Union shall protect and hold harmless the Company from any and all claims, demands, suits, and other forms of liability by reasons of actions taken by the Company for the purpose of complying with this Article.

## **5.5** **PARTICIPATION IN CREDIT UNION**

**5.5.1** The Company agrees to honor check-off authorizations from employees for the purpose of their participating in the Health One Credit Union or its successors. The Company shall have no financial responsibility in connection with such check-off other than to follow the direction of the employees as indicated by their duly authorized deduction cards and the periodic transmission of such deducted funds to such Credit Union.

**5.5.2** The Union expressly waives its right to further bargain with respect to any matter whatsoever affecting the relationship between employees and said Credit Union. Disputes between employees and said Credit Union, the rules and regulations of such Credit Union, and any other matter affecting such Credit Union, are expressly exempted from the grievance procedure as set forth in Article 7 of this Agreement and are not arbitrable pursuant to the arbitration provisions of Article 7 of this Agreement and shall not be the basis of any strike or other interruption of production, as more fully defined in the no-strike clause set forth in Article 19 of this Agreement. Company discipline to

employees arising out of the relationship between said employees and the Credit Union shall be subject to the Grievance and Arbitration Procedure of this Agreement.

## **5.6      V-CAP CHECK-OFF**

**5.6.1**      The Company agrees to deduct from the pay of members of the Union who authorize such deductions by completing an Authorization and Check-Off Contributions to U.A.W. V-CAP ("V-CAP") form. Deductions shall be made only in accordance with the provisions and in the amounts designated in the V-CAP forms. A properly executed V-CAP form delivered to and on file with the Company shall be a prerequisite and precondition to the deduction of such monies.

**5.6.2**      Distribution of check-off forms for U.A.W. V-CAP will be done solely by Union membership on non-company time and shall in no way interfere with the operation of the Company. Completed cards will be collected by Union leadership and submitted by the Financial Secretary/Treasurer of the Local to the Company's Payroll Department for processing.

**5.6.3**      The deductions shall be deducted from the first paycheck issued in each calendar month, and the amount deducted, together with a list of names of the Union members for whom deductions have been made, will be forwarded to the U.A.W. V-CAP. The Company further agrees to furnish U.A.W. V-CAP with a yearly report of each Union member's deductions.

**5.6.4**      The Union shall protect and hold the Company harmless from any and all claims, demands, suit and other forms of liability by reasons of actions taken by the Company to comply with this Article.

**ARTICLE 6**  
**REPRESENTATION**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
6.1	District Stewards – Local 2500
6.2	Bargaining Committee - Local 2500
6.3	District and Zone Composition - Local 2500
6.4	Grievance Committee - Locals 1781, 2145, 2256
6.5	Bargaining Committee - Locals 2145 and 2256
6.6	Bargaining Committee - Local 1781
6.7	Multi-Shift Representation
6.8	Representation Changes
6.9	Release Time
6.10	Discipline
6.11	Pay for Representatives
6.12	Special Meetings
6.13	Statewide Chairperson
	Letter of Understanding #6.1 RE: Compensated Time Off For Union Representation Purposes
	Letter of Understanding #6.2 RE: Union Representation
	Letter of Understanding #6.3 RE: Representation
	Appendix E Local 2500 Representation Zones and Districts

**ARTICLE 6**  
**REPRESENTATION**

**6.1**      **DISTRICT STEWARDS - LOCAL 2500**

The Company agrees to recognize for grievance purposes twenty-two (22) District Stewards, who shall be regular, full-time bargaining unit employees in the Districts they represent. It is further agreed that should a specific representational problem occur, the parties would discuss resolution. The Union shall notify the Company, in writing, of the designated Steward in each designated District and of any temporary or permanent changes arising during the term of this Agreement. The Union may, in writing, designate an Alternate Steward for each District Steward, who shall likewise be a regular, full-time bargaining unit employee in the represented District. The designated Alternate shall function only in the absence of the designated District Steward. The Company shall not be obligated to recognize for Union representation purposes any person not so designated by the Union in accordance with this Article.

**6.2**      **BARGAINING COMMITTEE - LOCAL 2500**

The Company also agrees to recognize a Local Union Bargaining Committee composed of the President, Vice President, Financial Secretary and Recording Secretary of the Local Union, and five (5) Bargaining Committee Zone Representatives, who shall be regular, full-time bargaining unit employees in the Zones they represent. In the event a Zone Representative is absent or otherwise not reasonably available, the Company

may conduct business with any other Local Union Bargaining Committee Member so designated by the Union.

### **6.3 DISTRICT AND ZONE COMPOSITION - LOCAL 2500**

The composition of each mutually exclusive District and each mutually exclusive Zone, shall, to the extent practicable, contain contiguous work areas and reflect the corporate organizational structure and is described in Appendix E. The composition of such Districts and Zones and any changes or modifications thereto are subject to mutual agreement. (Reference Letter of Understanding 6.1 Re: Compensated Time-Off for Union Representation Purposes – Local 2500)

### **6.4 GRIEVANCE COMMITTEE - LOCALS 1781, 2145 and 2256**

**6.4.1** For the disposition of grievances, there shall be a committee consisting of two (2) members from each facility having ten (10) or more members. The Committee shall consist of (1) Office Chairperson, (2) Committee Person, and (3) Alternate Committee Person. In each facility having less than ten (10), one (1) member shall be designated as Office Chairperson and shall represent the Union and/or grievant, unless otherwise provided under Article 7 - Grievance Procedure. In the absence of the Chairperson, the Committee Person or designated alternate shall so function. In the event of the need for representation by an employee in a District Office in which there is otherwise no Union representative, the Chairperson in the District Office that is geographically nearest will serve as the employee's representative.

**6.4.2**

Notwithstanding Article 6.4.1 above, the Company agrees to recognize, for the purpose of this Article, one (1) Chairperson and two (2) Committee Persons at the Tower 100 facility; **two (2) Chairperson(s)** and six (6) Committee Persons at the Tower 300 facility; two (2) Chairpersons and five (5) Committee Persons at the Tower 200 facility; and, one (1) Chairperson and one (1) Committee Person at the Lyon Meadows facility; and one (1) Committee Person for Tower 400. In addition, the Company also agrees to recognize one (1) Unit President, one (1) Unit Vice President, three (3) Committee Persons, **one (1) Chief Steward** and two (2) Alternate Committee Persons at the 1405 Creyts Road, Lansing facility. **For Local 2145, the Company agrees to recognize one (1) Chairperson for the Kraft facility and one (1) Chairperson for the Glenwood facility in Grand Rapids.**

**6.5**

**BARGAINING COMMITTEE - LOCALS 2145 AND 2256**

For the purpose of negotiating, there shall be a committee of at least four (4) full-time bargaining unit employees, two (2) each from Locals 2145 and 2256, (who may or may not be from the Grievance Committee). Additional representatives, for this purpose, may be the subject for discussion and agreement between the appropriate Human Resources Director of Employee Relations and the International Servicing Representative from the respective Local(s).

**6.6**

**BARGAINING COMMITTEE - LOCAL 1781**

The Company also agrees to recognize a Local Union Bargaining Committee composed of the President, Vice President, Financial Secretary and Recording Secretary of the Local Union, and **six**

**(6) Bargaining Committee Chairpersons**, who shall be regular, full-time bargaining unit employees in the areas they represent. In the event a Chairperson is absent or otherwise not reasonably available, the Company may conduct business with any other Local Union Bargaining Committee member so designated by the Union. Additional representatives, for this purpose, may be the subject for discussion and agreement between the appropriate Human Resources Director and the International Union Servicing Representative.

## **6.7**      **MULTI-SHIFT REPRESENTATION**

In multi-shift operations, the Union shall be entitled to one (1) Steward/Committee Person for each second (2nd) or third (3rd) shift which has more than ten (10) employees.

## **6.8**      **REPRESENTATION CHANGES**

**6.8.1**      In the event of a change in membership and/or a reorganization of a department, floor, or facility which significantly impacts the population of same, the Company and the Union shall mutually agree to any changes or modification regarding Union representation.

**6.8.2**      Whenever a representative moves out of a represented area, the Union will notify the Company regarding either the temporary or permanent replacement.

**6.8.3**      Company-initiated moves of departments, sections or other operations or the transfer of employees shall be predicated on sound business needs. The Company will not capriciously or arbitrarily transfer or reassign Union representatives so as to disrupt the continuity of representation.

**6.9      RELEASE TIME - ZONE REPRESENTATIVES, STEWARDS AND ALTERNATES/CHAIRPERSONS, COMMITTEE PERSONS AND ALTERNATES**

**6.9.1**      The Company shall allow the designated representatives a reasonable amount of time during normal working hours for the purpose of performing their designated grievance procedure functions in their respective areas. The designated representatives shall arrange with their immediate supervisor before engaging in any such grievance procedure activities and shall indicate in a manner prescribed by the Company time spent engaging in such activities.

**6.10      DISCIPLINE**

**6.10.1**      In the event of an employee's disciplinary suspension or discharge, the respective Steward and/or Zone Representative/Chairperson and/or Committee Person shall be notified that such action is being taken. For Local 2256, in the event of an employee's disciplinary suspension or discharge, the Unit President shall be notified that such action is being taken. The representative, in turn, will advise his/her immediate supervisor of the need to attend the meeting and the representative is to be released for such purpose.

**6.10.2**      Any employee may, upon request, obtain the presence of the Steward/Committee Person when removed from work for the purpose of discipline. When it is apparent discipline will be imposed, the employee may request participation by such representative and the conversation will not continue until the representative is present. At that point, the supervisor will advise the employee and the representative of the discipline

contemplated and the reason for it. The representative shall, upon request, be granted a reasonable opportunity to caucus privately prior to the actual imposition of discipline.

**6.10.3** An employee being disciplined or discharged shall be advised of their right to Union representation. It is recognized the employee may decline representation by so advising, in writing, their respective representative, prior to the meeting.

**6.10.4** In recognition that employees are entitled to representation during discipline, unless waived by the employee, the Company recognizes that in the event of multiple discipline meetings, the designated Alternate(s) will be released pursuant to established contractual language.

## **6.11** **PAY FOR REPRESENTATIVES**

The Steward and Zone Representative/Committee Person and Chairperson shall be paid for periods of time spent away from their work stations pursuant to their designated responsibility under the Grievance Procedure.

## **6.12** **SPECIAL MEETINGS**

In the event Company compensated Union members are appointed to serve on contractual joint Union and Company committees, the Company agrees to provide compensated time for any meetings of said committees occurring during the individual's normal work hours.

## **6.13      STATEWIDE CHAIRPERSON**

**6.13.1**    The Company agrees to recognize a Statewide Chairperson whose duties shall include oversight of the below listed processes:

- ◆ Statewide Grievance Process
- ◆ Cooperative Process
- ◆ Temps/Outsourcing
- ◆ Statewide Quality/Call Center Initiative
- ◆ Alternative Work Schedule Pilots
- ◆ Attendance Coordinators
- ◆ New Hire Orientation Program
- ◆ Advance Hire/Apprenticeship Programs
- ◆ The Statewide Chairperson's duties may include other initiatives agreed upon by the Company and the Union.

In the event the Statewide Chairperson is a full-time union representative, the Company shall recognize his/her designated replacement for purposes of pay when the Statewide Chairperson is performing his/her duties as chairperson.

**ARTICLE 7**  
**GRIEVANCE/ARBITRATION PROCEDURE**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
7.1	Grievances
7.1.1	Definition
7.1.2	Use of Designated Alternates
7.2	Step One
7.2.1	Oral Discussion
7.2.2	Written Grievances
7.3	Step Two
7.4	Step Three
7.4.6	Union Grievances
7.4.7	Bypass Steps
7.4.8	Grievance Status Determination
7.4.9	Statewide Grievances
7.5	Arbitration
7.5.1	Appeal Procedure
7.5.2	Arbitrator Selection
7.5.3	Burden of Proof
7.5.4	Question of Arbitrability
7.5.5	Depositions
7.5.6	Consolidating Issues

**ARTICLE 7**  
**GRIEVANCE/ARBITRATION PROCEDURE**  
*(continued)*

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
7.5.7	Arbitrator's Decision
7.5.8	Witnesses
7.6	Sole Means of Resolution
7.7	Cost of Arbitration
7.8	Time Limit Extension
7.9	Exhaustion of Contract and Intra-Union Remedies

## ARTICLE 7

### GRIEVANCE/ARBITRATION PROCEDURE

#### 7.1 GRIEVANCES

7.1.1 **Definition** - A grievance is a complaint by an individual employee, by a group of employees having the same immediate Supervisor, or by the Union concerning the application, interpretation, or alleged violation of the provisions of this Agreement. No grievance may be presented more than seven (7) working days following the date of occurrence(s) complained of, or when the affected employee(s) should reasonably have first become aware of such occurrence(s). Such grievances shall be processed as follows:

#### 7.1.2 Use of Designated Alternate(s)

Designated alternate(s) for the Union and Company in the Grievance Procedure shall act only in the absence of the appointed and/or elected District Steward/Committee Person, Bargaining Committee Zone Representative/Chairperson and immediate Supervisor/Manager at each applicable step of the Grievance Procedure.

#### 7.2 STEP ONE

7.2.1 **Oral Discussion** - Any employee or a group of employees, as defined above, having a complaint shall first take up the same with the immediate Supervisor, who will attempt to resolve it. If the issue remains unresolved, the employee may request the presence of the Steward/Committee Person in an attempt to resolve the issue. The

Supervisor shall answer orally or in writing to the employee within two (2) working days.

### 7.2.2

**Written Grievance** - In the event a complaint is not resolved and the affected employee or group of employees, as the case may be, wish to pursue it further, the complaint shall be reduced to a written grievance, which shall be signed by the affected employee or group of employees, and by the District Steward/Committee Person, and which shall state the facts complained of, the article and section of this Agreement allegedly violated, and the relief being sought. Such grievances must be presented to the immediate Supervisor, within five (5) working days of the Supervisor's previous answer. The Supervisor, shall schedule a meeting within five (5) working days thereafter with the grievant(s) and District Steward/Committee Person. Within five (5) working days following any such meeting, or within five (5) working days following the filing of the written grievance, whichever is later, the Supervisor, shall respond in writing to the District Steward/Committee Person.

### 7.3

#### **STEP TWO**

A District Steward/Committee Person, may appeal, in writing, the answer of the Supervisor to the Supervisor's Manager or, in the absence thereof, to the next designated level of supervision within five (5) working days from the Supervisor's answer. The Manager or next designated level of supervision, as the case may be, shall schedule a meeting within five (5) working days with the applicable Bargaining Committee Zone Representative/Chairperson, to discuss and attempt to resolve the grievance. If mutually agreeable, the grievant(s), District

Steward/Committee Person and/or Supervisor may also attend any such meeting. The Manager or next designated level of supervision, as the case may be, shall respond, in writing, to the grievance to the Bargaining Committee Zone Representative/Chairperson, within five (5) working days following any such meeting or within five (5) working days from the filing of the grievance at this step, whichever is later.

#### **7.4      STEP THREE**

**7.4.1**      Within five (5) working days following the Step Two answer or response, the Bargaining Committee Zone Representative/Chairperson may appeal the same, in writing, to Employee Relations. Within five (5) working days thereafter, Employee Relations may schedule a meeting to discuss and attempt to resolve the grievance.

**7.4.2**      In grievances processed by Local 2500 and Local 1781, the Union shall be represented at any such meeting by the Local Union President, Vice President, Financial Secretary, Recording Secretary and by the International Union Servicing Representative or their designees.

**7.4.3**      In grievances processed by Locals 2145 and 2256, the Union shall be represented by the President, Chairperson and the International Union Servicing Representative and/or their designees.(Reference Letter of Understanding C: RE: 2256 President)

**7.4.4**      The Company shall be represented at any such meetings by its Director of Human Resources and/or his/her designees. By mutual agreement, other persons, representing either the Company and/or the Union(s), may, from time to time, be

allowed to attend and/or participate in any such meetings.

**7.4.5** The Director of Human Resources and/or his/her designee shall answer or respond, in writing, to the grievance within five (5) working days following any such meeting or within ten (10) working days following the filing of the grievance with Employee Relations, whichever is later. The answer or response shall be made to the Local Union President with a copy to the International Union Servicing Representative.

**7.4.6** Union grievances, as defined in 7.1 above, shall be signed by the Local Union President, and/or International Servicing Representative, and shall be filed at this Step only and shall thereafter be processed as provided in this Section.

**7.4.7** Should conditions warrant, processing of grievances may bypass Steps One and/or Two by mutual agreement. It is further understood that grievances may be withdrawn without prejudice at any one of the above three steps of the grievance procedure.

**7.4.8** **Grievance Status Determination** - Within ten (10) working days following the Company's Step Three written answer or response, the Union, through its Local Union President or International Servicing Representative, shall refer the matter to the Vice President of Human Resources and the Director of the UAW Technical, Office and Professional (TOP) Department who will, after consultation with the UAW Statewide Chairperson, and appropriate Regional Servicing Representative, give an opinion to the BCBSM Employer Representative, in writing, within fourteen (14) working days after

receipt of the Union's referral, that the issue is local in nature, or has master contract implications or that it concerns an interpretation of a provision of the Master Agreement.

In the event the designated representative of BCBSM and the UAW TOP Department have different opinions as to the local or master contract implications of the grievance, the matter shall be processed as if it were a master contract matter.

Should either party decide that the issue has master contract implications, the parties shall meet within ten (10) working days of receipt of such notice to attempt to resolve the grievance. The meeting shall include a representative from the UAW TOP Department and the Statewide Chairperson; a representative from the BCBSM Human Resources Department; affected Local Union President(s) or their designee; affected UAW International Servicing Representative(s) or their designee.

If a master contract grievance remains unsettled after this meeting, the Company shall respond, in writing, within five (5) working days to the Director of the UAW TOP Department. The Union may, within ten (10) working days of receipt, submit a demand for arbitration to the American Arbitration Association (or another such forum mutually agreed upon between the parties, including a permanent arbitrator if so selected by the parties). Except as modified in this section, the grievance shall proceed to arbitration as defined in Article 7.5.

If the grievance is determined by the parties not to be Statewide, the grievance shall proceed to arbitration as defined in Article 7.5.

#### **7.4.9**

**Statewide Grievances** – Notwithstanding the procedure established in Article 7.4.8, in the event a grievance affects employees in more than one Local, the issue will be reduced to writing on a grievance form, with the facts complained of, the Article and Section of the Agreement allegedly violated, and supporting Union information as well as relief sought, and presented by the Statewide Chairperson to the Vice President of Human Resources. The grievance will be introduced directly at the Third Step, as referenced in Section 7.4.4. The parties at the Third Step Meeting addressing such grievances will be:

- (a) Affected Local Presidents or their designees;
- (b) Affected International Servicing Representatives or their designees; and
- (c) Affected Director of Human Resources or their designees.
- (d) A representative from the International Union's TOP Department.

All the appropriate time limits will be in effect, with time limit extensions being in accord with Section 7.8 - Time Limit Extension.

No grievance settlement at the third (3rd) step, or below, shall have precedential effect outside of the local union which filed the grievance unless the representative of the International Union's TOP Department all four (4) Local Presidents and the

Vice President of Human Resources so agree in writing.

## **7.5      ARBITRATION**

**7.5.1**      Within twenty-five (25) working days following the determination that the grievance is not statewide, the Union through its Local Union President and/or International Servicing Representative shall submit an appropriate demand for labor arbitration to the American Arbitration Association (AAA), a copy of which shall be simultaneously served on the Director of Human Resources by certified or registered mail. Locals 2145 and 2256 shall have the option of using the Federal Mediation and Conciliation Service (FMCS) for the selection and appointment of arbitrators. A grievance shall not be withdrawn without the mutual consent of the parties once the arbitration hearing has commenced.

**7.5.2**      The arbitrator shall be selected and the proceedings conducted in accordance with the labor arbitration rules and regulations of the American Arbitration Association/FMCS. Except to the extent otherwise limited by this Agreement, the arbitrator shall have the authority to hear and determine any grievance involving an alleged violation of this Agreement, provided however, that the grievance first proceeded through the applicable steps of the grievance procedure set forth above. The arbitrator shall have no authority, however, to add to, subtract from, modify or limit the provisions of this Agreement, expressly or by implication.

**7.5.3**      The arbitrator shall not disallow or deny a procedural or substantive defense unless the

arbitrator finds it was raised at such time or in such a manner as to materially prejudice the other party from responding at the arbitration hearing. The burden of proof as to all issues shall be that of a preponderance of the evidence.

**7.5.4**

The arbitrator shall decide issues of arbitrability before proceeding with the hearing or receiving evidence as to the merits of the grievance(s) under consideration. If the arbitrator decides that a grievance is not arbitrable, the grievance shall be denied on that basis without any comment whatsoever with respect to the merit of the same. Nothing herein shall preclude the arbitrator from adjourning a hearing for a reasonable period of time pending a decision on an issue of arbitrability.

**7.5.5**

The arbitrator, upon request of either party, may permit the taking and introduction of testimony by deposition of any person not employed by either the Company or the Union. Upon request, the arbitrator may also permit the taking and introduction of the testimony by deposition of any other person whose presence at the hearing is not reasonably available, or whose presence would pose an undue hardship on the person or either party. Unless the parties otherwise agree, such testimony shall be taken before a person authorized to administer oaths and take such testimony, and a verbatim transcript thereof shall then be provided to the arbitrator. The party taking testimony by deposition shall give the other party not less than seven (7) working days advance written notice of such intent, except in unusual or extraordinary situations, in which case reasonable notice shall be given. The notice shall include the name of the person(s) whose deposition is to be taken, and the date, time and

place of the deposition. The other party shall have the right to appear at the deposition and cross-examine the witness(es). Objections, if any, made by either party at the time of the deposition, shall be *duly noted or recorded* and, if necessary later ruled upon by the arbitrator.

**7.5.6** Grievances involving the same or similar issues may be consolidated before a single arbitrator for hearing and decision purposes. Grievances may otherwise be consolidated only by mutual consent of the parties. In addition, arbitrations shall be governed by the respective labor rules and regulations of the AAA or FMCS.

**7.5.7** The arbitrator's decision shall be final and binding upon the employee(s) involved, the Union and the Company.

**7.5.8** Prior to the scheduled arbitration, each party shall provide the other with a list of witnesses to be called and a copy of all exhibits which are to be introduced.

## **7.6** **SOLE MEANS OF RESOLUTION**

Unless otherwise expressly provided in this Agreement, the above grievance-arbitration procedure shall be the sole and exclusive means for resolving any dispute between an employee, group of employees or the Union and the Company involving the application, interpretation or alleged violation of one or more provisions of this Agreement.

## **7.7** **COST OF ARBITRATION**

The actual cost of arbitration shall be borne equally between the parties, except when the

Union withdraws an unresolved grievance prior to the commencement of the hearing, in which case the Union shall pay the arbitrator's fees, if any. Each party shall be solely responsible for its own representation costs.

## 7.8

### TIME LIMIT EXTENSION

Any time limit set forth in the above grievance-arbitration procedure may be extended by mutual agreement, in writing, between the Company and the Union. Any complaint or grievance not properly made or appealed within the specified time limit shall be disallowed or otherwise understood as finally resolved on the basis of the Company's last answer or response. If the Company fails to answer or respond to a complaint or grievance within the specified time limit, then it shall, for the purpose of appealing the same to the next step of the grievance procedure, be understood to have adopted the last answer or response given as of the date on which its answer or response was due.

## 7.9

### EXHAUSTION OF CONTRACT AND INTRA-UNION REMEDIES

### 7.9.1

Employees covered by the Labor Agreement between the Company and the Union shall as a preceding condition to maintaining any court or administrative agency charge, suit, or action against either the Company or the Union involving the application or interpretation of the Labor Agreement, (1) fully and in a timely fashion exhaust their Labor Agreement grievance-arbitration procedure, and (2) fully and in a timely fashion exhaust their available internal

union appeals procedure under the Constitution of the International Union, U.A.W.

### **7.9.2**

In the event of a final decision by any court or administrative agency of competent jurisdiction that the resolution of any complaint or grievance resulted from, or was otherwise due to, a violation by the Union of its responsibility under the duty of fair representation, or in the event of a final decision to that effect by any internal Union appeals tribunal of competent jurisdiction, the Company, upon written request at that time, agrees that it will reopen and further process any such complaint or grievance in accordance with the grievance-arbitration procedure. However, in no event shall the Company be responsible or held liable for any damages or costs relating or pertaining to the period between the initial complaint resolution or grievance resolution and the date on which the complaint or grievance is reopened for further processing.

### **7.9.3**

If the above right to reinstate grievances is abused by any Local, the Company shall have the right to appeal such abuse to the respective Regional Director. A meeting will then be convened with representatives from the Company and the Regional Director or the Director's designee in a good faith effort to resolve and correct such problem.

## **ARTICLE 8**

### **SENIORITY**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
8.1	Definitions
8.1.1	Full-Time Employees
8.1.2	Part-Time Employees
8.1.3	Seniority of Full-Time/Part-Time Employees
8.2	Probationary Employees
8.2.1	Probationary Period
8.3	Seniority Units
8.4	Seniority Lists
8.5	Special Seniority
8.5.1	Officers
8.6	Seniority of Employees Promoted Outside of Bargaining Unit
8.7	Temporary Workforce Reduction
8.8	Reduction of Workforce
8.8.1	Notice of Reduction
8.8.2	Reduction Procedure
8.9	Recall Rights and Procedures
8.9.1	Recall from a Downgrade
8.9.2	Recall from a Layoff

## **ARTICLE 8**

### **SENIORITY**

*(continued)*

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
8.9.3	Recall Disputes
8.10	Job Posting and Bidding
8.10.1	Filling from Workforce Reduction
8.10.2	Posting
8.10.3	Bidding
8.10.4	Selection
8.11	Loss of Seniority
8.11.1	Quit
8.11.2	Layoff
8.11.3	Absence
8.11.4	Leave of Absence
8.11.5	Recall
8.12	Temporary Employees
8.12.1	Definition – Local 2500
8.12.2	Time Restrictions
8.12.3	Rate of Pay
8.12.4	Attaining Seniority Status
8.12.5	Agency Temps

**ARTICLE 8**

**SENIORITY**

*(continued)*

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
8.12.6	Labor Agreement Coverage
8.12.7	Definition – Locals 1781, 2145, 2256
8.12.8	Time Restrictions
8.12.9	Agency and Company Temps
8.12.10	Information to Union
8.12.11	Time Extensions
8.12.12	Special Projects
8.12.13	Mutual Cooperation
	Letter of Understanding #8.1 RE: Transfer To Another Area Seniority Unit
	Letter of Understanding #8.2 RE: 2145 and 2256 Seniority Application
	Letter of Understanding #8.3 RE: Special Placement Procedure
	Letter of Understanding #8.4 RE: Temporary Promotions Outside of Bargaining Unit
	Letter of Understanding #8.5 RE: Providing Various Lists To Union
	Letter of Understanding #8.6 RE: Training/Interim Assignments

**ARTICLE 8**

**SENIORITY**

*(continued)*

**SECTION**

**TOPIC**

Letter of Understanding #8.8

RE: Staffing of Newly Created Departments

Letter of Understanding #8.9

RE: Use of Company Temporary  
Employees

Letter of Understanding #8.10

RE: Advance Hire Employees

Letter of Understanding #8.11

RE: Interim Work Assignment

Appendix D

BCBSM & UAW Seniority Units

Base Seniority Units

**ARTICLE 8**  
**SENIORITY**

**8.1**        **DEFINITIONS**

**8.1.1**      **Full-Time Employees**

Seniority shall be based on a full-time employee's most recent hire date into the Area Seniority Unit as a full-time employee. Seniority shall be based on a part-time employee's most recent hire date into the Area Seniority Unit as a part-time employee. The Area Seniority Unit is defined as either UAW Local 1781, 2145, 2256 or 2500.

**8.1.2**      **Part-Time Employees**

For the purposes of this Agreement, regular part-time employees are those regularly scheduled to work at least twenty (20) but not more than thirty-one (31) hours a week, excluding overtime, if any. It is not the Company's intent to exceed thirty-one (31) such hours a week unless there are extenuating circumstances. This limitation will not apply during formal training programs. For Locals 1781, 2145 and 2256 part-time employees will not be required to work beyond thirty-one (31) hours unless all regular full-time employees in the section have first been offered the opportunity to perform the work in question.

- (a) The Company uses regular part-time employees to fill work schedule needs on peak work load days; to extend productive hours beyond normal overtime availability, such as in the case of providing subscriber services beyond normal work hours; to

reduce work load build-ups; to provide special skills where full-time employment is unavailable or where there is an insufficient need for such skills on a full-time basis; and to provide for short-term peaks in the daily work load. Concerns arising regarding the utilization of part-time employees shall be the subject of discussions between the Company, the Union and the employing department.

- (b) On a quarterly basis, the Union will receive a listing of all bargaining unit part-time employees who have worked in the previous quarter and the number of regular/overtime hours worked and paid for by each.

### 8.1.3

#### Seniority of Full-Time/Part-Time Employees

- (a) Part-time employees shall not have seniority over full-time employees with respect to full-time jobs, nor shall full-time employees have seniority over part-time employees with respect to part-time jobs. This shall not preclude full-time employees from applying for posted part-time jobs or part-time employees from applying for posted full-time jobs, in which case the most senior qualified full-time employee shall be selected to fill the part-time opening in the absence of a qualified part-time applicant and vice-versa.
- (b) Full-time employees who, through established bidding procedures, become part-time employees shall retain their previous full-time seniority for the purpose of future consideration for full-time employment status. Part-time employees who, through

established bidding procedures, become full-time employees shall retain their previous part-time seniority for the purpose of future consideration for part-time employment status. If any full-time employee accepts an open part-time position instead of layoff, the employee, for the purposes of recall, shall be considered on layoff from a full-time position.

- (c) Additionally, a full-time employee with seniority who is being laid-off and who is unable to displace a less senior full-time employee may displace a regular part-time employee with less seniority in the same displacement sequence as that set forth in the Seniority Article with respect to other full-time employees. Any part-time employee laid-off shall be recalled to part-time positions only.

## **8.2      PROBATIONARY EMPLOYEES**

### **8.2.1    Probationary Period**

- (a) During the first ninety (90) calendar days, a newly hired employee shall be considered as probationary and during such time have no seniority. This requirement must be met within the first twelve (12) months. This probationary period may be extended by mutual agreement between the parties, in writing, provided such extension shall not exceed thirty (30) calendar days. Upon successful completion of the probationary period, the employee's seniority date shall be the most recent date of hire.
- (b) The termination of any employee who has not successfully completed their probationary

period shall not be subject to the grievance or arbitration provisions of this Contract, provided this does not abridge the employee's right to the grievance or arbitration provisions for other reasons, as provided, during their employment.

### **8.3 SENIORITY UNITS**

For the purpose of this Article, the term "seniority" unit(s) means those units listed in Appendix D. (Reference Letter of Understanding 8.2, Re: 2145 and 2256 Seniority Application)

### **8.4 SENIORITY LISTS**

**8.4.1** The Company shall provide **one (1)** Area Seniority Lists to the respective Presidents of each Local as of the end of the first full payroll period in January, April, July and October of each year covered by this Agreement. Local Officers may request more frequent seniority lists on an as needed basis. An *employee's seniority shall be that shown on the current seniority list, provided that any necessary additions, deletions, or corrections shall be made and reflected on subsequent listings.*

**8.4.2** At the date of hire, employees with the same seniority date shall be listed and ranked in alphabetical order, beginning with their surnames, with A being the most senior, for the purpose of determining seniority application. If the employee surname changes, the seniority date/rank remains the same. Employees with the same most recent hire date and the same names will be listed and ranked in order of their social security numbers with the lowest last four (4) digits determining the highest seniority.

## **8.5**

## **SPECIAL SENIORITY**

### **8.5.1**

#### **Officers**

- (a) For the purposes of layoff and recall only, the President, Vice President, Financial Secretary and Recording Secretary of Locals 1781 and 2500 shall have seniority over other employees in the Local, who are covered by this Agreement, with respect to bargaining unit jobs for which they are qualified.
- (b) The Presidents of Locals 2145 and 2256 shall have seniority over other employees in their respective Locals who are covered by this Agreement, with respect to bargaining unit jobs for which they are qualified provided they are Company employees and actively participate in the grievance procedure.
- (c) In Local 2500, Bargaining Committee Zone Representatives and District Stewards shall have seniority over other employees in their respective zones or districts with respect to bargaining unit jobs for which they are qualified.
- (d) In Locals 2145 and 2256, the Bargaining Committee members shall, for the purpose of layoff and recall only, head the seniority list in their respective Area Seniority Units during their term of office as long as they have employees to represent.
- (e) In Locals 1781, 2145 and 2256, the Chairpersons, and Committee Persons, in that order, shall for the purpose of layoff and recall only, head the seniority list in their respective Facility Seniority Units, during their

term of office as long as they have employees to represent.

## **8.6 SENIORITY OF EMPLOYEES PROMOTED OUTSIDE OF BARGAINING UNIT**

**8.6.1** Employees may be promoted either temporarily or permanently to a position outside of the bargaining unit. Any such promotion will be voluntary and the affected employee shall be made aware of this provision of the labor agreement. The seniority of an employee either permanently or temporarily transferred to a job outside of the unit shall be **adjusted to reflect the time spent outside the bargaining unit** as of the date of promotion. Any return of a permanently transferred employee to a bargaining unit position shall be only at the company's option, but if returned, the employee's seniority shall **be adjusted** thereafter to accrue as that of any other bargaining unit employee. An employee being returned to the bargaining unit after ninety (90) working days will be offered a position pursuant to the provisions of Article 8. (Reference Letter of Understanding 8.4, Re: Temporary Promotions Outside the Bargaining Unit)

**8.6.2** Temporary assignments outside of the bargaining unit shall not exceed ninety (90) working days except when an extension is mutually agreed to between the Union and the Company. Requests for an extension beyond ninety (90) working days shall be submitted to the Union no later than the seventy-fifth (75th) working day of the current assignment. Such requests shall be considered in good faith by the Union and shall not be rejected for capricious or arbitrary reasons.

**8.6.3** If the Company decides, on an interim basis, to fill a bargaining unit vacancy created by an interim promotion outside of the bargaining unit, the bargaining unit position will be offered to the most senior qualified employee in the department or the Company may rotate the assignment within the department.

**8.6.4** If the Company decides, on an interim basis, to promote a bargaining unit employee to perform bargaining unit work, the work will be offered to the most senior qualified volunteer in the department. If there are no volunteers, the Company will mandate the least senior qualified employee to perform the bargaining unit work.

## **8.7** **TEMPORARY WORKFORCE REDUCTION**

**8.7.1** Temporary workforce reductions for fixed, short-term periods of not more than fifteen (15) working days which are due to emergency or unforeseeable situations beyond the reasonable control of the Company and which affect department or larger organizational units, shall be made in order of seniority within an affected job in an affected department with the least senior employee affected first. Written notice will be given concurrently to the affected employees, and the Union, except in emergency situations. The Company Representatives and the Local President will meet and discuss the reduction prior to the notification, except in emergency situations where the notice may be verbal and the discussion may occur after the reduction. The notice shall set forth a date certain within fifteen (15) working days on which the affected employees are to return to work. The Company shall on behalf of seniority employees affected by such a reduction file a

timely waiver with the Michigan Employment Security Commission (MESC) of any registration or seeking work requirement.

**8.7.2** Temporary workforce reductions for contemplated short-term periods for which a fixed date of return to work is not given shall be processed in the same manner. Written notice will be given concurrently to the affected employees and the Union, and the Company shall likewise file a waiver with MESC on behalf of such employees.

**8.7.3** Displacement shall become effective the first (1st) working day following the expiration of the fifteen (15) day period.

**8.7.4** Displacement shall be in accordance with the following reduction of workforce sequence.

## **8.8**      **REDUCTION OF WORKFORCE**

### **8.8.1**      **Notice of Reduction**

In the event the Company determines the need to reduce the workforce, indefinitely or for projected periods in excess of fifteen (15) working days, it shall designate the job(s), department(s), facility seniority unit(s), and base seniority unit(s), and number of employees affected. The Company will provide a fourteen (14) calendar day notice of such reduction to all affected seniority employees. Written notification will be concurrently provided to the Local President and Chairperson/Zone Representative. In addition, the employee has the choice of voluntary layoff and will be subject to the recall provisions in Section 8.9.

## **8.8.2**

### **Reduction Procedure**

Employees affected by a reduction of workforce will receive a notice of reduction of workforce identifying the job title, job code, salary grade, department, section, cost center and base seniority unit of the position into which they will bump. Displacement shall be by seniority in the following sequence, provided the bumping employee is qualified and has the ability to perform the work. The Reduction Procedure addressed in paragraphs 8.8.2 (a) through 8.8.2 (g) will not deny any employees the right to displace an employee with less seniority if the employee does not have the "ability" to displace the least senior employee. (Reference Letter of Understanding #8.3, Re: Special Placement Procedure)

- (a) The least senior employee in the same job and department;
- (b) The least senior employee in the same job and base seniority unit;
- (c) The least senior employee in another job in the same salary grade and department;
- (d) The least senior employee in another job in the same salary grade and base seniority unit, and
- (e) The least senior employee in another job in the next lower salary grade in the department and then base seniority unit, and so on within the department and base seniority unit.
- (f) The least senior employee finally affected shall be placed on layoff, subject to recall.

- (g) In the event there are no other available vacant positions in the Area Seniority Unit for which to be considered, the employee facing layoff may file a Request For Preferential Transfer Right, to be considered for a transfer to another specific Facility in any Area Seniority Unit on a form provided by the Company. Such requests shall be honored by seniority after all bids have been satisfied and the employee is qualified to perform the work. The requesting employee must accept the transfer to any position within two salary grades of the position from which laid off, or waive all recall rights. If the employee accepts the new job, the employee shall transfer all former seniority to the new Area Seniority Unit and waive all seniority rights to the former Area Seniority Unit.
- (h) An employee not facing layoff but who wishes to transfer to another Facility Seniority Unit may be considered by filing a Petition to Transfer Request form which is provided by the Company. An employee having once filed a request for transfer may withdraw such request, in writing, prior to being offered a transfer.
- (i) **Tenure/Workforce Reduction.** An employee affected by a workforce reduction shall retain tenure earned in the prior position and be allowed to carry that tenure to the next position. An employee bumping from salary grades 6 - 15 into salary grades 2 - 5 must have a total of six (6) months tenure for the purpose of bidding. An employee bumping into salary grades 6 -15 must have a total of

twelve (12) months tenure for the purpose of bidding.

- (j) **Ability.** As used above, the term "least senior employee" includes temporary and probationary employees who have not acquired seniority under this Agreement. As used above, the term "ability" means the ability to substantially perform the required work following a reasonable period of job familiarization, if necessary, but excluding any formal training.
- (k) An employee who moves to a lower salary grade as a result of a reduction in workforce shall retain the salary earned in the higher grade at the time of reduction in grade, not to exceed the maximum of their new salary grade.

## **8.9**      **RECALL RIGHTS & PROCEDURES**

### **8.9.1**      **Recall from a Downgrade**

The recall procedure will be in reverse order by seniority to the original Base Unit. Employees reduced in grade by a reduction of workforce are eligible in order of their seniority for recall to any equal or lower level in the Base from which they were reduced for which they are qualified for a period commensurate with their seniority at the time of reduction of workforce for up to four (4) years. It is not the intent of the Company to provide formal training for reduced employees when trained employees are eligible for recall. This does not preclude the employee from applying for higher level posted positions. An employee who refuses a recall to a job within two (2) salary grades of the employee's salary grade at

the time affected by a reduction shall be deemed to have waived recall rights. The employee has the option to decline recall to a job which is not within two (2) salary grades. The employee's acceptance of any position that is not within two (2) salary grades completes the recall process. This does not preclude the employee's right to recall to any position within the employee's original base seniority unit and within the salary grade from which the employee was initially laid off, as long as the employee has the ability to do the work.

### **8.9.2      Recall from Layoff**

Recall rights for an employee on layoff shall continue equal to the amount of seniority a bargaining unit employee has, not to exceed four (4) years. An employee who refuses a recall to any job within two (2) salary grades of the employee's salary grade at the time affected by a reduction shall be deemed to have waived recall rights. The employee has the option to decline recall to a job which is not within two (2) salary grades. The employee's acceptance of any position that is not within two (2) salary grades completes the recall process. This does not preclude the employee's right to recall to any position within the employee's original base seniority unit and within the salary grade from which the employee was initially laid off, as long as the employee has the ability to perform the work.

### **8.9.3      Recall Disputes**

- (a) In the event a placement involving a reduction and/or recall is disputed by the Union, it will be discussed with the Employee

Relations Representative servicing the area where the job is located. Should such informal method fail to resolve the issue in a timely manner, a grievance may be filed at the third step.

- (b) The Company and the Union recognize the aforementioned Reduction and Recall provisions may not adequately address all Union and Company employee/operational concerns. Consequently, the Company and the Union agree it is mutually beneficial to periodically review these provisions in order to resolve identified concerns.

## **8.10      JOB POSTING AND BIDDING**

### **8.10.1      Filling From Workforce Reduction**

When a bargaining unit position becomes available in a Base Seniority Unit, an employee who has been affected by a reduction in workforce from that Base Seniority Unit, will be offered such position provided the employee is qualified to perform the work prior to the positions being posted.

### **8.10.2      Posting**

- (a) When a bargaining unit position becomes available, the job will be posted for three (3) consecutive working days within the department, **except** where it is unlikely a sufficient number of qualified applicants apply from the department, the position will be posted in the Area Seniority Unit for **five (5) consecutive working days**.

- (b) At each facility, a copy of a generic job posting application will be posted, along with a notification to all employees that they are eligible to apply for **grade levels UA-UE** positions, and instructions as to where they can obtain and submit such applications. Submitted applications will be reviewed **department first then** in Area Seniority order after laid-off employees who are eligible for recall have first been considered. **Additionally, the Company will provide the Union with a list of applicants to generic job postings on a quarterly basis.**
- (c) A job posting shall include: (1) the date of the posting; (2) the date the posting expires; (3) the department and section in which the job exists (including Facility and Base Seniority Units); (4) the classification and salary grade of the job; (5) a summary description of the duties and responsibilities of the position; (6) the job specifications; (7) the shift; and (8) whether the job is regular full-time or regular part-time. Nothing herein precludes the Company from transferring employees to other sections within the department to meet operational requirements. However, when initially transferring to another section within a department, the employee will be afforded a reasonable period of job familiarization.

### 8.10.3 Bidding

- (a) Interested bargaining unit employees during said period may apply for the posted job by completing an application furnished by the Company. Employees may not apply for

more than one (1) posted opening in their department or Base and one (1) other opening in the Area Seniority Unit at any one time. However, an employee may withdraw a pending application in order to apply for a subsequent job posting.

- (b) When the employee is notified by the supervisor of their selection for a position, the employee must accept or decline the position and so advise the supervisor within twenty-four (24) hours of the offer. If the position is accepted, such acceptance cannot be subsequently withdrawn.
- (c) Unless otherwise approved by the Company, an employee shall not be eligible to apply for a posted job for six (6) months from the effective date of discipline if the employee has been disciplined in writing for poor or inadequate work performance or has been placed on probation for other reasons. This does not preclude an employee from applying for a lower level posted job during the first six (6) months following actual placement in a higher level job (excluding any formal training period).

#### **8.10.4 Selection**

After the close of the posting period, selection shall be made in the following sequence: (1) the most senior qualified applicant in the department in which the job exists; (2) the most senior qualified applicant in the Base Seniority Unit in which the job exists; (3) the most senior qualified applicant in the Area Seniority Unit; (4) a Request for Preferential Transfer; (5) employees who have

submitted Petition To Transfer Requests/Generic Applications; (6) Waiver of tenure for most senior qualified applicant in the Area Seniority Unit in which the job exists, and (7) external hires, as indicated below:

- ◆ Unless otherwise approved by the department and Employee Relations, employees in salary grades 2-5 shall not be eligible to apply for further placement for a period of six (6) months from placement in their current classification. The Company may extend tenure for a period of time equal to time spent in training as defined in Section 26.12. Any such extension shall be noted in the job posting. Thereafter, if further placed into positions in salary grades 2-5, such employees shall not be eligible to apply for subsequent placement for a period of six (6) months.
  
- ◆ Unless otherwise waived by the department and Employee Relations, employees placed into positions in salary grades 6-15, shall not be eligible to apply for further placement for a period of twelve (12) months. The Company may extend tenure for a period of time equal to time spent in training as defined in Section 26.12. Any such extension shall be noted in the job posting. Thereafter, if further placed into positions in salary grades 6-15, such employees shall not be eligible to apply for subsequent placement for a period of twelve (12) months.

NOTE: CSR II employees shall meet a twenty-four (24) month tenure requirement, excluding training unless a waiver has been approved in the manner described above.

CSR waivers will not be arbitrarily denied prior to external hiring.

The Company will notify job applicants of the results within fifteen (15) working days.

## **8.11      LOSS OF SENIORITY**

Employees shall lose their seniority and employment rights if:

### **8.11.1      Quit/Discharge/Retirement**

The employee quits, is discharged for just cause and not reinstated, or retires;

### **8.11.2      Layoff**

The employee is laid off work for a continuous period equal in length to his/her seniority but not to exceed four (4) years.

### **8.11.3      Absence**

The employee is absent for three (3) consecutive working days without properly notifying the Company of the reasons for such absence, unless it was not reasonably possible to do so;

### **8.11.4      Leave of Absence**

The employee fails without permission from the Company to report to work on the first (1st) working day following the expiration of an approved leave of absence unless it was not reasonably possible to obtain such permission, or

### **8.11.5**     **Recall**

The employee fails to report for work within five (5) working days following the mailing of written notification of recall, except for reasonable cause. Notification shall be sent certified mail to the last address shown on the Company records.

## **8.12**        **TEMPORARY EMPLOYEES**

NOTE: Sections 8.12.1 - 8.12.6 pertain only to Local 2500. Sections 8.12.7 - 8.12.13 pertain only to Locals 1781, 2145 and 2256. (Also, Reference Letter of Understanding #8.9, Re: Use of Temporary Employees)

### **8.12.1**     **Definition - Local 2500**

Temporary employees are employees hired by the Company to temporarily supplement the workforce or to cover temporary time lost by regular employees.

### **8.12.2**     **Time Restrictions**

Temporary employees of the Company who work in bargaining unit jobs for ninety (90) or more calendar days within a one (1) year period shall become regular full-time or regular part-time employees, as the case may be, unless their assignment requires an extension to cover an approved leave of absence or other extenuating circumstances. However, if the temporary employee is covering an approved leave of absence in accordance with Article 18, Section 18.5.3, no extension request is required and the temporary assignment shall continue during the duration of the authorized leave of absence. Additionally, temporary employees do not become

bargaining unit employees for the length of the temporary assignment.

**8.12.3**      **Rate of Pay**

Temporary employees for their first ninety (90) calendar days of employment shall be paid not less than ninety-five (95%) percent of the minimum wage rate of the particular job to which they are assigned and shall be paid not less than the full minimum wage of the particular job to which they are assigned for the duration of their temporary assignment beyond ninety (90) calendar days.

**8.12.4**      **Attaining Seniority Status**

Temporary employees who become regular full-time or regular part-time employees in the manner above shall at that time be credited with seniority as of their first (1st) day of work within the applicable one (1) year period.

**8.12.5**      **Agency Temps**

Temporary agency personnel are not temporary employees of the Company as defined above. However, the Company agrees that it will not employ temporary agency personnel in bargaining unit jobs for a period longer than set forth above.

**8.12.6**      **Labor Agreement Coverage**

Except for Article 5, temporary employees shall not otherwise be covered by this Agreement.

**8.12.7**      **Definition - Locals 1781, 2145, and 2256**

Temporary personnel are individuals hired directly by the Company (Company Temporaries) or hired

through an employment agency (Agency Temporaries). Temporary personnel are used to supplement the workforce on a short term basis or to accommodate temporary unavailability of employees due to leaves of absence or vacations, to fill vacancies caused by promotions or terminations on an interim basis during the selection process, or to perform special assignments of a temporary nature when the required skills are unavailable within the regular workforce. Temporary personnel shall not be used to displace permanent employees. Whenever possible, temporary personnel will be placed in the lower level positions in the section.

#### **8.12.8 Time Restrictions**

Normally the Company will utilize Company Temporaries to fill its short term needs, and for periods of time not to exceed ninety (90) calendar days on any one assignment. In those situations where the Company expects to utilize a Temporary beyond the specified time limits, the Company will notify the Local President of the extenuating circumstances necessitating the extension. However, if the temporary assignment is due to the need to cover an approved leave of absence in accordance with Article 18, Section 18.5.3, the extension will automatically occur for the duration of the authorized leave of absence.

#### **8.12.9 Agency and Company Temps**

When the Company finds it necessary to hire Agency Temporaries in lieu of Company Temporaries, the Agency Temporaries will be subject to the same time limits as specified above. However, a Company Temporary employee will not be retained on the payroll for a continuous

period exceeding twelve (12) months unless the temporary assignment is due to the need to cover the duration of an approved leave of absence in accordance with Article 18, Section 18.5.3, and may not be rehired prior to the expiration of three (3) months after termination. A Company Temporary will be subject to the Union Security provisions of Article 5 of this Agreement and be paid the minimum rate of the classification for which hired. A Company Temporary will not be afforded the benefit of any other provision of this Agreement, nor be offered a permanent position in preference over a regular employee. A Company Temporary may be offered the opportunity to work overtime to diminish the need of the Company to schedule mandatory overtime, but only after regular employees in the department have been first afforded the opportunity to accept such work.

#### **8.12.10 Information to Union**

The Company will provide the Local President, on a quarterly basis, with a listing of the names of temporaries used during the preceding three (3) months, department assignment, the duration of their respective work assignments, and total days worked.

#### **8.12.11 Time Extensions**

A Temporary individual will not be permitted to work beyond the number of days specified above unless the parties have mutually agreed to permit such extension due to the particular circumstances of the situation.

### **8.12.12 Special Projects**

In those unique situations wherein the Company is aware that a special project will necessitate the temporary hiring of a significant number of people for an extended period of time with the probability of a duration beyond the time limits specified above, the Company will solicit the Union's cooperation in working out any special provisions to accomplish the successful completion of such project.

### **8.12.13 Mutual Cooperation**

The Company will not abuse the provisions of this Article nor will it permit the use of temporaries beyond the specified time limits of this section, unless the parties have previously arranged for an extension. The Union assures the Company that it will not arbitrarily contest the Company's requests for such extensions or special situations.

**ARTICLE 9**  
**DISCIPLINE AND DISCHARGE**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
9.1	Just Cause
9.2	Rules of Conduct
9.3	Progressive Discipline
9.4	Representation
9.5	Fraud/Dishonesty
9.6	Employee Records

**ARTICLE 9**  
**DISCIPLINE AND DISCHARGE**

**9.1**            **JUST CAUSE**

Employees with seniority shall not be disciplined or discharged except for just cause.

**9.2**            **RULES OF CONDUCT**

**9.2.1**        The Company shall have the right to establish and enforce reasonable rules of employee conduct, which, when published, posted or otherwise communicated and reviewed with employees, shall be observed after a reasonable adjustment period. In establishing and enforcing such rules, the Company shall give due consideration to the principles of progressive discipline, where applicable.

**9.2.2**        The Union shall have the right to challenge the reasonableness of any such rule and/or adjustment period in the event an employee is disciplined or discharged thereunder, including but not limited to, the right to challenge the severity of the penalty imposed.

**9.3**            **PROGRESSIVE DISCIPLINE**

**9.3.1**        The Company recognizes that the purpose of discipline shall normally be to improve behavior or performance rather than to punish. Therefore, the more severe disciplinary penalties of suspension and/or discharge are generally not administered, until lesser penalties, aimed at correction, are first utilized. In fact, most times coaching and/or counseling can be used to improve unacceptable behavior. However, when coaching and/or

counseling does not correct the unacceptable behavior, the following progressive disciplinary steps may be implemented:

- (a) Documented Verbal Warning
- (b) Written Warning
- (c) Probation
- (d) Disciplinary Suspension
- (e) Discharge

**9.3.2** Depending on the nature of the infraction, the Company may bypass or modify one or more such steps.

**9.3.3** For progressive discipline and discharge purposes, the Company shall not consider prior discipline more than three (3) years old.

**9.3.4** In the process of progressive discipline, if the unacceptable conduct is repeated within six (6) months of the date of the most recent disciplinary action, the new discipline shall not exceed the next step of discipline.

**9.3.5** If the unacceptable conduct is repeated after six (6) months but before twelve (12) months of the date of the most recent disciplinary action, the new discipline shall not exceed the last disciplinary step.

**9.3.6** If the unacceptable conduct is repeated after the expiration of twelve (12) months of the date of the most recent disciplinary action, the process shall begin anew.

## **9.4 REPRESENTATION**

**9.4.1** Employees have the right to request and be provided with Union representation when being

disciplined or when it is apparent, at an investigator meeting, that discipline will subsequently be imposed.

**9.4.2** If an employee after being advised of said right, rejects or waives the right to representation at such meeting, said waiver must be reduced to writing, signed by the employee in the presence of the Union Representative prior to the disciplinary meeting.

**9.4.3** Disciplined or discharged employees shall be entitled to Union representation as set forth in Article 6 of this agreement.

## **9.5** **FRAUD/DISHONESTY**

**9.5.1** The Union recognizes the sensitive, service-oriented nature of the Company's business and especially the need for maintaining the highest financial integrity, both in fact and appearance, with respect to the filing, processing and payment of claims and the issuance of Company checks or payment orders.

**9.5.2** The Company, on the other hand, recognizes the Union's obligation and commitment to fairly represent those of its members, if any, who are discharged for alleged frauds or dishonesty in the above respects.

**9.5.3** In an effort to fairly balance the respective interests of all concerned, the Company and the Union agree that with respect to a discharge matter involving fraud or dishonesty in the above respects, the amount involved shall be entitled to no weight or consideration whatsoever. The above understanding shall in no way be construed as stating an opinion, position or understanding

with respect to what, if any, weight or consideration should be given to the above factor in any other case. Nor does the above understanding in any way suggest the relevancy, weight or consideration of any other factors.

**9.5.4** For representation purposes in cases involving possible employee conduct that is being investigated by the Company, the Local Union President or, his/her designee will be notified prior to any discussion with the employee. The President or designees may attend the meeting which the employee has been requested to attend, which may or may not lead to discipline or discharge.

**9.5.5** It is recognized the employee may decline Union representation by so advising the Local Union President or designee, in writing, prior to any discussion.

**9.5.6** The Company and the Union recognize their mutual interest in the investigation of matters arising under this Section. To that end, both parties agree to reasonably cooperate in the investigation of alleged employee misconduct matters.

## **9.6** **EMPLOYEE RECORDS**

**9.6.1** The Company shall provide the Union, upon request, access to an employee's records as necessary to support an employee's complaint.

**9.6.2** Furthermore, the Company shall provide the employee access to his/her medical records maintained by the Company, to the extent entitled by law, when requested by the employee on a form provided by the Company.

**ARTICLE 10**  
**JOB CLASSIFICATIONS**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
10.1	Definition
10.2	Establishment of Job Classifications
10.3	New or Changed Jobs
10.4	Job Classification Representatives
10.5	Notice and Review Procedure
10.6	Job Classification Grievance/Arbitration
10.6.1	Job Classification Grievance
10.6.2	Job Classification Arbitration
10.7	Rate of Pay for Changed Jobs
	Letter of Understanding #10.1 RE: Job Classifications – Project Team
	Letter of Understanding #10.2 RE: Job Classifications – Job Classification Book
	Letter of Understanding #10.3 RE: Apprenticeships
	Letter of Understanding #10.4 RE: Job Classification
	Letter of Understanding #10.5 RE: Pricers

**ARTICLE 10**  
**JOB CLASSIFICATIONS**

**10.1**      **DEFINITION**

For the purpose of this Agreement, the term job classification shall include job title, job description, salary grade, and job specification, i.e., the qualifications for the job.

**10.2**      **ESTABLISHMENT OF JOB CLASSIFICATIONS**

The job classifications in effect on the date of this Agreement shall continue in effect subject to the Company's right to change job classifications as set forth in Section 10.3 subject to the review procedure outlined in Section 10.5. The work assigned to job classifications in effect on the date of this Master Agreement shall continue in substantial accord with the current classification descriptions.

**10.3**      **NEW OR CHANGED JOBS**

The Union recognizes the right of the Company to establish, modify or eliminate job functions and to create new job classifications or change job classifications. In the event the Company creates a new job classification or modifies an existing job classification, the determination of the salary grade shall be made by the Company on the basis of the job content of such new or modified classification in accordance with rates of pay established by this Master Agreement.

## **10.4      JOB CLASSIFICATION REPRESENTATIVES**

To provide the Union an opportunity to **provide input in the creation and modification of job classifications**, the Company will recognize up to **four (4) Job Classification Representatives**; one (1) per Local as appointed by the respective Local Union President. The Company agrees to train the Job Classification Representatives in Company techniques/methodologies used to establish job classifications.

## **10.5      NOTICE AND REVIEW PROCEDURE**

**10.5.1** In the event that the Company creates a new job classification or modifies an existing job classification by changing its content (Section 10.1), or a job classification is transferred from one bargaining unit to another, the Union will be given the opportunity to review such changes as they relate to or affect the internal consistency of other job classifications in the bargaining unit.

**10.5.2** To afford the Union a reasonable opportunity to discuss issues arising out of a new or modified job classification, the Company will recognize a Job Classification Committee. The Job Classification Committee shall consist of the Job Classification Representatives and representatives from the following area:

- (a) Employee Relations**
- (b) Corporate Compensation**
- (c) Affected Department**

Employee Relations will convene meetings as requested by the Local Union President or the Company to review changes.

**10.5.3** Employee Relations shall give the Local Presidents notification of all new and modified job classifications. Such notification shall include the items identified in Section 10.1. Additionally, old and new job information will be provided, as well as the identification of significant changes in the job that resulted in the creation or modification of the job classification. The Company will provide the Local Presidents with a fourteen (14) day notice of all such changes. Although such notification does not preclude the Company from immediately posting the position, the Company will not fill the position on a permanent basis prior to the expiration of said fourteen (14) day notice.

**10.5.4** During the fourteen (14) day period, the Union may request, in writing, a review of any new or modified job classification for the purpose of assessing reasonableness of the Company's action. A review meeting will be convened by the parties to address the Union's concern.

**10.5.5** Should the Company eliminate a Job Title or Code no longer in use, Employee Relations will notify the four Local Presidents of the Job Title and Code being eliminated, with rationale. If the Union requests further review, Employee Relations will convene a Job Classification Review Meeting. Should agreement not be reached, a grievance may be filed at Step 3 of the grievance procedure, in accordance with Section 10.6.

**10.5.6** The Union may through its Job Classification Representative request, in writing, a review of any new or modified bargaining unit/non-bargaining unit job classification for the purpose of insuring that all bargaining unit work is properly classified in a Union represented job.

## **10.6      JOB CLASSIFICATION GRIEVANCE/ARBITRATION**

**10.6.1**      If the Union still disagrees with a new or modified job classification established by the Company (10.5.3) or with the Company's response to a Union-requested job review (10.5.6), the Union may within ten (10) days of the Job Classification Committee meeting, file a grievance at Step 3 of the grievance procedure. If the grievance is processed to arbitration, however, the following provisions apply.

### **10.6.2      Job Classification Arbitration**

In the event of an arbitration proceeding involving a new or modified job classification, the sole issue before the arbitrator shall be the reasonableness of the salary grade, job description and/or job specifications determined by the Company. The arbitrator shall have no authority to establish a salary grade, job description and/or job specifications different from those established by the Company.

**10.6.3**      In the event an arbitrator decides that the Company's determination with respect to the salary grade, job description and/or job specifications for a new or modified job classification is unreasonable, and in the event the Company and the Union are unable to satisfactorily settle a dispute within thirty (30) days thereafter, the Union may authorize a general bargaining unit strike with respect to such dispute and commence the strike seven (7) days following notification, in writing, to the Company of such authorization. Alternatively, and with respect to a salary grade determined by the arbitrator to be unreasonably low, the Union may accept a five percent (5%) promotional increase or an increase

to the minimum of the next higher salary grade than that established by the Company, whichever is greater, on behalf of employees covered by the grievance. This does not preclude the Union from holding the dispute for future contract negotiations.

## **10.7**

### **RATE OF PAY FOR CHANGED JOBS**

If an existing job classification is upgraded in salary grade, the incumbent employee(s), if he or she has the ability to do the work, shall be retained in the job and be granted a five percent (5%) promotional increase, but not to exceed the maximum of the range. If there is a disagreement regarding the determination that the incumbent does not have the ability to do the work, the Union may file a grievance at the third step. If an existing job classification is downgraded in salary grade, the rate of pay of the incumbent employee(s) at the time of such action shall not be reduced, unless in excess of the newly established maximum. Additionally, such downgraded employee(s) will be eligible for recall in accordance with Article 8.

**ARTICLE 11**  
**PRODUCTION/QUALITY STANDARDS**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
11.1	Purpose
11.2	Production Standards
11.3	Quality Standards
11.4	Time Study Representative
11.5	Front End Review
11.6	Notification Process
11.7	Reports
11.8	Challenge Process
11.9	Coaching and Development
11.10	Discipline
	Letter of Understanding #11.1 RE: Production/Quality Standards
	Letter of Understanding #11.2 RE: Coaching/Development
	Letter of Understanding #11.3 RE: "Best In Class" Quality
	Letter of Understanding #11.4 RE: Service Expectations
	Appendix G Coaching and Development

## ARTICLE 11

### PRODUCTION/QUALITY STANDARDS

#### 11.1      PURPOSE

For the purpose of providing procedure(s) for reviewing, discussing and improving Production/Quality standard processes and resolving any disputes involving the same, the Company and the Union agree as follows:

#### 11.2      PRODUCTION STANDARDS

The Company shall have the right to establish and enforce production standards. Production standards shall be set in accordance with accepted industrial engineering techniques.

#### 11.3      QUALITY STANDARDS

The Company shall have the right to establish and enforce quality standards. Quality standards shall be set in accordance with Individual Quality Assurance programs based on the concept of work sampling. The Company retains the right to modify or alter quality standards methodology, and if and when such change(s) occur, the Company will so advise the Union. The Company will provide a copy of the changes, by the 15th day of the month, allowing the Union an opportunity to review and comment prior to implementation. In the event the Union deems the changes to be unreasonable, the Company retains the right to implement and the Union may challenge the change in accordance with the challenge process described in Section 11.8.2 of this Article.

## **11.4      TIME STUDY REPRESENTATIVE**

**11.4.1**      The Company and the Union agree the resolution of production/quality standard issues in a reasonable and timely manner is beneficial to all parties involved. In attempting to resolve production/quality standard issues, the Company agrees to recognize four (4) full-time bargaining unit employees, one (1) from each Local to serve as Time Study Representatives. If during the term of this Agreement there is a significant shift in the makeup of the workforce in a particular Local, the Company and the Union will discuss the need to add and/or delete Time Study Representatives.

**11.4.2**      During the life of this contract, one (1) representative from each Local, if required, will be expected to successfully complete a recognized/certified Time Study School Course, and the cost of the course will be divided equally between the Company and the Union. Cost includes class, lost time associated with the TSR course, mileage, lodging and meals. The Company also agrees to train the Union Time Study Representative(s) in understanding the Company techniques/methodologies utilized to establish/monitor production/quality standards and work sampling techniques by providing applicable forms and manuals utilized to establish such standards.

**11.4.3**      Union Time Study Representatives for Local 2500 & Local 1781 shall be allowed up to twelve (12) hours and Local 2256 and Local 2145 up to eight (8) hours per week of compensated time for purposes of investigating/resolving production/quality standards issues. Requests for additional compensated time off for this purpose

may be granted in individual warranted situations. Employee Relations may grant such request based on operational requirements.

## **11.5      FRONT END REVIEW**

**11.5.1**      As a way to better address the problems and lengthy resolutions of said problems/ grievances, the Company and the Union agree to embark on a front-end method of monitoring time studies and the writing of quality packages.

**11.5.2**      The Local Union Time Study Representative shall receive advance notification that a study is to be performed. Notification shall include the date and location that the study(s) will begin. Upon request, the Union Time Study Representative will be provided materials related to the study and afforded reasonable front-end access to work area(s) in accordance with Section 11.8.2 of this Article. This will allow the Time Study Representative the opportunity to monitor during the actual studies and set forth any problems observed. The Time Study Representative may, at that time, request 100% quality checking for the work being timed.

**11.5.3**      When a new quality package is formulated, the Time Study Representatives will be advised and presented with a copy, the 15th of the month, so as to allow Union input.

## **11.6      NOTIFICATION PROCESS**

**11.6.1**      The Company shall notify the affected Local President and the Union Time Study Representative, by the 15th day of the month, of new or modified production/quality standards and upon request, the Union Time Study

Representative and the appropriate Company Representatives shall meet to review changes prior to notifying the affected employees.

**11.6.2** After notification of Union officials, the Company shall notify affected employee(s) of the new or modified production/quality standard not less than ten (10) calendar days prior to implementation. Prior to implementation, the employee(s) will be afforded a training session conducted by line management regarding the affected production/quality standards and related elements such as WMS reporting, operation descriptions, validation tables, job functions, quality packages, etc. The Union Time Study Representative shall be notified of the scheduling of such employee training sessions and, upon request, be afforded the opportunity to attend. The Union Time Study Representative shall arrange with his/her immediate supervisor before engaging in such activities during normal working hours and shall notify the appropriate management of his/her presence in the area in a manner prescribed by the Company.

## **11.7**      **REPORTS**

The Company agrees to provide Production Performance Reports on new or modified standards for three (3) consecutive months and to provide Quality Performance data upon request. These reports will be provided in a timely manner (i.e., fourteen [14] calendar days).

## **11.8**      **CHALLENGE PROCESS**

**11.8.1**      **Employee Challenge:** If an employee has a problem concerning the reasonableness of a particular production or quality standard, the

employee may initiate a complaint through the normal grievance procedure as described in Article 7. The Union may call in the respective Union Time Study Representative at Step 3 of the Grievance Procedure.

### **11.8.2 Union Challenges**

- (a) Within thirty (30) calendar days following the implementation of a new standard or a change in the elements comprising a job measured by a standard, the Local President may determine that further investigation is necessary, and shall notify the appropriate Employee Relations Representative to arrange a session with the Union Time Study Representative at a mutually acceptable time during normal working hours. After such request, the Union Time Study Representative will be afforded reasonable access to the work area(s) accompanied by the appropriate Company representative for the purpose of reviewing production/quality standard(s) issues up to and including actual time study of disputed production operations. Any such recheck will include the use of a continuous stop watch reading method. The Union Time Study Representative shall arrange with his/her immediate supervisor before engaging in such activities during normal working hours and shall notify the appropriate management of his/her presence in the area in a manner prescribed by the Company. In the event the aforementioned review by the parties confirms that a problem exists, any related discipline will be reviewed on a case by case basis.

- (b) In those situations where the parties are unable to resolve the problem, the Union may file a Step 3 grievance within ten (10) calendar days following the expiration of the thirty (30) days from the implementation date, challenging the reasonableness of the standard. The Union may request any such information relative to the new or modified production/quality standard(s) or the change in the elements comprising the job measured by the standard(s) as will enable the Union to adequately perform its designated representation function.
- (c) In the event such a grievance is not satisfactorily resolved following progression through the normal grievance procedure, the Union's review of such information and/or joint time study of the production standard(s) in question, the Union may appeal the same to arbitration. The sole issue before the arbitrator shall be whether the production/quality standard is reasonable. The arbitrator shall have no authority to establish a standard different from that established by the Company.
- (d) In the event an arbitrator decides that the production/quality standard is unreasonable, and in the event the Company and the Union are unable to satisfactorily resolve the dispute within thirty (30) days thereafter, the Union may authorize a general bargaining unit strike with respect to that dispute and commence the strike seven (7) days following notification, in writing, to the Company of such authorization.

## **11.9**

### **COACHING AND DEVELOPMENT**

The Coaching & Development Process (See Appendix G) details a proactive approach to working with employees to prevent or minimize performance problems. This process is intended to be used when observable or measurable performance fluctuations occur, and to aid in the full and effective development of all employees. (Reference Letter of Understanding #11.2, RE: Coaching/Development)

## **11.10**

### **DISCIPLINE**

Notwithstanding the foregoing, in the event an employee receives discipline for failing to meet an existing production/quality standard, and if the Steward/Committee Person/Bargaining Committee Zone Representative/Chairperson and line management are unable to resolve the discipline issue, a grievance may be filed by the employee at Step 1 of the Grievance Procedure.

**ARTICLE 12**  
**HOURS OF WORK**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
12.1	Pay Period
12.2	Work Week
12.3	Shift Premium
12.4	Lunch and Break Periods
12.5	Overtime Pay
12.5.1	Daily and Weekly Overtime
12.5.2	Holiday Pay
12.5.3	Sunday Pay
12.6	Reporting Pay
12.7	Inclement Weather
12.8	Overtime – Voluntary/Mandatory
12.8.1	Voluntary
12.8.2	Mandatory
12.9	Work Schedules
12.9.1	Standard Hours
12.9.2	Staggered Hours
12.9.3	Flextime
<b>12.9.4</b>	<b>Flexible Work Schedules</b>
12.10	Additional Shift

**ARTICLE 12**  
**HOURS OF WORK**  
*(continued)*

**SECTION**

**TOPIC**

Letter of Understanding #12.1  
RE: Overtime Exemption For Educational  
Purposes

Letter of Understanding #12.2  
RE: Morning Breaks

Letter of Understanding #12.3  
RE: Overtime For Non-Departmental  
Volunteers

Letter of Understanding #12.4  
RE: Telecommuting

**Letter of Understanding #12.5**  
**RE: Flexible Scheduling Programs**

**ARTICLE 12**  
**HOURS OF WORK**

**12.1**      **PAY PERIOD**

The normal payroll period shall consist of fourteen (14) consecutive calendar days beginning at 12:01 a.m. on a designated Saturday and ending at midnight on the second Friday thereafter. The starting time of a shift shall determine the payroll period within which the hours worked that shift fall.

**12.2**      **WORK WEEK**

The normal work week shall consist of five (5) days of 7.75 hours each scheduled between 12:01 a.m. each Monday and midnight the following Sunday. This shall not preclude the continuation of current normal work week scheduling. Future variations will be discussed in advance by the Company and the Union. The starting time of a shift shall determine the work week within which the hours worked that shift fall.

**12.3**      **SHIFT PREMIUM**

**12.3.1**      Employees whose shift is regularly scheduled to commence work between 12:01 a.m. and 8:00 a.m. shall be paid a premium of ten percent (10%) of the employee's base pay for all such hours worked.

**12.3.2**      Employees whose shift is regularly scheduled to commence work between 4:00 p.m. and 12:00 a.m. midnight shall be paid a shift premium of six percent (6%) of the employee's base pay for all such hours worked. Employees whose regular shift ends between 6:00 p.m. and 12:01 a.m. shall

be paid the six percent (6%) premium for those hours worked beyond 6:00 p.m.

#### **12.4      LUNCH AND BREAK PERIODS**

Employees, if scheduled to work a regularly scheduled shift (7-3/4 hours), shall receive a separate, unpaid thirty (30) minute lunch or dinner break, as the case may be, and one (1) paid fifteen (15) minute break, in 1st half of their shift and one (1) paid break in the 2nd half of their shift. Current travel time policies (five minutes for each relief break and lunch period) shall be continued for Local 2500. Employees in those facilities represented by Locals 1781, 2145 and 2256 shall receive a forty-five (45) minute, unpaid lunch/dinner period each working day. Also, they shall receive a twenty (20) minute paid break in the first half of their scheduled shift and a twenty (20) minute paid break in the second half of their scheduled shift. (Reference Letter of Understanding 12.2 Re: Morning Breaks)

#### **12.5      OVERTIME PAY**

##### **12.5.1      Daily and Weekly Overtime**

Employees shall be paid time and one-half (1-1/2) their hourly rate for all authorized time worked (in units of not less than 15 minutes) beyond 7.75 hours a day. Employees shall receive time and one-half (1-1/2) their base hourly rate for all authorized time worked on Saturdays.

##### **12.5.2      Holiday Pay**

Employees required to work on a recognized holiday shall, in addition to their holiday pay under this Agreement, receive double time their base

hourly rate for all authorized time worked that holiday. Employees required to work one (1) or more designated Christmas - New Year's holidays may in lieu of holiday pay elect an equal number of scheduled days off with pay.

### **12.5.3**     **Sunday Pay**

Employees required to work on a Sunday shall be paid double their base hourly rate for all authorized time worked that day.

**12.5.4**     The allowance of overtime or premium pay (other than shift premium) for any hour or part of an hour excludes that hour from consideration for overtime or premium pay on any other basis, thus eliminating any pyramiding of overtime or premium payments.

**12.5.5**     Any company paid time except personal time is considered time worked for the purpose of computing overtime.

### **12.6**        **REPORTING PAY**

Employees who are regularly scheduled and who report for work, without previous, reasonable notification by the Company that there is no work available, or employees who start work but are released before working a minimum of four (4) hours, shall be paid four (4) hours pay at their base hourly rate, (or at their weekend overtime rate, if appropriate) provided the conditions preventing working are within the Company's control. If the conditions preventing working were not within the Company's control, employees may utilize personal time, vacation time, or unpaid time without an occurrence.

## 12.7      INCLEMENT WEATHER

12.7.1      It is to be understood by all employees that BCBSM is committed to providing uninterrupted services to our customers, providers and subscribers. In keeping with our commitment, business activities are rarely suspended. Therefore, it is expected that in the absence of an official suspension of operations, all employees are expected to report for work.

12.7.2      In those instances of severe weather conditions (inclement weather) where there has been no suspension of operations and after a good faith effort the employee has determined that he/she is unable to report for work, he/she may utilize either personal time, vacation time, or unpaid time without an occurrence.

## 12.8      OVERTIME VOLUNTARY/MANDATORY

### 12.8.1      Voluntary

- (a) The Company understands the Union's concern about the solicitation of non-department volunteers for overtime needs. In that regard, prior to scheduling mandatory overtime, the Company will solicit volunteers from the Base Seniority Unit, as well as consider individuals outside these departments for voluntary overtime. Every effort will be made to schedule overtime as much in advance as possible. (Reference Letter of Understanding 12.3, Re: Overtime for Non-Departmental Volunteers)
  
- (b) Each department shall maintain a Voluntary Overtime Registration Log. On this log the Company will identify the job classification(s),

section, department and office/facility where the work exists as well as the hours available and the number of hours required. Employees in that department may volunteer to work scheduled overtime, if any, during the following pay period. This log will be published by Tuesday (a.m.) before the end of the pay period in the requesting department and simultaneously in the departments within the Base Seniority Unit.

- (c) The Voluntary Overtime Registration Log will be centrally posted within each department. In the event there are more volunteers than work available, hours shall be distributed first to most senior qualified within the section until all sectional employees are used then Department employees will be assigned based on the most senior qualified.
  
- (d) Non-department volunteers from the Base Seniority Unit or from elsewhere within the Area Seniority Unit, may be considered for voluntary overtime in order to alleviate or reduce the need for prolonged mandatory overtime. For such employees it is the employee's responsibility to advise the affected department management of the employee's availability for overtime by submitting an Overtime Opportunity Request. The request form will remain active for 90 days. Department management may reject unqualified volunteers. Scheduling overtime during a defined pay period shall be assigned first to those qualified volunteers in the affected classification(s), section and department. For the purpose of this provision, "qualified" pertains to an employee

who is immediately capable of performing the work.

- (e) The Company may offer voluntary overtime to qualified employees outside the classification(s) and department provided all employees within the affected classification(s), section and department have had the opportunity to accept or refuse the overtime offer and provided the employee outside the department or classification is immediately capable to perform the work. Selection of volunteers from outside the affected department will be based on seniority as reported on the Overtime Opportunity Request.
- (f) Overtime hours will first be offered by department to available permanent full-time employees prior to part-time/temporary employees being offered any additional hours over their regularly scheduled hours.

### **12.8.2    Mandatory**

- (a) The Company reserves the right to call mandatory overtime as required. Such mandatory overtime shall be assigned on Thursday (a.m.) before the end of the pay period for overtime commencing for the following pay period. In the event there are insufficient qualified volunteers to meet sectional overtime requirements, qualified sectional employees, by classification, will first be assigned overtime up to the maximum. Should there be an insufficient number of employees within the section to meet the mandatory overtime requirements,

all other qualified departmental employees within the classification will be assigned mandatory overtime. Mandatory overtime will first be assigned to the least senior qualified up to the maximum specified in the contract.

- (b) No employee shall be mandated to work more than twenty-four (24) hours of scheduled overtime in any pay period; nor shall an employee be required to work more than one (1) Sunday per month or two (2) consecutive Saturdays provided the employee worked the employee's scheduled hours during the week of an entitled Saturday or Sunday off, and if the employee notifies his/her Supervisor in writing of their intent not to work that Saturday or Sunday at least seventy-two (72) hours in advance. Employees new to a job will not be mandated to work overtime while in formal classroom training. Seven day work week operation employees, however, shall not be required to work more than two (2) consecutive Saturdays and/or Sundays in a month. In addition, employees working the last Saturday and/or Sunday in a particular month will not be scheduled for the first Saturday or Sunday in the succeeding month. Having volunteered or been scheduled for mandatory overtime, an employee shall be required to work the scheduled number of hours. In all cases, the employee's primary responsibility is for overtime work in his/her section and department.
- (c) No employee shall be mandated to work a Saturday following a Friday holiday except *when production is required to meet the*

customer expectations or standards. In the event of exceptions, the Company will advise the Union forty-eight (48) hours in advance of the holiday and provide pertinent information justifying its need to schedule the Saturday.

- (d) Further, the Company recognizes the employee's need for flexibility in working overtime while balancing personal life and job requirements. Normally, therefore, the Company will provide the employee the option to fulfill mandatory overtime requirements through the week. This language is not to be interpreted to prevent an employee's use of flextime schedule in areas where available. The parties also recognize, however, that such options are not available in departments engaged in multi-shift and/or six (6) and seven (7) day operations.
- (e) Management will prorate overtime hours when an employee has been absent due to illness, vacation, personal time or union business, etc., during the notification process or at any time during the week in which overtime is required. (Reference Letter of Understanding 12.1 Re: Overtime Exemption for Educational Leave) The proration will be calculated as follows:
- ◆ Number of hours divided by number of normal work days equals average hour/day.
  - ◆ Average hour/day multiplied by number of days employee available equals required hours.

**12.8.3** The Company and the Union understand the need to provide timely service to Subscribers/Providers and agree to cooperate in whatever way possible to accomplish this mutual goal. However, it is not the Company's intent that employees be required to work maximum hours of overtime for prolonged periods of time. Where the Union deems mandatory overtime is excessive over a prolonged and continuous period, the appropriate UAW International Servicing Representative may request the Regional Director - Human Resources to review the conditions which warrant such overtime.

## **12.9** **WORK SCHEDULES**

Working hours, rest periods and lunch periods are scheduled according to departmental and Company operational need. There are three (3) types of work schedules: (Reference Letter of Understanding #12.4 RE: Telecommuting)

### **12.9.1** **Standard Hours**

Is a schedule of predetermined start time for all employees in a work unit.

### **12.9.2** **Staggered Hours**

Schedule in which segments of a work unit begin the work day at different but prearranged times. Employees affected by this schedule may have their start and quit time changed on a weekly or monthly basis and must get prior approval by management in order for them to change their schedule.

### **12.9.3      Flextime**

- (a)** Schedule which includes flexible start and quit times with basic core hours which allows employees to determine for themselves, on a daily basis without advance notice, when they will work the necessary 7.75 hours required.
- (b)** The Company is not opposed to continuing or implementing flexible work schedules in those departments where operational needs permit.
- (c)** For those departments currently using a flexible schedule, Flextime scheduling shall be determined by a vote of the employees in that department. Where only a section of a department has flexible hours, the schedule shall be determined by employees in that section. Once the department or section chooses one of the following flextime models:
  - ♦ 7:00 a.m. - 8:30 a.m.
  - ♦ 7:30 a.m. - 9:00 a.m.

it shall continue subject to operational requirements.

- (d)** The Union may from time to time request and discuss with the Company implementing Flextime, as currently described in the Collective Bargaining Agreement with respect to other bargaining unit employees.
- (e)** In regard to afternoon breaks, and subject to operational requirements, it is understood that due to normal turnover, affected employees may request the opportunity annually to express their preference whether

to retain or discontinue the afternoon break, thereby adjusting the quitting time accordingly.

- (f) The use of one of the flextime models does not preclude the Company from scheduling special hours in the department for a designated number of employees to assure adequate support coverage at either end of the shift.
- (g) Whenever a permanent change is deemed necessary, the Company shall notify the Local President and the affected employee(s) thirty (30) days in advance of implementation. In the event the Local President disputes the reason for change, a grievance may be filed at the third step of the grievance procedure.

#### **12.9.4 FLEXIBLE WORK SCHEDULES**

**Any work schedule not conforming to the traditional five (5) day, 7.75 hour definition, shall be considered a flexible work schedule.**

#### **12.10 ADDITIONAL SHIFT**

When an additional shift is placed into operation, the Company and the Union will negotiate employee shift selection, shift premium, job bidding and layoff provisions.

## ARTICLE 13

### WAGES

<u>SECTION</u>	<u>TOPIC</u>
13.1	Salary Grades and Classifications
13.1.1	Purpose of Classifications
13.1.2	Purpose of Job Descriptions
13.2	Salary Grades and Progression
13.2.1	Automatic Progression
13.2.2	Merit Progression
13.2.3	Grades UA through UR
13.2.4	New Hires
13.2.5	Salary for Rehires
13.3	Promotions, Transfers and Downgrades
13.3.1	Promotions
13.3.2	Lateral Transfers Within the Same Grade
13.3.3	Temporary Job Assignments
13.3.4	Transfer to Lower Grade
13.3.5	Promotion to a Grade Previously Held
13.3.6	Promotion to a Higher Grade Lower than the Highest Grade Previously Held
13.3.7	Promotion to a Grade Higher than any Grade Previously Held

**ARTICLE 13**

**WAGES**  
*(continued)*

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
13.3.8	Reinstatement from Layoff
13.3.9	Salary Earned in a Prior Grade
13.4	Effective Date
13.5	Merit Increase Disputes
13.6	Wage Schedules
13.7	Performance Reviews
13.8	Annual Economic Adjustments
13.8.1	Ratification Bonus, <b>2002</b>
13.8.2	General Adjustment, <b>2002</b>
13.8.3	General Adjustment, <b>2003</b>
13.8.4	General Adjustment, <b>2004</b>
	Appendix A
	Weekly Salary Range – Schedule <b>2002</b>
	Appendix B
	Weekly Salary Range – Schedule <b>2003</b>
	Appendix C
	Weekly Salary Range – Schedule <b>2004</b>
	<b>Letter of Understanding #13.1</b>
	<b>Re: Compensation for UAW Participants</b>
	<b>In Cooperative Process</b>

## **ARTICLE 13**

### **WAGES**

#### **13.1 SALARY GRADES AND CLASSIFICATIONS**

##### **13.1.1 PURPOSE OF CLASSIFICATIONS**

The purpose of classifications are:

- (a) To distinguish between work assignments having different prime functions or basic elements; and
- (b) To distinguish between work assignments requiring different types or levels of skill, responsibility, or knowledge.

##### **13.1.2 PURPOSE OF JOB DESCRIPTIONS**

- (a) The purpose of the classification description for each classification is to describe the prime functions or basic elements, and where appropriate for identification purposes, the type or level of skill, responsibility, or knowledge required. All secondary or incidental duties, or duties which are the prime function of other classifications, which may be required in the performance of an employee's job assignment, are not necessarily set forth in the classification description if they are not required for the identification of the prime function or type or level of skill, responsibility or knowledge required.
- (b) The Company will classify all employees in the proper classification, consistent with the duties and responsibilities of each individual

employee and the classification description of the classification involved as contained in the Job Classification Book. The Company shall have the continuing obligation and right to apply the proper classification to an employee based on assigned duties and responsibilities consistent with the classification description of her/his classification.

- (c) The Company will furnish to the Union new or changed material in the Job Classification Book.

## **13.2 SALARY GRADES AND PROGRESSION**

- 13.2.1 Automatic Progressions** - Automatic progression increases will be provided for all grades up to the Top of Automatic Progression established for each grade. An employee whose salary is below the Top of Automatic Progression for her/his grade, will receive a progression increase of 3% of base salary, which advances her/his salary to the top step of progression or into the merit range. Such automatic progression will be provided each employee after every twelve (12) months of seniority in the salary grade, unless otherwise affected by promotions, transfers, or downgrades, as further described in Section 13.3. For the purpose of computing twelve (12) month progression increases, credit will be earned only for those months in which an employee works ten (10) days in the month. Days worked will include regular vacation, holidays, leave of absence for union business for up to six (6) weeks and all days actually worked on their regular work week schedule. Overtime, days for which salary

continuation payments are made or other absences will not be considered as days worked.

**13.2.2** **Merit Progression** - Employees paid at or above the Top of Automatic Progression for their salary grade will be eligible to earn merit increases of 3% as described below, but not to exceed the maximum of the range. The merit cycles described below will start from the date of last automatic progression or merit increase, unless otherwise affected by promotions, transfers, or downgrades, as further described in Section 13.3.

**13.2.3** **Grades UA Through UR** - Employees will be considered for a 3% merit increase, based upon performance, no earlier than twelve (12) months from the date of their last automatic progression or merit increase, unless otherwise affected by promotions, transfers, or downgrades, as further described in Section 13.3, except that all employees in grades UA through UH paid at or above the Automatic Progression rate shall be brought to the maximum of the range in no more than two (2) years.

**13.2.4** **New Hires** - An employee will be hired at not less than the minimum of her/his classification. Advance placement, if any, will be based on education, experience and other relevant factors.

**13.2.5** **Salary for Rehires** - Bargaining Unit employees who voluntarily terminate their employment with the Company and are subsequently rehired to the same job classification within six (6) months of their termination will be rehired at the same salary level earned at the time of termination or the range minimum, whichever is higher.

### 13.3

## PROMOTIONS, TRANSFERS & DOWNGRADES

### 13.3.1

**Promotions** - An employee promoted from one grade to a higher grade will be paid not less than the minimum of the higher grade. If such increase is less than 5%, the employee's salary will be increased to provide a 5% increase. An employee who at time of promotion has been in the position from which they were promoted, for at least six (6) months and up to and including nine (9) months, will receive, in addition to the promotional increase, a one (1) percent progression increase for a total of six (6) percent. In addition, an employee who at the time of promotion has been in the position from which they were promoted for more than nine (9) months will receive, in addition to the promotional increase, a one and one-half (1-1/2) percent progression increase, for a total of six and one-half (6-1/2) percent. However, in no case will the employee's salary be increased above the maximum for the grade to which the employee is being promoted. The employee will begin a new progression period effective with the date of promotion. The provisions of this section are applicable only to an employee's initial promotion to a higher grade, and not to an employee who, as a consequence of a reduction in workforce, is transferred from one grade to a lower grade, and who is subsequently transferred to a higher grade lower than the highest grade previously held or to the highest grade previously held.

*(CLARIFICATION: The phrase "has been in the position from which they were promoted" referenced above, actually refers to time in the review cycle and not time in the position.)*

**13.3.2**     **Lateral Transfers Within the Same Grade** - An employee transferred from one classification to another classification in the same salary grade will be transferred at her/his current salary and all credited time accrued in that grade will be applied for progression within the progression range.

**13.3.3**     **Interim Job Assignments** - Interim job assignments are intended to cover such situations as coverage for fluctuations in work loads, replacements for employees who are absent from work because of vacations, short-term illness and other short-term leaves of absence. When an employee is assigned to perform the full duties and responsibilities of a higher classified job on a temporary basis, the employee shall be paid a five (5) percent increase or the minimum of the job whichever is greater for all hours worked if the duration of the assignment is in excess of three (3) weeks.

**13.3.4**     **Transfer To Lower Grade** - An employee assigned to a lower grade will be transferred:

- (a) At the same salary if her/his current salary falls at or below the maximum salary of the lower grade. A new progression period begins effective with the date of transfer.
- (b) If as a result of a reduction in workforce, the employee is assigned to a lower grade, the time spent in the previous grade will be credited toward completion of the time toward the next progression increase in the lower grade.

- (c) To the maximum salary of the lower grade if her/his current salary equals or exceeds the maximum.
- (d) An employee who is promoted to a higher grade than any grade previously held and who within six (6) months of the promotion is transferred back to the grade from which she/he was promoted due to the employee's inability to satisfactorily perform the work of the higher grade, or is transferred to the grade from which she/he was promoted at her/his own request, shall, upon transfer to such lower grade, receive the same salary she/he received in the lower grade immediately prior to the promotion. If the employee is eligible for additional progression increases, upon transfer to the lower grade, the time spent in the higher grade will be credited toward completion of the time toward the next progression increase in the lower grade.

**13.3.5** **Promotion To A Grade Previously Held** - An employee promoted to a higher grade previously held by the employee shall be transferred either at the same salary earned when previously on the higher grade, or at her/his present salary rate, whichever is higher, and shall receive credit for time accrued toward the next progression increase that she/he earned when previously employed on the higher grade.

**13.3.6** **Promotions To A Higher Grade Lower Than The Highest Grade Previously Held** - An employee promoted to a higher grade which is lower than the highest grade previously held by the employee shall be promoted at the salary

earned when previously employed on the highest grade, but not to exceed the maximum of the new grade, or at her/his present salary, whichever is higher, but; she/he will not be credited with any accrued seniority time for progression purposes.

**13.3.7**     **Promotions To A Grade Higher Than Any Grade Previously Held** - An employee promoted to a grade higher than any grade previously held shall be promoted in accordance with Section 13.3.1. The salary to be used in calculating the new rate shall be the higher of either the employee's present salary or the salary earned in the highest grade previously held.

**13.3.8**     **Reinstatement From Layoff** - An employee reinstated from layoff shall be administered in accordance with the provisions of Section 13.3, based upon their classification and salary prior to layoff. An employee recalled from layoff to a classification on the same grade from which she/he was previously laid-off will be reinstated at her/his prior salary.

**13.3.9**     **Salary Earned In A Prior Grade** - Whenever there is a reference to a salary earned in a prior grade, or to a prior salary earned in the same grade, it will be presumed to include any general increase which became effective since the last day the employee earned in the former salary.

**13.4**     **EFFECTIVE DATE**

Promotional salary adjustments shall become effective as of the beginning of a payroll period, which is at least two and not more than three weeks after the selection has been made.

### **13.5      MERIT INCREASE DISPUTES**

Denial of a merit increase under the provisions of the above salary payment provisions is grievable.

### **13.6      WAGE SCHEDULES**

Salary grades and ranges for the years covered by this Agreement are set forth in Appendices A, B and C.

### **13.7      PERFORMANCE REVIEWS**

Management will review the performance of every employee at intervals of not more than one (1) year from the anniversary date of the employee's movement into the salary grade. Where an employee is laid off, on leave of absence, or absent because of an extended illness, such periods will not be included in the one-year review period. Management will inform the employee of the results of this review and if under consideration for a merit increase he/she will be advised of the calendar quarter in which the increase is to be granted and such increase will be granted provided the employee (i) maintains an acceptable level of performance, (ii) remains on the same salary grade, and (iii) is on the active roll on the effective date of the increase. In the event an employee's performance, as shown by the review, is such that, if it continues at its present level, he/she would not be granted a merit increase, Management will discuss the results of the review with the employee. The employee may request the Steward be present during this discussion. Should the employee and the Union disagree with the review, the Union may file a grievance at the first step of the grievance procedure.

**13.8 ANNUAL ECONOMIC ADJUSTMENTS**

**13.8.1 Ratification Bonus 2002** - All employees who are covered by this Agreement, shall receive a one time ratification bonus in the amount of \$1500.00. The ratification bonus will be paid on **October 3, 2002**. Those employees returning from approved leaves or LTD will receive the ratification bonus following a return to work during the term of this Agreement. To qualify for receipt of the ratification bonus, an employee must have been hired prior to **September 1, 2002**.

**13.8.2 GENERAL ADJUSTMENT 2002** - All active employees who are covered by this Agreement shall receive an increase in their base weekly salaries of **three (3) percent** effective **September 14, 2002**.

**13.8.3 GENERAL ADJUSTMENT 2003** - All active employees who are covered by this Agreement shall receive an increase in their base weekly salaries of **three (3) percent** effective **September 13, 2003**.

**13.8.4 GENERAL ADJUSTMENT 2004** - All active employees who are covered by this Agreement shall receive an increase in their base weekly salaries of **three (3) percent** effective **September 11, 2004**.

## **ARTICLE 14**

### **HOLIDAYS**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
14.1	Holiday Schedule
14.2	Holiday on 6th and 7th Days
14.3	Birthday Holiday
14.4	Independence Day Observance
14.5	Religious Days
14.6	Pay Requirements
14.7	Holidays During a Leave
14.8	Holiday Pay for Terminating Employees
14.9	Work on Holidays
14.10	Holiday Schedules
14.10.1	<b>2002 – 2003</b>
14.10.2	<b>2003 – 2004</b>
14.10.3	<b>2004 – 2005</b>

## ARTICLE 14

### HOLIDAYS

#### 14.1 HOLIDAY SCHEDULE

Paid holidays observed by the Company for seniority employees each year of this Agreement are set forth in the Holiday Schedules at the end of this Article in Section 14.10.

#### 14.2 HOLIDAYS ON 6TH AND 7TH DAYS

When a holiday falls on the sixth day of an employee's work week (usually Saturday), the holiday will be celebrated on the preceding day (usually Friday). When the holiday falls on the seventh day of an employee's work week (usually Sunday), the holiday will be celebrated on the following day (usually Monday). This scheduling practice will normally be observed; however, it may be altered by the Company to accommodate operational requirements. Variations will be discussed in advance with the Union.

#### 14.3 BIRTHDAY HOLIDAY

14.3.1 Employees with fifteen (15) or more years of seniority are also granted their birthday off with pay. A day off other than the employee's actual birthday is allowed in the following situations:

14.3.2 When the employee's birthday is on the sixth or seventh day of the work week, the preceding or following day, respectively, is granted as a day off.

14.3.3 When the employee's birthday is on a Company holiday, either the preceding or following day is granted as a day off.

**14.3.4** When the employee is working on a particular work assignment and it is impractical for the employee to take time off on the birthday, a day off shall be granted within thirty (30) days of the employee's birthday, which is mutually agreeable to the supervisor and the employee.

**14.3.5** When the employee's birthday holiday occurs during a vacation, an additional day of vacation is granted.

**14.3.6** Birthday holidays not taken when scheduled are forfeited with no pay. Employees shall advise their immediate supervisor at least seven (7) days in advance of their birthday holiday.

#### **14.4** **INDEPENDENCE DAY OBSERVANCE**

Additional time is granted as a paid holiday when Independence Day falls on a Tuesday or Thursday. In that event, the Monday before or the Friday after is granted as a paid holiday.

#### **14.5** **RELIGIOUS DAYS**

Time off is provided when required for the practice of a recognized and established religious belief. Requests for such time must be made at least one (1) month in advance. Employees requesting such time are required to furnish sufficient and acceptable evidence that their absence during working hours is required for the proper performance of their religious beliefs, and such additional information as may be necessary for the proper administration of this provision. Payment is limited to one (1) day per calendar year.

## **14.6      PAY REQUIREMENTS**

**14.6.1**      In order to be paid for a holiday, an employee must have seniority as of the date of the holiday and work as scheduled the last scheduled work day before and the first scheduled work day after a holiday, except as indicated below in 14.6.2 and 14.7.

**14.6.2**      Employees absent due to illness or injury the last scheduled work day before and the first scheduled work day after the holiday(s) will have the entire period paid as sick time, if available, and the employee is otherwise eligible for sick time benefits. Employees who are absent either of the above scheduled work days under the same circumstances will be paid for the holiday if the employee's absence is certified by an attending physician.

## **14.7      HOLIDAYS DURING A LEAVE**

**14.7.1**      When a holiday falls during a paid leave of absence it may be considered as one of the leave of absence days and no additional compensation is considered unless otherwise specified in this Agreement. (Reference Article 18.1.4)

**14.7.2**      When a holiday falls on the day immediately preceding or following a paid leave of absence, the employee is paid for the holiday.

**14.7.3**      When a holiday falls on the day immediately preceding or following an unpaid leave of absence, the employee is paid for the holiday, provided the holiday falls within the same work week.

#### **14.8 HOLIDAY PAY FOR TERMINATING EMPLOYEES**

Employees terminating or terminated for other than cause will be paid for a holiday falling within the same work week and immediately following the employee's last day of work.

#### **14.9 WORK ON HOLIDAYS**

Normally, classifications covered by this Agreement at the time of signing will not be required to work on the holidays contained at the end of this Article. Based on operational requirements, however, work hours may be scheduled on these days. The Company agrees to provide seven (7) days notice of such holiday work, whenever possible. Such work will be offered on a voluntary basis. In the event of insufficient volunteers, the work will be scheduled in accordance with Section 12.8.2 of Hours of Work.

**14.10 HOLIDAY SCHEDULES****SCHEDULE OF HOLIDAYS  
Dates and Years**

<b>HOLIDAY</b>	<b>14.10.1 2002/2003</b>	<b>14.10.2 2003/2004</b>	<b>14.10.3 2004/2005</b>
<b>Labor Day</b>	<b>Monday September 2</b>	<b>Monday September 1</b>	<b>Monday September 6</b>
<b>Election Day</b>	<b>Tuesday November 5</b>		<b>Tuesday November 2</b>
<b>Thanksgiving Day</b>	<b>Thursday November 28</b>	<b>Thursday November 27</b>	<b>Thursday November 25</b>
<b>Day Following Thanksgiving</b>	<b>Friday November 29</b>	<b>Friday November 28</b>	<b>Friday November 26</b>
<b>Christmas Floating Day</b>	<b>Monday December 23</b>	<b>Friday December 26</b>	
<b>Christmas Eve Day</b>	<b>Tuesday December 24</b>	<b>Wednesday December 24</b>	<b>*Thursday December 23</b>
<b>Christmas Day</b>	<b>Wednesday December 25</b>	<b>Thursday December 25</b>	<b>*Friday December 24</b>
<b>New Years Day</b>	<b>Wednesday January 1</b>	<b>Thursday January 1 **Friday January 2</b>	<b>*Friday December 31</b>
<b>Martin Luther King Day</b>	<b>Monday January 20</b>	<b>Monday January 19</b>	<b>Monday January 17</b>
<b>Good Friday</b>	<b>Friday April 18</b>	<b>Friday April 9</b>	<b>Friday March 25</b>
<b>Memorial Day</b>	<b>Monday May 26</b>	<b>Monday May 31</b>	<b>Monday May 30</b>
<b>Independence Day</b>	<b>Friday July 4</b>	<b>*Monday July 5</b>	<b>Monday July 4</b>

**\*Day Celebrated As****\*\*Day Celebrated As Christmas Floating Day (2004)**

## **ARTICLE 15**

### **SICK TIME**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
15.1	Eligibility
15.1.2	New Employees
15.1.3	Illness/Injury Absence
15.2	Sick Time Payments
15.3	Use of Sick Time
15.4	Use of Personal Time for Illness/Injury Absence
15.5	Medical Documentation and Disputes
15.5.1	Definition
15.5.2	Proof of Disability
15.5.3	Notice
15.5.4	Charging of Sick Time
15.5.5	Disability Disputes
(a)	Second Opinions
(b)	Third Opinions
(c)	Notification to Employee
15.6	Benefit Limitation
15.7	Sick Time Benefits
15.7.1	Schedule

**ARTICLE 15**

**SICK TIME**

*(continued)*

**SECTION**

**TOPIC**

15.7.2 Accident and Sickness (A&S) Benefit

15.7.3 Long Term Disability

Letter of Understanding #15.1

RE: Absenteeism

Letter of Understanding #15.2

RE: Attendance/Lost Time

Letter of Understanding #15.3

RE: Workers' Compensation

Letter of Understanding #15.4

RE: Sick Time

Letter of Understanding #15.5

RE: Attendance/Return To Work Process

Letter of Understanding #15.6

RE: Long Term Disability (LTD)

## **ARTICLE 15**

### **SICK TIME**

#### **15.1**      **ELIGIBILITY**

**15.1.1**      Effective September 1, 2002, all employees and new hires shall be entitled to Sick Time benefits as set forth in the schedule in this Article.

**15.1.2**      **New Employees:** Employees during their first six (6) months of employment shall accrue but not be entitled to use Sick Time or Accident & Sickness benefits. However, new employees may use available Personal Time within the first six (6) months of employment.

**15.1.3**      **Illness/Injury Absence:** Employees who are unable to work due to the employee's own illness/injury may be covered, for wage continuation purposes, by available Personal Time, or Sick Time, or be unpaid, as the case may be, in accord with the provisions of this Article.

#### **15.2**      **SICK TIME PAYMENTS**

**15.2.1**      On the first two (2) illness/injury absences, not exceeding two (2) days for each absence, employees shall have immediate access, without documentation, to their available Sick Time. Employees will be paid on the basis of one hundred percent (100%) of their base salary from available Sick Time.

NOTE: The above referenced time may be used for the illness/injury of a dependent child.

**15.2.2**      For absences of three (3) days or more, employees must obtain medical documentation

(15.5.1) by the end of the third day of an illness/injury absence. Upon meeting this criterion, employees will be paid on the basis of one hundred percent (100%) of their base salary from available Sick Time. Payment will not be made until complete documentation is provided to the plan administrator and the provisions of 15.5.1 have been met.

### **15.2.3**

Employees who experience documented inpatient hospitalization, a pregnancy delivery, documented emergency medical treatment (defined as a life threatening situation or the result of an emergency accidental injury) due to an illness or injury, or a qualifying outpatient surgery (Reference Hospital Outpatient Surgical List) will be paid from available Sick Time, beginning with the first work day lost. Furthermore, based on established criteria, employees who have absences caused by catastrophic illness/injury or pre-approved plans of treatment for chronic illnesses and acute conditions will be given consideration for immediate access to Sick Time for major health problems.

## **15.3**

### **USE OF SICK TIME**

#### **15.3.1**

Employees shall be entitled to use accrued Sick Time for wage continuation purposes during any period of illness or accidental injury for which the employee is disabled and for which other employment-related compensation or wage loss benefits are not provided except as expressly excluded in Section 15.4 of this Article. Sick Time shall be used in quarter (.25) hour segments.

#### **15.3.2**

Employees will be released from work by their immediate supervisor or designee for illness and

may use available Sick Time or Personal Time to cover the remaining regular hours that day.

#### **15.4      USE OF PERSONAL TIME FOR ILLNESS/INJURY ABSENCE**

**15.4.1**      Starting with the third (3rd) occurrence of any illness/injury absence, the employee must cover, for wage continuation purposes, the first two (2) work days of such absence with available Personal Time. If the number of days available in the employee's Personal Time bank is less than two (2), any days absent for which no pay is available will be unpaid, up to a maximum of two (2) days per period of illness/injury.

**15.4.2**      When a Personal Time balance exists, but is insufficient to cover an illness/injury absence of up to two (2) days, the employee will be charged with an unpaid sick occurrence starting with the day on which the unpaid time is assessed. An employee cannot be charged more than one (1) sick occurrence for any continuous period of illness/injury absence. If an illness which has been medically documented recurs within ten (10) calendar days of the employee's return to work date, it is considered a continuation of the same benefit period.

#### **15.5      MEDICAL DOCUMENTATION AND DISPUTES**

**15.5.1**      **Definition:** The employee must be examined by a physician by the end of the third (3rd) day of any illness/injury absence. Medical documentation for pay purposes shall be in the form of an Employee Notice of Disability, completed by the employee and physician or a signed physician's statement completed by the physician on the physician's letterhead. In either case, the medical

documentation must include date of examination, specific diagnosis, estimated date of return to work and certification that the employee is unable to work on the date of examination, and restrictions, if needed. **Effective February 1, 2003, medical documentation for pay purposes must be in the form of an Employee Notice of Disability form completed by the employee and the physician. A signed physician's statement will no longer be accepted.**

Salary Continuation benefits will be contingent upon complete documentation, as referenced above, to substantiate the duration of the disability period. For the purpose of obtaining complete information, the company or program administrator may contact the employee and/or his/her physician.

Failure to be examined by a physician by the end of the third (3rd) day of an illness/injury absence will result in an unpaid absence, for all time lost, until the date of examination. Employee may use available Personal Time to cover such unpaid time.

**15.5.2** **Proof of Disability:** While documentation is always required after the second (2nd) day of any illness/injury absence, it may also be required for single day absences, if the employee's attendance history/record demonstrates a pattern of such absences. Such requests for documentation will not be made in an arbitrary or capricious manner.

**15.5.3** **Notice** Also to use Sick Time, employees must within forty-five (45) minutes of their normal starting time on the first (1st) day of absence notify their supervisor, if available, an area supervisor, or

otherwise the next level of management, of their intended absence and estimated date of return to work.

**15.5.4** **Charging of Sick Time** An employee will be charged with a Sick Occurrence for any use of Sick Time or unpaid sick time. No occurrence will be charged for any use of Personal Time when used for an illness absence.

**15.5.5** **Disability Disputes**

(a) **Second Opinions:** Should the Company dispute an employee's disability, compliance with an appropriate treatment plan, or the return to work date, the Company will, at its expense, schedule a medical examination for the employee with a physician of the Company's choice. This scheduling will be done by the Plan Administrator. If it is determined in the second opinion examination that the employee should report to work, the employee will be notified of such within twenty-four (24) hours of notice to the Company and payment of Sick Time or A&S benefits will immediately cease.

(b) **Third Opinions:** Should an employee disagree with the determination made as a result of a Company scheduled medical examination, it is the responsibility of the employee to request a third opinion examination by contacting the Plan Administrator. The employee shall be referred by the Company through the Plan Administrator to Henry Ford or Harper-Grace Hospital, at the earliest possible time, depending on availability for examination.

The decision rendered shall be final and binding on the employee, the Union and the Company. This does not preclude the Company and the Union from mutually agreeing upon one (1) or more physicians or other medical facilities for the purpose of performing such examinations. Where geographical locations do not permit (Locals 2145 and 2256), the Local President and the Company shall mutually agree on the facility for such examinations.

- (c) Notification to Employee: The employee will be notified within twenty-four (24) hours after the Company receives the decision of the third opinion physician. Should the third opinion confirm the second opinion determination, the employee will be advised that the Sick Leave is canceled and be directed to report to work immediately. Should the third opinion confirm the initial diagnosis, wages and benefits will be reactivated retroactive to date of discontinuance.

## **15.6**      **BENEFIT LIMITATION**

- 15.6.1**      Employees shall also be entitled to use accrued Sick Time for supplemental wage continuation purposes during periods of disability for which other employment-related compensation or wage loss benefits are payable, provided, however, that in no event shall Sick Time supplemental payments be in an amount which, when added to the other compensation or wage loss benefits would exceed the employee's base wage rate.

**15.6.2** Employees who are receiving Worker's Compensation benefits, will not be charged a pro-rated amount against the employee's Sick Time benefits, which is equal to the difference between the Worker's Compensation paid hours and the full work day hours.

**15.6.3** Upon receipt of any employment-related compensation, wage loss benefits or Sick Time which, if retained, would result in compensation in excess of that referred to in the above Section, an employee shall account to, and reimburse the Company the excess amount.

**15.6.4** The use of Personal Time during an employee's illness or injury will be coordinated with, and satisfy, the Family and Medical Leave Act requirements with respect to the use of Personal Time.

## **15.7 SICK TIME BENEFITS**

### **15.7.1 SCHEDULE**

#### **TOTAL PAID WEEKS OF BENEFIT**

<b><u>Length of Service (Years)</u></b>	<b><u>Sick Time Number of Weeks (100%)</u></b>
Up to ½	0
½ to less than 1	1
1 to less than 3	3
3 to less than 5	5
5 to less than 10	7
10 to less than 15	9
15 to less than 20	12
20 to less than 25	15
25 and More	18

### **15.7.2 ACCIDENT AND SICKNESS (A&S) BENEFIT**

Accident and Sickness is a program for employees with six (6) or more months of service, who have exhausted available Sick Time, which provides a benefit of 70% of base wages for employees who are disabled as a result of illness or injury for a maximum of twenty-six (26) weeks.

### **15.7.3 LONG TERM DISABILITY**

LTD is a program for employees, with six (6) or more months of service, administered by the National Employee Benefits Committee of the Blue Cross and Blue Shield Association which provides a benefit of 60% of the employee's monthly base salary as of January 1 immediately preceding the date the disability occurred, including Primary Social Security benefits, after no more than six (6) months permanent and total disability. Benefits commence on the first (1st) day of the sixth (6th) month of disability. LTD benefits are payable if the employee is found by the Plan Administrator to be disabled (either physically or mentally) so as to be wholly prevented from working in any occupation comparable to that which the employee held at the time the disability occurred. This determination is made on the basis of medical evidence submitted to the Plan Administrator. For new hires after September 1, 2002 eligibility for the LTD program will be available after twelve (12) or more months of service. LTD benefits will not exceed the length of corporate service held by the employee.

**ARTICLE 16**  
**PERSONAL TIME**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
16.1	Definition
16.2	Number of Days
16.3	Use of Personal Time
16.4	Approvals
16.5	Pay for Unused Days

**ARTICLE 16**  
**PERSONAL TIME**

**16.1**      **DEFINITION**

Personal Time is a Company approved paid absence provided employees for personal business and/or illness/injury requiring absence from work during normal working hours. (Reference Section 15.1.3, Sick Time)

**16.2**      **NUMBER OF DAYS**

Employees are entitled to six (6) days of Personal Time on an annual basis, to be available on the dates: **September 14, 2002, September 13, 2003, and September 11, 2004.** New hires and employees returning from extended leaves of absence will receive a pro-rated Personal Time allowance depending on when they were hired or reinstated into the fifty-two (52) week interval, according to established Company policy.

**16.3**      **USE OF PERSONAL TIME**

**16.3.1**      Personal Time is not available to employees on jury duty, vacation, or extended leaves of absence, nor for the purpose of offsetting tardiness. Existing Company policy on restrictions to the use of Personal Time shall also apply (e.g., on the day preceding a holiday or vacation).

**16.3.2**      All Personal Time must be exhausted prior to an employee's use of an unpaid absence, except for inclement weather.

## 16.4      APPROVALS

Except in sudden, unforeseen or emergency situations, employees are expected to obtain prior Company approval (normally before the middle of the preceding work day), for use of Personal Time. Personal Time may be approved and utilized in fifteen (15) minute increments.

## 16.5      PAY FOR UNUSED DAYS

Employees are eligible to receive compensation at time and one-half (1-1/2) for a maximum of three (3) unused Personal Time days. Any additional balances will be paid at straight time. Unused Personal Time balances will be determined as of **September 13, 2002, September 12, 2003, and September 10, 2004**. Employees leaving the active payroll (e.g., leaves of absence, termination, retirement) will be paid straight time for any unused Personal Time balance for time at work during the fifty-two (52) week interval.

**ARTICLE 17**  
**VACATIONS**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
17.1	Schedules
17.2	Pro-Rata Vacations
17.3	Vacations and Holidays
17.4	Vacations and Leave of Absence/Termination
17.5	Vacation Preference
17.6	Loss of Vacation Entitlement

## **ARTICLE 17**

### **VACATIONS**

#### **17.1**      **SCHEDULES**

**17.1.1**      Permanent full-time employees with less than five (5) years of seniority are entitled to one (1) week of paid vacation every six (6) months, up to a maximum of three (3) weeks accrued vacation.

**17.1.2**      Permanent full-time employees with at least five (5) but less than fifteen (15) years of seniority are entitled to two (2) weeks of paid vacation on their seniority date and one (1) additional week six (6) months thereafter, up to a maximum of four (4) weeks of accrued vacation.

**17.1.3**      Permanent full-time employees with fifteen (15) or more years of seniority are entitled to three (3) weeks of paid vacation on their seniority date and one (1) additional week six (6) months thereafter, up to a maximum of five (5) weeks of accrued vacation.

**17.1.4**      Permanent full-time employees reaching twenty-five (25) years of seniority are entitled to one (1) additional week of paid vacation that year, up to a maximum of six (6) weeks accrued vacation in that year.

#### **17.2**      **PRO-RATA VACATIONS**

Permanent part-time employees are entitled to pro-rated paid vacation after each six (6) months of employment, in accordance with the above schedule, and the schedule of part-time benefits contained in Article 21 - Benefits for Part-Time

Employees (Maintenance of Benefits). Permanent part-time employees who transfer to a full-time job will receive vacation credit on a pro-rata basis to the nearest full day and thereafter will begin accruing vacation on a permanent full-time basis. Permanent full-time employees who transfer to a permanent part-time job shall similarly receive pro-rata vacation credit and thereafter will begin accruing vacation on a permanent part-time basis.

### **17.3**      **VACATIONS AND HOLIDAYS**

Paid holidays falling within an employee's vacation period are paid as such and are not charged to vacation time.

### **17.4**      **VACATIONS AND LEAVE OF ABSENCE/TERMINATION**

Accrued vacation time shall not be used in conjunction with, or to extend the effective date, i.e., last day worked, of a leave of absence or termination. Accrued vacation time will be paid to employees going on an educational, military, personal, adoption, parental, union business (except short-term), or maternity leave of absence. Accrued vacation time will also be paid upon an employee's death, retirement, or voluntary termination with at least two (2) weeks notice, unless waived by the Company.

### **17.5**      **VACATION PREFERENCE**

**17.5.1**      Vacation week(s) preferences will be granted within the department on the basis of seniority. Vacation preferences of less than a full week will be given preference after full week requests based on date of request. To enable the scheduling of such periods as to not unduly interfere with the

work of the department, the employee must submit such requests in writing to his/her supervisor prior to November 1, for the months of January through June, and by May 1 for the months of July through December.

**17.5.2** Employees making such requests will be advised in writing by their supervisor by November 30, and May 31, respectively, whether or not such requests can be granted and the schedule of approved vacations shall be posted within the department.

NOTE: Full week requests are defined as five (5) consecutive work days.

**17.5.3** Requests may be considered after the above dates, but requests made prior to these dates will be considered first, in accord with work requirements of the department.

**17.5.4** Employees may withdraw or cancel in writing an approved vacation, however, such employee will not be given seniority preference in requesting a different vacation during that six month vacation period.

**17.5.5** Employees granted vacation in a previous department who transfer to a new department must verify whether the previously granted vacation time will be authorized in the new department prior to accepting a job in the new department.

**17.5.6** Once approved, a vacation shall not be canceled by the Company, except in emergency situations.

## **17.6**

### **LOSS OF VACATION ENTITLEMENT**

Employees who quit with two (2) weeks written notice, unless waived by the Company and by the Local Union, or in case of emergency, who retire or are laid off for an indefinite period, or who are going on maternity leave, will be paid accrued vacation pay and Personal Time. Employees discharged for just cause or who quit without said notice will forfeit any accrued vacation pay.

**ARTICLE 18**  
**LEAVES OF ABSENCE**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
18.1	Bereavement Leave
18.1.1	Time Off – 3 Days
18.1.2	Time Off – 5 Days
18.1.3	Certification
18.1.4	Holiday During Bereavement Leave
18.2	Jury Duty
18.3	Court Time
18.4	School Participation Leave
18.5	Application for Unpaid Leave
18.6	Educational Leave
18.7	Military Leave
18.8	Military Reserve Training
18.9	Personal Leave
18.10	Adoption Leave
18.11	Family Leave
18.11.1	Definitions
18.11.2	Documentation
18.12	Maternity Leave
18.13	Union Business Leave

**ARTICLE 18**  
**LEAVES OF ABSENCE**  
*(continued)*

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
18.14	LOA Seniority and Benefit Accrual Rights
18.15	LOA Reinstatement Rights and Process

**ARTICLE 18**  
**LEAVES OF ABSENCE**

**18.1**      **BEREAVEMENT LEAVE**

**18.1.1**      **Time Off (3 Days)** - Seniority employees otherwise scheduled to work shall be entitled to three (3) consecutive working days off with pay, including the day of the memorial or funeral service, in the event of the death of a family member as defined below:

Family member, as used above, means an employee's grandmother, grandfather, father-in-law, mother-in-law, stepfather-in-law, step mother-in-law, grandchild, son- in-law, daughter-in-law, brother, stepbrother, half-brother, sister, stepsister, half-sister.

**18.1.2**      **Time Off (5 Days)** - Seniority employees shall be entitled to five (5) consecutive working days off with pay, including the day of the memorial or funeral service, in the event of the death of a family member as defined below:

Spouse, domestic partner (as defined in Article 20.2) child, stepchild, adopted child (including ward), father, stepfather, mother, stepmother.

The Company will pay for the day of the funeral, provided the employee attends, for a person who is a regular member of the employee's household.

**18.1.3**      **Certification** - The Company reserves the right to require certification of death and proof of

relationship, and, where applicable, proof of household residency.

**18.1.4** **Holiday During Bereavement Leave** - When a holiday falls during a bereavement leave of absence, it is not considered as one of the days granted for bereavement. Should there be an occasion of death during a scheduled vacation, the absence is not considered as days granted for vacation. Employees may request or reschedule those vacation days not used for bereavement leave at a later date.

## **18.2** **JURY DUTY**

**18.2.1** A seniority employee who is summoned and reports for jury duty as prescribed by applicable law shall be paid by the Company the difference between the amount of wages the employee otherwise would have earned by working straight-time hours for the Company on that day and the daily jury fee by the court (not including travel allowance or reimbursement expenses) for each day on which the employee reports for or performs jury duty and on which the employee otherwise would have been scheduled to work for the Company.

**18.2.2** Afternoon and night shift employees shall be temporarily assigned to the day shift for the duration of jury duty. During this time, the employee may be assigned to available job functions.

**18.2.3** Employees shall report for work on those days during which they are required to be present in court for less than one-half (1/2) of their scheduled working hours.

## **18.3      COURT TIME**

**18.3.1**      Seniority employees may be paid up to four (4) regular hours of working time lost appearing in court pursuant to a subpoena or for attending a court-ordered deposition in lieu of a subpoenaed court appearance. Such compensation is paid without regard to any witness fee(s) received by the employee, except when the court appearance is in connection with Company business, as set forth below.

**18.3.2**      Approval is dependent upon the employee presenting the court subpoena or court-ordered deposition notice requiring appearance. Compensation will not be provided in those cases when an employee is in court for personal business or as a defendant or plaintiff. In instances where an employee is in court for personal business or as a defendant or plaintiff, or in instances where the employee's appearance involves more than four (4) lost working time hours, the employee may elect to use available personal or vacation time, or go on unpaid status. Such requests shall not be arbitrarily denied.

**18.3.3**      In the event an employee goes on unpaid status as a result of a subpoenaed court appearance, such unpaid status will not generate an occurrence.

**18.3.4**      Employees appearing in court on behalf of, or at the request of, the Company are paid their normal pay in lieu of court time.

## **18.4      SCHOOL PARTICIPATION LEAVE**

**18.4.1**      Effective September 1, 1999, bargaining unit employees shall annually receive 7.75 hours of

paid School Participation Leave that may be utilized in increments of one (1) hour if requested. Employees may use the leave to participate in any educational activity including, but not limited to, tutoring, field trips, classroom programs, school committees, preschool programs, and in accordance with any applicable collective bargaining agreements governing the educational program. The use of the leave is intended for active participation in school programs and not for mere attendance at extra curricular activities.

**18.4.2** Requests for School Participation Leave requires prior Company approval. Additionally, documentation may be required at the time the request is made.

**18.4.3** School Participation Leave shall be credited to employees each September 1<sup>st</sup> and shall not carry forward beyond August 31<sup>st</sup> of the following year.

## **18.5**      **APPLICATION FOR UNPAID LEAVES**

**18.5.1** To apply for an unpaid leave of absence, the employee must complete a "Leave of Absence Request" form, which includes the conditions under which an unpaid leave of absence may be granted, the approval levels required, as well as information regarding return to work procedures. Refer to Section 18.15 for Reinstatement Rights and Process.

**18.5.2** Employees may request, from their Supervisor or Employee Relations, the "Leave of Absence Request" form. The Company, upon request, shall also furnish copies of the "Leave of Absence Request" form to the Union.

**18.5.3** When an employee is granted an unpaid leave of absence, the Company may fill the employee's position. Management shall first attempt to fill the vacated position on an interim basis through the use of a temporary employee. When the employee returns to work from the authorized leave of absence, reinstatement shall be in accordance with Section 18.15. If the employee does not return to work at the expiration of the authorized leave of absence, the vacated position shall be filled on a permanent basis.

**18.6**      **EDUCATIONAL LEAVE**

Employees with one (1) or more years of seniority may request an unpaid educational leave of absence for periods of up to one (1) year for the purpose of attending an accredited college, university, vocational or technical school on a full-time basis in a course of study that will further the employee's job opportunities with the Company. An employee may be granted more than one (1) such leave, provided a reasonable period of time (i.e., one year of employment) lapses between expiration of one leave and the start of a subsequent leave. The Company will not *arbitrarily deny such leaves to eligible employees.* The Company may require proof of attendance in order to validate the continued approval of any such leave.

**18.7**      **MILITARY LEAVE**

Employees will be granted an unpaid leave of absence for military service as required by law. This includes employees who are members of any reserve component, reserve officers or members of the National Guard who are called to, or enter, active duty. Employees will be paid for regular

working hours lost due to reporting for a military induction physical examination.

## **18.8      MILITARY RESERVE TRAINING**

**18.8.1**      A seniority employee will be granted a paid military reserve training leave of absence for required annual training, cruises or other special training duty with the Military Reserves or National Guard. Payment will be made on the basis of the difference between the employee's regular base salary and any military base pay received, exclusive of military travel allowance or other pay allowances for reimbursement of expenses. Not more than one (1) such leave will be granted in one (1) calendar year. Paid time beyond ten (10) working days is at the discretion of the Regional Human Resources Director.

**18.8.2**      Employees who do not have seniority will be granted an unpaid military reserve training leave when required.

## **18.9      PERSONAL LEAVE**

**18.9.1**      Employees with one (1) or more years of seniority may request an unpaid personal leave of absence for periods of not less than thirty (30) days nor more than twelve (12) months. Such leaves shall not be granted for the purpose of employment elsewhere. The Company will not arbitrarily deny eligible employees such leaves. In considering such requests, consideration will be given to:

- (a) the ability of the department/base seniority unit to reinstate the employee to a position within the department/base seniority unit upon the employee's return to work;

- (b) whether the request is reasonable;
- (c) whether the employee has vacation time coming that can be used, in which case the same shall be used before starting the leave;
- (d) how the employee's absence will affect the department's operations; and
- (e) the employee's length of service and work record.

**18.9.2** A leave request requiring an absence of seven (7) to thirty (30) calendar days for defined extenuating circumstances is to be treated as unpaid lost time. If the unpaid lost time is approved by the Department Manager, the occurrence of lost time will not be counted for disciplinary purposes. The Company will not arbitrarily deny such requests to eligible employees.

**18.10**      **ADOPTION LEAVE**

Employees with one (1) or more years of seniority may request an unpaid adoption leave of absence for a period of up to six (6) months. In those instances when the adoption of a child is contingent upon the domestic presence of the employee and is a specific requirement of the adoption agency, the period of the leave of absence may be extended up to one (1) year total. The Company will not arbitrarily deny eligible employees such leaves.

**18.11**      **FAMILY LEAVE**

**18.11.1** Employees with one (1) or more years of seniority may request an unpaid family leave of absence of not less than thirty (30) days nor more than six (6)

months to care for a seriously ill child, legal spouse or parent as defined below:

- (a) A child for whom the employee is a parent or legal guardian if the child is less than nineteen (19) years of age and resides with the employee.
- (b) A child incapable of self-support due to a mental impairment or physical handicap, if the child is dependent on the employee for care and support.
- (c) The legal spouse of the employee and is dependent on the employee for care and support.
- (d) The legal parents of the employee regardless of age, and is dependent on the employee for care and support.

**18.11.2** **Documentation** - The Company may request supporting documentation of the illness or financial support. Although approval will be based on operational needs, such requests shall not be arbitrarily denied.

## **18.12** **MATERNITY LEAVE**

**18.12.1** Employees with one (1) or more years of seniority will be granted a voluntary, unpaid maternity leave of absence beginning no sooner than the end of the sixth (6th) month of pregnancy and ending no later than six (6) months after delivery or confinement.

**18.12.2** Employees with one (1) or more years of seniority who are on a pregnancy-related sick leave and who are precluded from returning to work due to

post-child-delivery circumstances may request such a leave for the balance of the period of six (6) months following delivery or confinement. The Company will not arbitrarily deny eligible employees such leaves if requested at least two (2) weeks before the disability period expires. Employees who fail to contact their supervisor when the disability period expires will be deemed to have voluntarily terminated.

**18.12.3** Employees with one (1) or more years of seniority will be granted an extension of their maternity leave for a period of up to six (6) more months, for a total of one (1) year from the date of delivery or confinement if the Company is unable to return them to a bargaining-unit job upon the normal expiration of their leave, or if the employee is unable to return to work due to maternity-related circumstances.

**18.12.4** Upon request, the Company will discuss with the Union situations involving such employees, if any, who having given the required advance notice of their intent to return, are not reinstated within a reasonable period of time following expiration of their leave. Such discussions may involve seniority application and other considerations.

### **18.13**      **UNION BUSINESS LEAVE**

**18.13.1** Employees who are elected or appointed to a full-time Local Union office shall be granted a leave of absence for their term of office.

**18.13.2** Employees elected or appointed to a full-time International Union office shall also be granted a leave of absence, automatically renewable every three years from the date of the original request, unless otherwise notified in writing by the

International Union, U.A.W. The Union shall give thirty (30) days advance notice of any such intended leave or return to work from such leave. Such requests shall not be arbitrarily denied.

**18.13.3** A reasonable number of employees shall be granted a leave of absence for periods of up to two (2) weeks to attend to official Union business such as conventions and training sessions. Whenever possible, the Union shall give fifteen (15) days advance notice of any such intended leaves. Such requests shall not be arbitrarily denied.

**18.14** **LEAVE OF ABSENCE SENIORITY AND BENEFIT ACCRUAL RIGHTS**

**18.14.1** Employees on an authorized leave of absence continue to accrue seniority for benefit accrual and other purposes, except as follows:

**18.14.2** Employees on an authorized military or military reserve leave shall accrue seniority for benefit accrual and other purposes in accordance with applicable federal and state laws.

**18.14.3** Employees on an authorized educational, personal, maternity, adoption or family leave accrue seniority, but not for benefit accrual purposes. However, such seniority will apply toward fulfilling eligibility requirements for earning fringe benefits after returning to work.

**18.14.4** Employees on an authorized maternity leave extension accrue seniority if the extension is due to the Company's inability to place them in a bargaining-unit job. Otherwise, the employee's seniority date is adjusted upon returning to work to reflect the extension period.

**18.15**

**LEAVES OF ABSENCE - REINSTATEMENT  
RIGHTS & PROCESS**

Employees returning from an authorized leave of absence will be reinstated to their former job.

**ARTICLE 19**  
**NO STRIKE OR LOCKOUT**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
19	No Strike or Lockout

**ARTICLE 19**  
**NO STRIKE OR LOCKOUT**

- 19.1** During the term of this Agreement, there shall be no general or partial strikes, work stoppages, slow-downs, or concerted interruptions or delays of work, except as otherwise expressly provided by this Agreement.
- 19.2** Neither the Union nor any of its officers, representatives, agents, or employees shall authorize, assist, support, cause or participate in any activities described in the above paragraph. Nor shall any member assist, support, cause or participate in any such activities.
- 19.3** The Company shall likewise not lockout employees during the term of this Agreement.

**ARTICLE 20**  
**MAINTENANCE OF BENEFITS**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
20.1	Summary Plan Descriptions
20.2	Eligibility Provisions
20.3	Current Benefits
20.3.1	Health Care
20.3.2	Traditional Plan Option
20.3.3	Preferred Provider Organization Option
20.4	Blue Care Network Option
20.5	Additional Benefits (Traditional Plan Option, PPO, and BCN)
20.6	Health Alliance Plan Option
20.7	Traditional Dental Plan
<b>20.8</b>	<b>Exclusive Blue Dental Plan</b>
20.9	Vision Plan
20.10	Life Insurance
20.11	Long Term Disability Program
20.12	Accident and Sickness Program
20.13	Pension Program
20.13.1	Definition
20.14	Retiree Health Care

**ARTICLE 20**  
**MAINTENANCE OF BENEFITS**  
*(continued)*

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
20.15	401(k) Savings Plan
20.15.1	Definition
20.16	Tuition Assistance
20.17	Dependent Care Spending Account
20.18	Other Benefits
20.19	Benefits/EAP Representatives
	Letter of Understanding #20.1 RE: Retiree Health Care
	Letter of Understanding #20.2 RE: Joint Benefits Committee
	Letter of Understanding #20.3 RE: Changes To The Pension Plan and Savings Plan
	Letter of Understanding #20.4 RE: Future Benefit Enhancements
	Letter of Understanding #20.5 RE: Long-Term Care
	Letter of Understanding #20.7 RE: Scholarship Program For Dependent Children
	Letter of Understanding #20.8 RE: Work and Family Program

**ARTICLE 20**  
**MAINTENANCE OF BENEFITS**

**20.1**      **SUMMARY PLAN DESCRIPTION**

Summary Plan Descriptions for all benefit programs to employees and retirees, where appropriate, will be provided no later than July 31, 2003. The Company will offer the Union the opportunity to review and provide input prior to distribution.

**20.2**      **ELIGIBILITY PROVISIONS**

The following modifications are made to the eligibility criteria:

- Effective December 1, 1999, an employee may cover his or her Domestic Partner and the Partner's dependent child(ren) as dependents under the Health Benefit Plans, on the same basis as a spouse is covered. To be eligible, the Domestic Partner must be:
  - ✓ Of the same sex as the employee
  - ✓ Not legally married to someone else
  - ✓ Have been living together in a committed relationship for at least six (6) months; and
  - ✓ Provide an affidavit and such other information as has been agreed to by the parties.
  
- Principally supported children (grandchildren) will be eligible from the date of birth rather than after the current nine

months. A child (grandchild) currently covered as a principally supported child (grandchild) will be covered immediately effective December 1, 1999.

- Students will be eligible until the end of the year in which they turn age twenty-five (25).
- Health benefits will be maintained for employees and their eligible dependents for periods in which the employee is on military leave for a peacekeeping operation.
- An employee will be eligible for health benefits on the first of the month of the third full month of employment, without regard to the extension of any probationary period.
- Effective January 1, 2003 employee will be eligible for dental benefits the first of the month following the sixth (6) full month of employment.**
- Effective January 1, 2003 employee will be eligible for vision benefits the first of the month following the sixth (6) full month of employment.**

## **20.3**      **CURRENT BENEFITS**

During the term of this Agreement, the Company shall continue the following benefits with noted modifications:

### **20.3.1**      **Health Care**

Employees are covered under the Triple Option Plan and Health Alliance Plan as modified below:

### **20.3.2 Traditional Plan Option**

- (a) The annual and lifetime maximums on mental health are eliminated.
- (b) Durable Medical Equipment (DME) will be added under the Plan when Medicare has published it on its list of approved equipment. Add coverage under Master Medical for Durable Medical Equipment (DME) for children, and DME for some conditions that are medically necessary but not recognized by Medicare, effective December 1, 1996; repairs of DME will be covered under the program.
- (c) Repairs of hearing aids will be covered under the program. Hearing aids will be covered when medically necessary under guidelines to be mutually agreed upon, but no less frequent than once every thirty-six (36) months.
- (d) Diaphragms, IUDs, Norplant, and contraceptive injections will be covered effective December 1, 1999.
- (e) The Joint Benefits Committee established pursuant to Letter of Understanding #20.2 will develop and implement an education and information campaign designed to encourage participants to use the mail order prescription drug program.
- (f) The Maintenance Drug List will be updated periodically for the Drug Program.
- (g) Effective December 1, 1999, the professional charge for observation beds will be paid for a

period of twenty-four (24) hours and for additional hours under individual consideration when proper documentation is provided.

- (h) Effective December 1, 1999, radial keratotomy will be covered.
- (i) Effective January 1, 2003 cancer screening will be covered as in the Blue Preferred Provider Organization and BCN HMO.**

### **20.3.3 Preferred Provider Organization Option**

- (a) Effective December 1, 1999, all cancer screening and early detection procedures, immunizations and well baby exams will be covered in scope, type, and frequency as defined by appropriate national medical bodies or societies and supported by evidence based on practice research.
- (b) The annual and lifetime maximums for mental health are eliminated.
- (c) Repairs of hearing aids will be covered under the Program. Hearing aids will be covered when medically necessary under guidelines to be mutually agreed upon, but no less frequent than once every thirty-six (36) months.
- (d) Diaphragms, IUDs, Norplant, and contraceptive injections will be covered effective December 1, 1999.
- (e) The Joint Benefits Committee established pursuant to Letter of Understanding #20.2 will

develop and implement an education and information campaign designed to encourage participants to use the mail order prescription drug program.

- (f) The Maintenance Drug List will be updated periodically for the Drug Program.
- (g) Effective December 1, 1999, the professional charge for observation beds will be paid for a period of twenty-four (24) hours and for additional hours under individual consideration when proper documentation is provided.
- (h) Effective December 1, 1999, radial keratotomy will be covered.

#### **20.4**

#### **BLUE CARE NETWORK OPTION**

- (a) Diaphragms, IUDs, Norplant, and contraceptive injections will be covered effective December 1, 1999.
- (b) The Joint Benefits Committee established pursuant to Letter of Understanding #20.2 will develop and implement an education and information campaign designed to encourage participants to use the mail order prescription drug program.
- (c) The Maintenance Drug List will be updated periodically for the Drug Program.
- (d) Effective December 1, 1999, all cancer screening and early detection procedures, immunizations and well baby exams will be covered in scope, type, and frequency as defined by appropriate national medical

bodies or societies and supported by evidence based on practice research.

- (e) Wellness programs such as weight reduction, smoking cessation and exercise will be provided directly or through community programs, effective December 1, 1999.
- (f) Effective December 1, 1999, radial keratotomy will be covered.
- (g) **Repairs of hearing aids will be covered under the Program. Hearing aids will be covered when medically necessary under guidelines to be mutually agreed upon, but no less frequent than once every thirty-six (36) months.**

## **20.5 ADDITIONAL BENEFITS (TRADITIONAL PLAN OPTION, PPO, AND BCN)**

In addition to the above benefits, each of the Plans (Traditional Plan Option, PPO and BCN) will provide:

- (a) Education and testing for Hepatitis C in instances in which the participant is at risk or to rule out Hepatitis C in instances when signs and symptoms may indicate Hepatitis C infection.
- (b) Ambulance service will be covered under the Master Medical (Traditional) and the PPO and BCN from the point of illness or injury to the appropriate treatment facility. Modes of transportation other than ground will be covered under circumstances in which they are the most appropriate to the patient's location or condition. If it is determined that a

ground ambulance was most appropriate payment for the air or boat transport will be limited to the amount that would have been paid for the ground ambulance.

- (c) Rabies vaccinations will be covered in the physician's office or urgent care center for treatment on days 3, 7, 14, and 28. Treatment is covered in the emergency room within seventy-two (72) hours of the injury.
- (d) In-patient mental health annual and lifetime limits are eliminated.

## 20.6 HEALTH ALLIANCE PLAN OPTION

### 20.7 TRADITIONAL DENTAL PLAN

- (a) Increase the annual maximum benefit to **\$2000.00** effective January 1, 2003.
- (b) Increase the maximum lifetime benefit for orthodontia services to **\$2000.00** effective January 1, 2003.
- (c) Effective December 1, 1999, general anesthesia will be covered for adults and children who are documented as having a phobia of dental procedures or dentists.
- (d) Effective January 1, 2000, the DentaMax Network will be implemented as an overlay to the Traditional Plan and will be known as the Traditional Plus Plan.
- (e) **Effective January 1, 2003 coverage will include sealants, plastic or resin material covering the pitted or fissured surface of the tooth and will also include sealants**

**applied to the first and second molars for members up to the age of nineteen (19). The benefit will be provided once in every thirty-six (36) month period.**

- (f) Effective January 1, 2003 coverage of dental implants not payable under the health program, subject to the development of appropriate provider selection criteria.**

## **20.8**

### **EXCLUSIVE BLUE DENTAL PLAN**

- (a) Effective January 1, 2003 Dental Care Network Plan will be replaced with Exclusive Blue Dental Plan.**
- (b) Maximum lifetime benefit for orthodontia services is \$2150.00 effective January 1, 2003.**
- (c) Maximum benefit is \$2000.00 effective January 1, 2003.**
- (d) Effective January 1, 2003 coverage will include sealants, plastic or resin material covering the pitted or fissured surface of the tooth and will also include sealants applied to the first and second molars for members up to the age of nineteen (19). The benefit will be provided once in every thirty-six (36) month period.**
- (e) Effective January 1, 2003 coverage of dental implants not payable under the health program, subject to the development of appropriate provider selection criteria.**

## **20.9      VISION PLAN**

- (a) Increase the maximum allowance for frames to **\$125.00** effective **January 1, 2003**.
- (b) Increase the maximum allowance for medically unnecessary contact lenses to **\$150.00** for participating providers and **\$75.00** for non-participating providers, effective **January 1, 2003**.
- (c) *The Vision Service Plan will be available as an optional vision benefit plan, effective December 1, 1999.*
- (d) **Effective January 1, 2003 contact lenses will be provided where visual acuity cannot be corrected to 20/40.**

## **20.10      LIFE INSURANCE**

Group term life insurance coverage in an amount equal to approximately two times the employee's annual base salary effective September 1, 1999.

## **20.11      LONG TERM DISABILITY PROGRAM**

In accordance with Article 15, Section 15.7.3, there shall be a benefit of 60% after no more than six (6) months permanent and total disability.

## **20.12      ACCIDENT AND SICKNESS PROGRAM**

As referred to in Article 15, Section 15.7.2.

## **20.13      PENSION PROGRAM**

### **20.13.1      Definition**

A defined benefit retirement income plan, fully paid by the Company, to provide monthly pension

benefits at retirement to all plan participants. Participation applies to bargaining unit employees with one year of service and age 21, with service credits granted from hire date. One hundred percent vesting occurs after five (5) years of Eligibility Service, or at age 65 regardless of the number of years of service, and retirement is available at age 55 with ten years of Eligibility Service at a reduced benefit level. The pension will also be modified as follows:

(a) Increase multiplier for minimum benefit factor to:

- ◆ **\$32.00** per month effective January 1, 2003
- ◆ **\$33.00** per month effective January 1, 2004
- ◆ **\$34.00** per month effective January 1, 2005

(b) The benefit payable to the retiree will be adjusted for optional forms of payment according to the following schedule:

<b>Option</b>	<b>%</b>	<b>Current %</b>	<b>New %</b>
A	66-2/3	87	96
B	100	74	88
C	66-2/3 (limited)	80	92
D	50	87	94

The level is increased or decreased by 1% for each full year the beneficiary is older or younger than the retiree, but will be no greater than 99%.

<b>Option</b>	<b>%</b>	<b>Current %</b>	<b>New %</b>
10 year Certain at 65		93	95

The level is increased or decreased 0.5% for each full year the retiree is younger or older than age 65.

The new schedule applies to benefits payable for retirements on or after January 1, 2000.

- (c) The Joint Management/Union Pension Board will develop policies and procedures to be followed in instances in which an overpayment of benefits is to be recovered. The policies must ensure that the repayment plan does not cause hardship to the retiree or beneficiary.
- (d) The thirty-year cap on Credited Service will not apply to retirements beginning on or after January 1, 2000.
- (e) An employee on Worker's Compensation for periods on or after September 1, 1999 will receive credited service for periods in which Worker's Compensation benefits are payable.
- (f) The definition of Spouse will be modified to include a Domestic Partner effective January 1, 2000.
- (g) The disability benefit will be recalculated using the benefit rate in effect at normal retirement for retirements on or after January 1, 2000.

- (h) Lost time attributable to Union work will be included in the definitions for hours of service, definitions of eligibility and credited service calculations.**
- (i) Lost time during the 1987 strike will be included for eligibility and credited service.**
- (j) The Qualified Joint Survivor Option and Pre-retirement Survivor Option will be increased to 65%.**
- (k) In the event of a sale, merger, etc., the Pension Plan will not be terminated. Excess assets of the Plan shall be used for the exclusive benefit of the Plan participants.**
- (l) The Morality exclusion for total and permanent disability is defined as:**
  - Wrongful use of narcotics**
  - Intentional self-inflicted injury**
  - Having engaged in criminal enterprise**

## **20.14**

### **RETIREE HEALTH CARE**

- (a) Employees hired or rehired on or after September 1, 1996, must have ten years of pension Eligibility Service after age 45 or five years of pension Eligibility Service if hired at or after sixty to be eligible for retiree health care. Disabled employees will be eligible for health care coverage at any age with ten years of pension Eligibility Service. (Reference Letter of Understanding #20.1 RE: Retiree Health Care)**

- (b) A retired employee who is married to an active employee may maintain dental, vision and hearing benefits by becoming a dependent of the active employee. To do so, the retiree must agree to suspend individual coverage and participate in the same medical, dental and vision plans as the active employee. Upon the retirement of the active employee, both retirees' dental, vision and hearing benefits will terminate as currently provided. Thereafter, the spouses may enroll in separate health benefit plans or one may cover the other as a dependent in the same plan.

## **20.15      401(k) SAVINGS PLAN**

### **20.15.1    Definition**

A defined contribution retirement plan, known as Savings Plus, for employees after three (3) months of employment. Participants may invest up to the maximum allowed by IRS regulations into one or more investment funds. The 401(k) Savings Plan will continue with the following modification:

- (a) Effective for the Plan Year beginning January 1, 2000, the Company will pay all expenses associated with the annual plan audit with the participant maintenance fees. Each participant will remain responsible for fees associated with investment choices, installment distribution, loan origination and loan maintenance.
- (b) Each participant will be allowed to apply for up to three (3) loans each year but may have

no more than three (3) outstanding loans at any particular time.

- (c) A Joint Management/Union Savings Plan Committee will be established and incorporated into the Joint Management/Union Committee of the Represented Employees Retirement Income Plan. The Joint Committee will have the same members and responsibilities for the Savings Plan as it has for the Pension Plan.
- (d) The language of the Plan document will be amended to conform to the actual practice in terms of time limits.
- (e) Installment distributions will be provided under the Plan for accounts being distributed on or after January 1, 2000.
- (f) The Company, in conjunction with the Savings Plan vendor, will provide annual seminars about the Plan, investment strategies, the importance of savings and will regularly supply information and educational materials for distribution to employees.
- (g) The definition of compensation will be changed to include W-2 wages instead of base annual wages. However, the Company agrees that it will attempt to change the payroll system, or make other temporary arrangements, so that employees can defer a percentage of their ratification bonus into their 401(k) accounts.
- (h) The definition of spouse/surviving spouse will include domestic partner.

- (i) Contribution suspension transactions will be completed within two (2) pay periods.**
- (j) Employer matching contributions are set as follows: 50% of 8% in 2002; 50% of 9% in 2003; and 50% of 10% in 2004.**
- (k) The temporary suspension of loan processing will be limited to the extent required by the third party administrator.**
- (l) Loan repayments for terminated employees will not be accelerated.**
- (m) The Company will implement "catch-up" provisions as required by law but no later than January 1, 2003.**
- (n) Suspensions of loan repayments will be allowed for up to one year for periods of layoff or leaves of absence at the participant's request.**
- (o) The Company will add a socially responsible fund.**
- (p) The Company will review and add additional funds to complement those currently closed to new participants.**
- (q) The Company will expand current training/investment seminars.**

#### **20.16 TUITION ASSISTANCE**

A tuition prepayment program for employees, providing one hundred percent (100%) payment of approved tuition and fees for course completion at an approved educational facility, not to exceed

**\$3000.00 per calendar year (see 20.16 [a]), of which \$200 may be used for the purchase of books.** The program will continue with the following modifications:

- (a) Increase the annual maximum allowance to **\$3000.00** for classes beginning on or after September 1, **2002**.
- (b) Approved courses to include non-degree classes that are work-related.
- (c) Provide annual maximum allowance of **\$3500.00** for postgraduate studies.
- (d) Employees must sign authorization in advance to allow payroll deduction for recovery over a six (6) month period, in the event the employee does not satisfactorily complete the course.
- (e) In the event an employee owes a prepayment, no further reimbursement will be made until the prepayment has been repaid.
- (f) Employees on probation at the time of application are not eligible.
- (g) Employees who have two (2) defaults or withdrawals will be disqualified from further prepayment.
- (h) The Company and the Union shall meet periodically to review incompleteness and default rates and recommend appropriate action.

- (i) Employees who have been disqualified from the prepayment plan will still be eligible for tuition reimbursement under the Plan.

## **20.17      DEPENDENT CARE SPENDING ACCOUNT**

A program that allows employees to set aside pre-tax money through payroll deduction to pay for out-of-pocket dependent care expenses shall be maintained.

## **20.18      OTHER BENEFITS**

In addition, the Company will:

- Continue to offer employee-paid benefits, i.e., accidental death and dismemberment insurance, health insurance for sponsored dependents, and supplemental life insurance.
- Arrange for an annual employee discount at health/fitness facilities that offer them. In areas in which no such facilities are available, the Company will reimburse the employee ten (10) percent of the cost of joining a similar facility to a maximum of seventy-five (75) dollars per year.
- Provide flu shots to employees at their work sites on an annual basis.
- Establish a procedure by which an employee may review his or her medical records and, if in disagreement with any part of them, may include in the file information as the employee considers appropriate to correct the error.

There shall be a Benefit/EAP Representative from each Local, as appointed by the International Union. The Representative shall inform and educate employees about their benefits and EAP services, assist employees in accessing their benefits and EAP services, assist in resolving benefit related problems, and coordinate programs and policies with appropriate management personnel.

**ARTICLE 21**  
**BENEFITS FOR PART-TIME EMPLOYEES**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
21.1	Pro-Rata Benefits
21.1.1	Holidays
21.1.2	Sick Time
21.1.3	Personal Time
21.1.4	Vacation
<b>21.1.5</b>	<b>Personal Time &amp; Vacation Time Usage</b>
21.1.6	Bereavement
21.1.7	Jury Duty
21.1.8	Court Time
21.1.9	Military Reserve Training
21.1.10	Tuition Assistance

## ARTICLE 21

### BENEFITS FOR PART-TIME EMPLOYEES

#### 21.1 PRO-RATA BENEFITS

Part-time employees will be eligible for the following benefits based on pro-ration of full time employee benefits, of 58% of 38.75 hours:

21.1.1 **Holidays:** Part-time employees are eligible for 4.50 hours per day of holiday pay.

21.1.2 **Sick Time:** Part-time employees are eligible for 4.50 hours per day of Sick Time.

21.1.3 **Personal Time:** Part-time employees are eligible to use up to 4.50 hours per day and earn six (6) days (27.0 hours) per benefit earning cycle.

21.1.4 **Vacations:** Part-time employees are eligible to use up to 4.50 hours per day. Vacation time is earned and credited on the employee's anniversary date, and on a semi-annual anniversary date.

#### 21.1.5 Personal Time & Vacation Time Usage:

Part-time employees who request, and are approved, personal time or vacation time may utilize such time in increments that correspond to their daily scheduled hours.

21.1.6 **Bereavement:** Part-time employees are eligible for three (3) or five (5) consecutive working days (4.50 hours per day) of bereavement time depending on the relationship of the deceased to the employee. (Reference Article 18)

- 21.1.7** **Jury Duty:** Part-time employees, if summoned, are eligible for jury duty pay of 4.50 hours per day.
- 21.1.8** **Court Time:** Part-time employees are eligible for up to two (2) hours of working time lost appearing in court pursuant to a subpoena or for attending a court-ordered deposition in lieu of a subpoenaed court appearance.
- 21.1.9** **Military Reserve Training:** Part-time employees are eligible for reimbursement of 4.50 hours per day of military reserve training leave.
- 21.1.10** **Tuition Assistance:** Part-time employees are eligible for pro-rated maximum reimbursement, not to exceed **\$1,740.00** for undergraduate and **\$2,030.00** for graduate studies per benefit year starting on or after September 1, 2002.

**ARTICLE 22**  
**HEALTH AND SAFETY**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
22.1	Safety Rules
22.2	Joint Health and Safety Committee
22.3	Communication and Education
22.4	Equipment/Work Station Design
22.5	Safety Challenge Process

**ARTICLE 22**  
**HEALTH AND SAFETY**

**22.1**      **SAFETY RULES**

The parties recognize the need to promote a safe, healthful and sanitary work environment and support all federal, state and local laws, regulations and ordinances, including but not limited to OSHA, MIOSHA, Right to Act and Right to Know, which are applicable to maintaining and improving such an environment. In addition, the Company may from time to time publish modified or additional work or office rules applicable to all employees. The Union agrees employees will comply with reasonable office rules and that the failure of employees to do so shall subject them to discipline or discharge.

**22.2**      **JOINT HEALTH AND SAFETY COMMITTEE**

There shall be established a Joint Health and Safety Committee. A representative from Locals 2500, 1781, 2256 and 2145 shall be appointed to the Committee. The Company will review the composition of the management representatives of the Committee to ensure required representation of specialized technical resources. The Committee will make joint recommendations to the appropriate Corporate areas.

Each Local may, in writing, designate an alternate safety representative. The alternate shall function only in the absence of the designated safety representative. Additionally, one (1) Union representative from each of the following locations -- Lansing, Flint, Grand Rapids, Saginaw

and Marquette -- shall be appointed and will meet with the Management Committee at their respective locations on Health and Safety matters. These representatives shall also have the right to participate in government health and safety inspection tours of their respective facility during regular working hours. Designated representatives shall receive regular pay for such time spent on health and safety rules.

### **22.3      COMMUNICATION AND EDUCATION**

Periodic reports regarding health and safety issues raised at Joint Health and Safety Committee meetings, as a result of Government agency inspections, and/or through the "Potential Safety Hazard" notification procedure, shall be provided to designated Union Safety Representatives. These reports shall indicate the nature of an incident or complaint, and the action taken or to be taken to correct the situation. Proper safety education will be provided where required and appropriate.

### **22.4      EQUIPMENT/WORKSTATION DESIGN**

The Joint Health and Safety Committee will stay abreast of the state of the art relative to equipment such as Video Display Units, Personal Computers and other technologies including ergonomics and will continue to implement changes as necessary in its efforts to improve the work environment. In the event of significant problem(s) concerning a specific safety issue, a request may be directed to the Joint Health and Safety Committee to address such issue.

#### **22.4.1      The Company will promptly investigate any electrical, mechanical or other equipment**

malfunctions brought to its attention. A malfunctioning equipment will be repaired or replaced. Until such repairs or replacement can be made, the equipment will be clearly labeled as "Out of Order" and unplugged or otherwise made inoperable.

#### **22.4.2**

Upon request, the Company will make available to Union Officers manufacturer guidelines on the appropriate installation safety procedures and operating/utilization instructions of any new or replacement equipment.

#### **22.5**

#### **SAFETY CHALLENGE PROCESS**

The Union may protest the Company's final decision on safety issues by filing a grievance at the third step of the grievance procedure, within ten (10) days of the Company's decision.

**ARTICLE 23**  
**BULLETIN BOARDS**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
23.1	Main Facilities
23.2	Floor Bulletin Boards

**ARTICLE 23**  
**BULLETIN BOARDS**

**23.1**      **MAIN FACILITIES:**

The Company will provide the Union with glass enclosed, lockable bulletin boards: one (1) for the Tower (600 Lafayette, East), and one (1) for the Bricktown Facility (500 Lafayette, East); one (1) for the Jefferson Building, one (1) for each Metro Complex Building, and one (1) for Lyon Meadows Conference Center. At all other locations, the Company will provide a bulletin board for each building. Said bulletin boards shall be restricted to the following type of notices:

**23.1.1**      Notices of Union educational, recreational and social affairs;

**23.1.2**      Notices of Union elections, appointments and results of Union elections, and

**23.1.3**      Notices of Union meetings.

**23.2**      **FLOOR BULLETIN BOARDS**

The Company will also provide the Union with one (1) bulletin board for each floor in each building on which bargaining unit employees are employed. District Stewards/Chairpersons shall be responsible for bulletin boards in their respective districts/facilities. Such boards shall likewise be of adequate size to reasonably accommodate the above notices. The location of such boards shall be convenient for employees, as mutually determined by the Company and the Union.

**ARTICLE 24**  
**EMPLOYEE ASSISTANCE PROGRAM**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
24.1	Purpose
24.2	Objectives
24.3	Job Performance
24.4	Confidentiality
24.5	Rights of the Parties
24.6	Coordinating Committee
24.6.1	Composition
24.6.2	Meetings
24.7	Special Concerns

**ARTICLE 24**  
**EMPLOYEE ASSISTANCE PROGRAM**

**24.1**      **PURPOSE**

Both Blue Cross and Blue Shield of Michigan (BCBSM) and the UAW recognize that substance abuse problems, such as alcoholism and drug dependency, are illnesses that can be successfully treated; and that treatment of these and other personal problems (Marital, Family, Emotional, Financial, etc.) is in the best interest of the employee, Union and Company. It is further agreed that no discrimination will result when employees utilize the Employee Assistance Program (EAP) or similar professional assistance.

**24.2**      **OBJECTIVES**

The primary objectives of the EAP are to provide an opportunity for effective assistance and short term treatment to those individuals in need; and to help the Union/Company deal more effectively with employees experiencing personal problems causing deteriorating job performance and absenteeism.

**24.3**      **JOB PERFORMANCE**

This program's concern with personal problems is strictly limited to their effect on the employee's performance on the job. The decision to accept involvement in the program is the personal responsibility of the employee. Persons participating in the program will be expected to meet existing job performance and attendance standards. Any exceptions to this requirement will

be by mutual agreement between the Union and Company.

#### **24.4**      **CONFIDENTIALITY**

All problems and records handled through this program shall be treated in a strictly confidential manner. Both parties assure the employees that involvement in this program will not jeopardize their job security and/or promotional opportunities.

#### **24.5**      **RIGHTS OF THE PARTIES**

Nothing herein is to be interpreted as constituting a waiver of management rights to take disciplinary measures and/or the Union's rights to process grievances concerning such matters in accordance with the Collective Bargaining Agreement.

#### **24.6**      **COORDINATING COMMITTEE**

##### **24.6.1**      **Composition**

To maintain the goals of the EAP, the parties agree to continue the Coordinating Committee, which shall consist of one (1) Benefits/EAP Representative from each Local and equal representation from the Company, with a Co-chairperson from each of the parties. The Benefits/EAP Representatives shall be designated by the International Union.

##### **24.6.2**      **Meetings**

The Coordinating Committee agrees to meet monthly unless otherwise agreed to by its members. The committee is empowered to make recommendations regarding the existing program to assure that the EAP continues to appropriately

and completely meet the needs of the employees. Issues for the committee's consideration shall include but not be limited to selection of an EAP provider (using agreed upon criteria), identification of training needs and participation in training of employees and supervisors.

#### **24.7      SPECIAL CONCERNS**

Both the Company and Union agree that review of any concerns raised by either party would be addressed during quarterly "*State of the Union and Company*" meetings. (Reference Letter of Understanding 27.2, Re: Quarterly Meetings)

**ARTICLE 25**  
**JOB SECURITY**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
25.1	Common Interests
25.2	Changes Affecting Employees
25.3	Job Security Committee
25.4	Technological Change
25.5	Subcontracting
	Letter of Understanding #25.1
	RE: Job Security
	Appendix H
	Job Security/Technological Change
	Procedures

**ARTICLE 25**  
**JOB SECURITY**

**25.1**      **COMMON INTERESTS**

The Union and its members, and the Company, in the spirit of labor-management cooperation, recognize that they have common economic, job security, work preservation and other employment-related improvement interests in the achievement by the Company of goals and objectives.

**25.2**      **CHANGES AFFECTING EMPLOYEES**

In the event that the goals and objectives of the Company necessitate that an employee or group of employees be subject to loss of their job by way of job classification consolidation, job classification elimination or obsolescence due to technological change, merger of operations, office closure, transfer of operations to a distant location, subcontracting or outsourcing, the Company will solicit Union participation in its decision making process by providing notice to the affected Local(s) sixty (60) days prior to position elimination or loss of existing bargaining unit work. Upon request, the Company shall provide the Union with the reasons for the proposed action and supporting documentation. The Company shall meet with the affected Local Unions to discuss alternatives. Any such decisions will not be made in an arbitrary, capricious or discriminatory manner, but rather will be determined by business necessities, with sincere consideration for the interests of employees, the Union, subscribers, providers and other customers. Changes resulting

from approved **Joint Program/Business Process Improvement** work redesign, will be handled in accordance with Letter Of Understanding #25.1.

### **25.3**

### **JOB SECURITY COMMITTEE**

#### **25.3.1**

In efforts to maximize job security and to minimize detrimental effects on the employees, the parties will establish a Job Security Committee to address such situations. The Job Security Committee will be comprised of four members of the Union and four members of the Company. The actual composition will be dependent upon the Local Unions affected, e.g., if all Locals are affected, then each Local will have one representative. The Job Security Committee shall convene as soon as possible upon knowledge of the planned occurrence, but in no event, later than forty-five (45) days prior to the occurrence, and at other times as mutually agreed to. In any event, no employee will be displaced without thirty (30) days notice, or as required by law. Upon request, the Company shall provide the Union with the reasons for the proposed action and supporting documentation.

#### **25.3.2**

The Committee will develop action steps so as to minimize adverse effects on the employee(s) which could include:

- (a) placement into open positions within the Area Seniority Unit;
- (b) special training programs to enable employees to qualify for other jobs;
- (c) a special separation plan with a severance allowance and waiver;

- (d) a voluntary layoff process with recall rights;
- (e) special transfer return rights;
- (f) special consideration for most senior employees with respect to more advantageous options.

**25.3.3** The Job Security Committee will address employee hardships and resolve such to the degree possible. Such resolutions may require that the parties agree to mutually waive or hold in abeyance other provisions of this Master Agreement in the best interests of resolving the hardships. Such waivers could include and/or affect the Post and Bid Process, the Request to Transfer Process, the Layoff Process and the like.

**25.3.4** The parties further acknowledge that any such agreement might be subject to membership approval.

## **25.4** **TECHNOLOGICAL CHANGE**

**25.4.1** When work performed by employees covered by this Agreement is altered as a result of technological changes, it shall be the Company's policy to give employees the opportunity to progress with advanced technology. Where practicable, the Company will make available specialized training programs for qualified employees within the unit.

**25.4.2** When situations in the department permit training, the Company agrees to include seniority as one of the criteria used in the selection process for such training.

**25.4.3** With the expansion or introduction of new technology, such as mechanical innovations having potential/projected impacts upon bargaining unit employees, work currently performed by bargaining unit members may be rendered obsolete or eliminated. In the event of such situations, the Company shall provide mutually beneficial training programs to affected members of the bargaining unit in order to improve their existing skills or to develop new skills. These new skills are intended to provide work opportunities as well as promotional opportunities to the bargaining unit employees so affected.

**25.4.4** The Job Security Committee will explore the impact of technological changes on affected employees. They will be responsible for taking an inventory of the skills and aptitude of the affected employees as well as review their individual training needs and transferable skills. One of their responsibilities will be to make recommendations regarding the training needs, proposed training and implementation schedule and time frames, and placement of the affected employees. Finally, they will follow-up all placements and relay their findings as well as make any recommendations they deem appropriate.

## **25.5**      **SUBCONTRACTING**

**25.5.1** The Company and the Union during negotiations discussed the subject of subcontracting. Ordinarily, but without limitation, such outside assistance would be engaged where particular skills are involved, where specialized equipment not readily available at the Company is required or where for other reasons economies can be realized because special contractors can better

perform the work in question. Work may also be contracted out on occasions when the volume precludes the possibility of its completion within time limits by Company employees, or where necessary to temporarily cover lost time situations.

**25.5.2**

We believe the above to be a clear statement of the policy which the Company intends to follow with respect to subcontracting. It is impossible, of course, to enunciate the policy in more detail. Necessarily, questions may arise from time-to-time regarding work which is contracted to outside concerns and which may have a significant impact on employees and Company operations. On those occasions, the Company will notify the Union and afford the Union an opportunity to comment and will give appropriate weight to those comments in the light of all attendant circumstances.

**25.5.3**

However, the Company must reserve the right to make the final determination as to whether work shall be done by outside contractors. In making that determination, however, the Company intends always to keep the interests of BCBSM personnel in mind.

**ARTICLE 26**  
**TRAINING AND DEVELOPMENT**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
26.1	Role of Training
26.2	Definitions
26.3	Responsibilities
26.4	Employee Development
26.5	Expected Results
26.6	Corporate Training Council
26.6.1	Company Representation
26.6.2	Union Representation
26.6.3	Council Activities
26.7	Divisional Responsibility
26.8	Trainer/Developer Competency
26.9	Skill Assessment
26.10	Training Schedules
26.11	Training Notification
26.12	Post Training
26.13	Communications to Employee
26.14	Discipline
26.15	Unsuccessful Training Performance
26.15.2	New-To-Job-Trainee

**ARTICLE 26**  
**TRAINING AND DEVELOPMENT**  
*(continued)*

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
26.15.3	Incumbent Trainee
26.15.4	New-To-Company Trainee
	Letter of Understanding #26.1 RE: Basic Skills Assessment Program
	Letter of Understanding #26.2 RE: Training (Intent)
	Letter of Understanding #26.3 RE: GAP Training

**ARTICLE 26**  
**TRAINING AND DEVELOPMENT**

**26.1**     **Role of Training:** The parties recognize the critical role of training in creating a learning organization where continuous improvement and employee development are encouraged and supported. (Reference Letter of Understanding 26.2, Re: Training [Intent])

**26.2**     **Definitions:** Training is a set of learning activities designed to increase an individual's job skills, job knowledge and job experiences, or facilitate change of an individual's behavior. It provides the employee the opportunity to learn the skills required to successfully perform the job and plays a part in a total approach to improving job performance. Training plays a critical role in not only the initial skill development for individual job performance but also provides the foundation for an individual's development toward future growth within the organization.

**26.2.1**    Formal training at Blue Cross and Blue Shield of Michigan is defined as having multiple delivery strategies including, but not limited to, classroom training, structured On-the-Job Training (OJT), *partnering with experienced/proficient employees*, self-study, or a combination of these strategies. Performance activities and assessments shall be included in all training strategies delivered to measure trainee skill attainment and proficiency. Additionally, skills testing may be used as one of the means of determining proficiency and training needs.

**26.3**      **Responsibilities:** We believe that while training is one of several approaches to optimize job performance, it cannot solve problems due to deficiencies other than job skills and job knowledge. Further, that it must be reinforced by on-the-job application and coaching; that the organization is responsible for providing the means for employees to develop their job skills and job knowledge and that the employees bring basic skills to the job and are responsible for their own competencies and careers. The parties recognize that the development of a skilled workforce is a shared responsibility between the organization and the individual employee.

**26.4**      **Employee Development:** Blue Cross Blue Shield of Michigan is committed to employee development. Employee development is defined as a process whereby a series of activities allow opportunities for the employees to grow both technically and professionally. Activities such as training, feedback, coaching and job placement opportunities create an environment conducive to employees moving toward their career potential. The organization will work with the employees by referring various internal and/or external developmental opportunities which could emphasize the enhancement of vocabulary, reading comprehension, spelling, number operations and/or problem solving skills.

**26.5**      **Expected Results:** We believe that as a result of our efforts, training at BCBSM will be cost effective, timely, performance-based, based on individual training needs and realistic to the impacted work environment.

## **26.6 Corporate Training Council**

**26.6.1 Company Representation:** During the life of this contract, the Corporate Training Council will be co-chaired by the Manager of Corporate Education and Employee Development and the Manager of CBU Training servicing Michigan and National Operations. Minimally, the other training members of the Training Council will include, Provider Services and Marketing Services. Other divisions/regions with training units and/or large volumes of bargaining unit employees may participate on the Council as required.

**26.6.2 Union Representation:** The parties have agreed that a Union Representative will participate with Management in the Corporate Training Council activities and that the activities of other Training Councils be communicated through that body.

**26.6.3 Council Activities:** The Training Council is primarily responsible for addressing those issues related to optimizing job performance, of which training is one. So as to elevate the corporate commitment and importance of training in our organization, the Training Council will address the following issues:

- (a) Review and recommend a revised organization and reporting structure for the Council. The Council will then recommend a strategic training plan to be tied to our business objectives for improved organizational success.
- (b) Promote the corporate consistency and quality of employee development issues including training and training related issues.

- (c) Designing and implementing a skills assessment process to identify job skills relevant to the jobs being performed.
- (d) Maintain courses and a tracking/reporting out system for the Trainer and Developer Development Process.
- (e) Develop an administrative process to coordinate bargaining unit employee training data, track compliance to the Trainer/Developer Process and provide a consistent means of reporting on the status of corporate training activities. In addition, design and implement processes to document training and trainer records.
- (f) Other issues considered relevant to the optimizing of job performance.

**26.7**      **Divisional Responsibility:** The parties agreed that the various divisions will be responsible for implementing the training provisions of the Master Labor Agreement. The Vice President of Employee Relations will coordinate the activities of the Training Council.

**26.8**      **Trainer/Developer Competency:** The parties recognize that in order to provide quality training, Trainers and Trainer Developers must be knowledgeable of the technical content of their subject matter and Trainers skilled in effective delivery. To that end, the Company shall assure that all of its Trainers and Trainer Developers shall satisfy all the criteria of the Trainer Development curriculum within two years of placement into the position. The Trainer Development curriculum developed by the Corporate Training Council will

serve as the model and divisional training departments shall afford Trainers and Trainer Developers the opportunity to acquire technical knowledge to be applied to the professional skills taught in the Trainer Development model. Training assignments will be limited to the skill level of the Trainer and Trainer Developer.

**26.9**      **Skill Assessment:** From the point of the skills assessment process being implemented in each specific area, and thereafter, employees who are hired, transferred or promoted to a new job shall be afforded the training skills assessment to identify individual job skills to be trained. Additionally, current job performance and skills testing for employees meeting tenure shall be recognized as a means of assessing the need for training.

**26.9.1**      New-to-Job Employees shall be afforded a training skills assessment within thirty (30) days of hire into the position. The results of the assessment will be documented and communicated to all interested parties. Once the assessment is completed, employees shall be afforded the start of required training to acquire job related skills, knowledge and competencies within 30 days. Employees must possess basic foundation skills as well as identified requisite job skills and are accountable for meeting documented training performance criteria. Employees who do not meet such criteria shall be subject to the Unsuccessful Training Performance Provisions.

**26.10**      **Training Schedules:** Unless operational needs dictate otherwise, the Company will schedule employees to job related training in seniority order. The Union will be notified, in advance, of any

operational requirements which result in scheduling less senior employees for training. The Union will have an opportunity to review and provide input to management. Management reserves the right to make final decisions regarding training schedules. The Union retains their rights as described in Article 7.

**26.11**     **Training Notification:** In the job interview process and/or when starting a new job, each employee will be presented with an outline of specific job related training and alternative delivery strategies to be used. Training expectations shall be communicated, in writing, to the employee as well as the responsibilities of the trainer in the training process. Trainer responsibilities and Trainee expectations are expected to be adhered to during the training process.

**26.12**     **Post Training:** Both parties further recognize that post training activities are essential to successful skills transfer and job performance. To that end the parties agree that the new hire probation period and job tenure may be extended to accommodate the formal training cycle which shall include: formal training, guided OJT, if applicable, and the initial post training quality checking/monitoring period for which the employee is not held accountable.

**26.13**     **Communication to Employee:** Supervisors shall review individual job skill training needs with employees after training, periodically during the review period and at the time of the annual performance review.

**26.14** **Discipline:** Employees will not be placed on formal discipline for work that they have not been trained to perform.

**26.15** **Unsuccessful Training Performance:**

**26.15.1** Since the parties recognize that the trainee (employee) is accountable for his or her individual performance, and subject to the provisions herein, any trainee who does not attain expected skill and proficiency standards shall be subject to various outcomes related to unsuccessful training performance. Outcomes shall vary dependent on whether the trainee is New-to-Job, New-to-Company or Incumbent. In any case, their training performance shall be monitored and evaluated and the trainee offered timely feedback to encourage and support satisfactory performance. Steps shall be taken for the following categories of trainees who are not meeting the expectations:

**26.15.2** **New-to-Job Trainee:** The New-to-Job Trainee is defined as an employee who has not satisfied the tenure requirements of the current classification for which they are being trained.

- (a) The unsuccessful training performer shall be identified by the Trainer or Supervisor and offered feedback regarding corrective approaches to performance deficiency.
- (b) Alternative training delivery methods shall be considered and implemented if appropriate. If successfully implemented, the trainee continues in the training.
- (c) If alternative methods of training are not seen as appropriate or the trainee continues

unsatisfactory performance under alternative methods, the Trainer or Supervisor shall assess the trainee's attendance, training history, work history, status of coaching and development plan if any, and adherence to training expectations. Collected data with appropriate specific feedback/recommendations shall be provided to the trainee, trainee's immediate supervisor and the appropriate Union Representative.

- (d) Based on the assessment of the collected data, and the continued unsatisfactory performance of the trainee, the decision shall be made by the Trainer or Supervisor to remove the trainee from the training process.
- (e) If removed from training, the employee shall be transferred back to their previously held job, if available, or other available positions of equal or lower grade than their previously held job, for which they are qualified. Salary adjustments shall be made in accordance with Article 13 of this agreement. Should no other employment opportunities exist within fourteen (14) calendar days, the employee shall be afforded a one time opportunity layoff for training performance and shall be entitled to recall.
- (f) Employees affected by a layoff for training performance are subject to recall, in order of their seniority, by the Company to a grade level and pay equal to or less than the grade level held prior to the unsuccessful training, for which they are qualified, for a period commensurate with their seniority at the time of layoff for up to two (2) years. It is not the

intent of the Company to provide formal training for employees laid off under this process when trained employees are eligible for recall. The employee's acceptance of any position completes the training performance recall process. Adjustments to return to prior salaries will occur at the time of recall and shall be made in accordance with Article 13 of this Agreement. The Company shall, on behalf of seniority employees affected by such a layoff, file a timely waiver with the Michigan Employment Security Commission (MESC) of any registration or seeking work requirement.

**26.15.3 Incumbent Trainee:** The Incumbent Trainee is defined as an employee who has satisfied the tenure requirements of the current classification for which they are being trained.

- (a) The unsuccessful training performer shall be identified by the Trainer or Supervisor and offered feedback regarding corrective approaches to performance deficiency.
- (b) Alternative training delivery methods shall be considered and implemented if appropriate. If successfully implemented the trainee continues in the training.
- (c) If alternative methods of training are not seen as appropriate or the trainee continues unsatisfactory performance under alternative methods, the Trainer or Supervisor shall assess the significance of the training, the trainee's attendance, training history, work history, patterns of behavior, status of coaching and development plan if any, and

adherence to training expectations. Collected data with appropriate specific feedback/recommendations shall be provided to the trainee, trainee's immediate supervisor and the appropriate Union Representative.

- (d) Based on the assessment of the collected data, and the continued unsatisfactory performance of the trainee the decision shall be made by the Trainer or Supervisor to either remove the trainee from the training process or to allow the trainee to complete the training and return to the job. Unsatisfactory job performance directly related to unsatisfactory training performance shall subject the employee to discipline. Based on unsatisfactory training performance, it is also understood that an employee may initiate their removal from training.
- (e) If removed from training, the employee shall be afforded the opportunity to apply for placement in available positions of equal or lower job levels for which the employee possesses the requisite skills. If no other employment opportunities exist within 30 calendar days, the employee shall be placed on layoff for training performance and shall be entitled to recall.
- (f) Employees affected by a layoff for training performance are subject to recall, in order of their seniority, by the Company to a job level and pay equal to or less than the level held prior to the unsuccessful training, for which they are qualified, for a period commensurate with their seniority at the time of layoff for up

to two (2) years. It is not the intent of the Company to provide additional formal training for employees laid off under this process when trained employees are eligible for recall. The employee's acceptance of any position completes the recall process. Adjustments to return the employee to their prior salaries will occur at the time of recall and shall be made in accordance with Article 13 of this Agreement. The Company shall, on behalf of seniority employees affected by such a layoff, file a timely waiver with the Michigan Employment Security Commission (MESC) of any registration or seeking work requirement.

**26.15.4 New-to-Company Trainee:** The New-to-Company Trainee is defined as that employee who is in their Probationary Period and is being trained on the job for which they were hired.

- (a) The unsuccessful training performer shall be identified by the designated Trainer or Supervisor and offered feedback regarding *corrective approaches to performance deficiency*.
- (b) Alternative training delivery methods shall be considered and implemented if appropriate. If successfully implemented the trainee continues in the training and moves into their new position with an extension of the Probationary Period in accordance with Article 8, Seniority, in order to allow time for fair assessment of the training/job performance.

**ARTICLE 27**  
**COOPERATIVE PROCESS**

**SECTION**

**TOPIC**

27.1 Statement of Interests & Commitments

27.2 Definition

27.3 Governance

27.4 Education, Training and Development

Letter of Understanding #27.1

RE: BCBSM/UAW Cooperative Process  
Committees

Letter of Understanding #27.2

RE: Quarterly Meetings

**ARTICLE 27**  
**COOPERATIVE PROCESS**

**27.1**      **STATEMENT OF INTERESTS & COMMITMENT**

There is mutual recognition that the challenges facing the health care industry are common to BCBSM and the UAW, and require a fundamental change in the union-management relationship to *maximize our competitiveness through the full realization of the potential of our Human Resources*. To this end, we are committed to expanding Cooperative Processes as a means to achieving the goal that BCBSM becomes a world class competitor, second to none in the health care industry. Success in our Partnership and these Cooperative Processes will benefit BCBSM, its customers, the UAW and its members by:

- 27.1.1**      Improving day-to-day relations, interactions, teamwork, and open communications between union and management at all levels based on trust, honesty, mutual interests, and respect;
- 27.1.2**      Enhancing job satisfaction by creating a sense of connectness between employees and the work environment, and by involving employees at all levels, where mutually agreed to, in processes of continuous improvement, problem solving and decision making;
- 27.1.3**      Achieving innovation, continuous improvement, productivity improvement, and cost savings through cooperative efforts; and,
- 27.1.4**      Strengthening BCBSM's *competitive standing* and supporting a strong and viable UAW membership.

## **27.2      DEFINITION**

**27.2.1**      The parties agree to proactively collaborate, where mutually agreed to, on issues of transition as the company moves through periods of change. In order to make constructive progress in this regard, there is a need to reach a common understanding of the concept of Cooperative Process and to establish a facilitating mechanism to assure that the various programs related to changes in the culture and work environment are appropriately and effectively administered.

**27.2.2**      The term Cooperative Process is understood to mean that concepts for these activities be jointly developed, implemented, monitored, and evaluated. Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; and jointly making decisions where there is mutual interest, respecting the concerns and interests of the parties involved.

## **27.3      GOVERNANCE**

**27.3.1**      The parties agree that the appropriate leadership for the BCBSM/UAW Partnership and Cooperative Process endeavors will be provided by the Cooperative Process Sponsors. These Sponsors shall be: The Chief Executive Officer of BCBSM, Chief Administrative Officer, Chief Financial Officer of BCBSM, and the Regional Directors of UAW Regions 1, 1C, and 1D.

**27.3.2**      The Sponsors will serve as role models, actively supporting activities that fall under the umbrella of the Cooperative Process. Each will appoint persons from their respective organizations to

serve as members of the Cooperative Process Services Group (CPSG).

### **27.3.3**

The CPSG is governed by the Union-Management Action Committee (UMAC). UMAC sets the strategic direction, clarifies roles and responsibilities, establishes goals and priorities for the Cooperative Process.

The UMAC will consist of four (4) senior management members of Blue Cross Blue Shield of Michigan and the four (4) U.A.W. Local Presidents. Any additional members will be determined by the Cooperative Process Sponsors.

The CPSG is staffed by complimentary Union and Management partners. Leadership is provided by UAW and BCBSM Cooperative Process (CP) Liaisons. The International Union, UAW is responsible for appointing full-time UAW Cooperative Process (CP) Liaisons to represent the statewide interests of the Union in consultation with the four UAW Local Presidents and report to the HR Director and to the respective Regional Director of the International Union, UAW or his/her designee.

The International Union, UAW is responsible for appointing full-time UAW Cooperative Process Coordinators (CPC) from each of the Locals. All authorized costs associated with these positions shall be paid for by the Company and in no way impacts any other item in the collective bargaining process. These positions represent the statewide interests of the UAW and report to the UAW CP Liaisons and the BCBSM Director, Human Resources, and to the respective Regional

Director of the International Union, UAW or his/her designee.

The CPSG will be responsible for facilitating and coordinating the implementation of the Cooperative Process as established by UMAC.

#### **27.4 EDUCATION, TRAINING AND DEVELOPMENT**

The cultural changes embedded in the evolutionary development of the Cooperative Process in BCBSM will require the education, training, and development of employees. This education, training, and development will be coordinated by the CPSG and include, where appropriate, the integration of the Cooperative Process with initiatives of employee involvement, participative management, continuous improvement, TQM, self-directed work teams, and other innovative approaches as consistent with the philosophy, goals, and objectives of the Cooperative Process.

## **ARTICLE 28**

### **LEGALITY**

#### **SECTION**

#### **TOPIC**

28.1	Illegal or Invalid Provisions
28.2	Contract Compliance
28.3	Local Agreements

## ARTICLE 28

### LEGALITY

28.1 Should any part or provision of this Agreement be rendered or declared illegal or invalid by any decree of a court of competent jurisdiction or by decision of any authorized government agency the remaining, unaffected part(s) or provision(s) of this Agreement shall not be affected thereby. However, in such a contingency, the parties shall meet promptly and negotiate with respect to substitute provisions for those parts or provisions rendered or declared illegal or invalid.

28.2 The Company recognizes its responsibility to avoid breaching or violating any part(s) or provision(s) of this Agreement, directly or through the subsequent execution and application of a conflicting contract or agreement. The Union likewise recognizes its responsibility as the exclusive bargaining agent of the Company's employees covered by this Agreement, and in accordance therewith, the Union agrees to apply and administer this Agreement in compliance with applicable federal and state laws and regulations, and to comply with its obligations under law as the exclusive bargaining agent of the Company's employees covered by this Agreement.

28.3 No provision of any local agreements between BCBSM, U.A.W. Locals and Bargaining Committees therein shall supersede or conflict with any provisions of this Agreement.

**ARTICLE 29**  
**TERMINATION CLAUSE**

<b><u>SECTION</u></b>	<b><u>TOPIC</u></b>
29.1	Term of Agreement
29.2	Modification or Change
29.3	Termination Notice

**ARTICLE 29**  
**TERMINATION CLAUSE**

**29.1**      **EFFECTIVE DATES**

This Contract dated September 1, 2002 shall continue in full force and effect from September 1, 2002 until midnight August 31, 2005. If either party desires to terminate this Agreement, it shall, sixty (60) days prior to August 31, 2005, give written notice of termination. If neither party shall give notice to terminate this Agreement as hereinafter provided, the Agreement shall continue in effect from year-to-year after August 31, 2005 subject to termination by either party on sixty (60) days written notice prior to August 31st of any subsequent year.

**29.2**      **MODIFICATION OR CHANGE**

If either party desires to modify or change this Agreement, it shall sixty (60) days prior to August 31, 2005, or any subsequent August 31st date, give written notice to such effect. Within ten (10) days of receipt of said notice, a conference will be arranged to negotiate the proposals, in which case this Agreement shall continue in full force and effect until terminated as provided hereinafter.

**29.3**      **TERMINATION NOTICE**

If notice of intention to modify or change has been given in accordance with the above provisions, this Agreement may be terminated by either party on sixty (60) days written notice of termination given on or after August 31st following said notice of intention to modify or change.

**ARTICLE 30**  
**SUCCESSOR CLAUSE: UAW/BCBSM**

**SECTION**

**TOPIC**

**30.1**

**Successor Clause**

## ARTICLE 30

### SUCCESSOR CLAUSE: UAW/BCBSM

#### 30.1 Successor Clause

If the Employer sells, transfers, merges, consolidates or otherwise disposes of any of its offices to an organization other than Blue Care Network of Michigan (BCN) or Accident Fund (AFC), the Agreement by which sale, transfer, or disposition, merger or consolidation is made, shall provide that the person or business thereafter operating the above-mentioned offices shall assume the terms and conditions of the then existing BCBSM/UAW Agreement and that such sale, transfer, or disposition, merger or consolidation will be conditioned by the employer on the successor's acceptance of the terms and conditions of the BCBSM/UAW Agreement.

**APPENDIX A – 2002****Weekly Salary Range Schedule**

<b>Salary Grade</b>	<b>Minimum</b>	<b>Top of Automatic Progression</b>	<b>Maximum</b>
<b>UA (1)</b>	<b>\$341.33</b>	<b>\$405.37</b>	<b>\$418.15</b>
<b>UB (2)</b>	<b>\$355.17</b>	<b>\$427.65</b>	<b>\$442.54</b>
<b>UC (3)</b>	<b>\$370.35</b>	<b>\$452.60</b>	<b>\$469.94</b>
<b>UD (4)</b>	<b>\$386.41</b>	<b>\$480.11</b>	<b>\$500.39</b>
<b>UE (5)</b>	<b>\$405.11</b>	<b>\$512.87</b>	<b>\$536.77</b>
<b>UF (6)</b>	<b>\$425.89</b>	<b>\$550.92</b>	<b>\$579.25</b>
<b>UG (7)</b>	<b>\$448.57</b>	<b>\$594.37</b>	<b>\$628.02</b>
<b>UH (8)</b>	<b>\$466.13</b>	<b>\$619.68</b>	<b>\$656.75</b>
<b>UI (9)</b>	<b>\$486.32</b>	<b>\$649.21</b>	<b>\$690.49</b>
<b>UJ (10)</b>	<b>\$508.22</b>	<b>\$681.27</b>	<b>\$727.27</b>
<b>UK (11)</b>	<b>\$534.54</b>	<b>\$720.29</b>	<b>\$772.41</b>
<b>UL (12)</b>	<b>\$564.36</b>	<b>\$765.03</b>	<b>\$824.54</b>
<b>UM (13)</b>	<b>\$599.43</b>	<b>\$817.94</b>	<b>\$886.58</b>
<b>UN (14)</b>	<b>\$639.81</b>	<b>\$879.71</b>	<b>\$959.70</b>
<b>UO (15)</b>	<b>\$683.68</b>	<b>\$940.05</b>	<b>\$1,025.52</b>

**Additional Salary Grades  
For Facilities Management Only**

<b>UP (16)</b>	<b>\$730.57</b>	<b>\$1,004.52</b>	<b>\$1,095.85</b>
<b>UQ (17)</b>	<b>\$782.39</b>	<b>\$1,075.76</b>	<b>\$1,173.58</b>
<b>UR (18)</b>	<b>\$834.22</b>	<b>\$1,147.02</b>	<b>\$1,251.31</b>

**APPENDIX B – 2003****Weekly Salary Range Schedule**

<b>Salary Grade</b>	<b>Minimum</b>	<b>Top of Automatic Progression</b>	<b>Maximum</b>
UA (1)	\$351.57	\$417.53	\$430.69
UB (2)	\$365.83	\$440.48	\$455.82
UC (3)	\$381.46	\$466.18	\$484.04
UD (4)	\$398.00	\$494.51	\$515.40
UE (5)	\$417.26	\$528.26	\$552.87
UF (6)	\$438.67	\$567.45	\$596.63
UG (7)	\$462.03	\$612.20	\$646.86
UH (8)	\$480.11	\$638.27	\$676.45
UI (9)	\$500.91	\$668.69	\$711.20
UJ (10)	\$523.47	\$701.71	\$749.09
UK (11)	\$550.58	\$741.90	\$795.58
UL (12)	\$581.29	\$787.98	\$849.28
UM (13)	\$617.41	\$842.48	\$913.18
UN (14)	\$659.00	\$906.10	\$988.49
UO (15)	\$704.19	\$968.25	\$1,056.29

**Additional Salary Grades  
For Facilities Management Only**

UP (16)	\$752.49	\$1,034.66	\$1,128.73
UQ (17)	\$805.86	\$1,108.03	\$1,208.79
UR (18)	\$859.25	\$1,181.43	\$1,288.85

**APPENDIX C – 2004**  
**Weekly Salary Range Schedule**

<b>Salary Grade</b>	<b>Minimum</b>	<b>Top of Automatic Progression</b>	<b>Maximum</b>
<b>UA (1)</b>	<b>\$362.12</b>	<b>\$430.06</b>	<b>\$443.61</b>
<b>UB (2)</b>	<b>\$376.80</b>	<b>\$453.69</b>	<b>\$469.49</b>
<b>UC (3)</b>	<b>\$392.90</b>	<b>\$480.17</b>	<b>\$498.56</b>
<b>UD (4)</b>	<b>\$409.94</b>	<b>\$509.35</b>	<b>\$530.86</b>
<b>UE (5)</b>	<b>\$429.78</b>	<b>\$544.11</b>	<b>\$569.46</b>
<b>UF (6)</b>	<b>\$451.83</b>	<b>\$584.47</b>	<b>\$614.53</b>
<b>UG (7)</b>	<b>\$475.89</b>	<b>\$630.57</b>	<b>\$666.27</b>
<b>UH (8)</b>	<b>\$494.51</b>	<b>\$657.42</b>	<b>\$696.74</b>
<b>UI (9)</b>	<b>\$515.94</b>	<b>\$688.75</b>	<b>\$732.54</b>
<b>UJ (10)</b>	<b>\$539.17</b>	<b>\$722.76</b>	<b>\$771.56</b>
<b>UK (11)</b>	<b>\$567.10</b>	<b>\$764.16</b>	<b>\$819.45</b>
<b>UL (12)</b>	<b>\$598.73</b>	<b>\$811.62</b>	<b>\$874.76</b>
<b>UM (13)</b>	<b>\$635.93</b>	<b>\$867.75</b>	<b>\$940.58</b>
<b>UN (14)</b>	<b>\$678.77</b>	<b>\$933.28</b>	<b>\$1,018.14</b>
<b>UO (15)</b>	<b>\$725.32</b>	<b>\$997.30</b>	<b>\$1,087.98</b>

**Additional Salary Grades  
For Facilities Management Only**

<b>UP (16)</b>	<b>\$775.06</b>	<b>\$1,065.70</b>	<b>\$1,162.59</b>
<b>UQ (17)</b>	<b>\$830.04</b>	<b>\$1,141.27</b>	<b>\$1,245.05</b>
<b>UR (18)</b>	<b>\$885.03</b>	<b>\$1,216.87</b>	<b>\$1,327.52</b>

## APPENDIX D

### BCBSM & UAW SENIORITY UNITS

#### BASE SENIORITY UNITS

**Area Seniority Unit 1:**           **1781 Southfield, Lyon  
Meadows, and Utica  
Facilities**

**Facility Seniority Unit 1.1:**   **Tower 100**

- 1.11     Auto National Membership and Group  
Administration
- 1.12     General Motors Service Center; **Daimler Chrysler  
Service Center**
- 1.13     Office Support Services
- 1.14     Claims Support and Mail Services
- 1.15     **Special Manual Claims; Michigan Operations  
Recoveries**

**Facility Seniority Unit 1.2:**   **Tower 300**

- 1.21     Ford Salaried Service Center and Ford Hourly  
Service Center
- 1.22     **Special Claims Department**
- 1.23     National Customer Operations
- 1.24     **Metro Sales (Account and Agent Services); MI  
Marketing Training and Development; MPSR;**  
Corporate Key Accounts; Trust Funds Marketing  
Training; Operations Analysis; Marketing Relations
- 1.26     Provider Registration and **Professional  
Credentialing**
- 1.27     CBU Training; Documentation Design and  
Development; Management Information  
Department
- 1.28     NASCO Service Center
- 1.29     Auto National Claims Center

**Facility Seniority Unit 1.6: Tower 400**

- 1.61 Case Management, CM/CCM Claims, Guided Self-Management; MI Precert/Medical Records, MCM Operations Liaison; Auto MCMO; Second Opinion Referral Center, Foot Surgery Program; MCMO Telephone Triage Unit; Quality and Accreditation, Managed Care CMIS; PPO Programs-CB/RCB/MI Child, Franklin Health Management; Medicare Oversight; Provider Contracting; Product Admin.**
- 1.62 Drug Services**

**Facility Seniority Unit 1.3: Tower 200**

- 1.31 Professional Services**
- 1.32 Dental/Vision/Hearing**
- 1.33 Facility Services**
- 1.34 Master and Major Medical**
- 1.35 MI Coordination of Benefits**
- 1.36 Health Security Programs**
- 1.37 General Groups Underwriting; Key Accounts Underwriting; Underwriting Policy & Administration; Special Markets Underwriting; Underwriting Operations; New Business Underwriting; West/Mid Michigan Underwriting; Michigan National Support Services**
- 1.38 MI Customer Group Evaluation; National Account Administration; National Accounts Services; Business Readiness Support; National Accounts Region 1A; National Systems Projects**
- 1.39 Blue Choice Service Center**
- 1.3A Blue Card Claims (ITS)**

**Facility Seniority Unit 1.4: Lyon Meadows Conference Center**

- 1.41 Special Markets; Agent Sales; **General Accounts Team IV; Account Service Manager; Special Markets Support**
- 1.42 EDI; **Customer Systems; Provider Systems**
- 1.43 Plastic Card Services
- 1.44 Records Services; Mail Services
- 1.45 **Document Production Services – Lyon Meadows**
- 1.46 **Document Production Services – Southfield**
- 1.47 **Document Production Services – Detroit**

**Facility Seniority Unit 1.5: Utica**

- 1.51 Customer Service, Utica Sales (Account and Agent Services)

**Area Seniority Unit 3: 1781 Customer Service Office**

**Facility Seniority Unit 3.1: Port Huron**

- 3.11 Customer Service

**NOTE: Local 1781 Seniority Unit Numbering System**

- 1<sup>st</sup> Digit: Number Local & Area
- 2<sup>nd</sup> Digit: Number Facility or Geographical Location
- 3<sup>rd</sup> Digit: Number or Letter of the Individual Department(s) in the Base Seniority Unit.

**Area Seniority Unit 4: 2256 Customer Service/Regional Service Centers**

**Facility Seniority Unit 4.1: Jackson**

4.11 Customer Service

**Facility Seniority Unit 4.2: Flint**

4.21 Customer Service and Account Services

**Facility Seniority Unit 4.3: Park Place Facility, E. Lansing, MI**

4.31 Provider Audit

**Facility Seniority Unit 4.4: Lansing Regional Service Center**

4.41 State of Michigan; Sales Support; and Regional Customer Service, **Field Services**

**Area Seniority Unit 5: 2145 State Sales/Service Offices**

**Facility Seniority Unit 5.1: Alpena**

5.11 All Represented Departments

**Facility Seniority Unit 5.2: Grand Rapids**

5.21 All Represented Departments

**Facility Seniority Unit 5.3: Portage**

5.31 All Represented Departments

**Facility Seniority Unit 5.4: Marquette**

5.41 All Represented Departments

**Facility Seniority Unit 5.5: Mt. Pleasant**

5.51 All Represented Departments

**Facility Seniority Unit 5.6: Muskegon**

5.61 All Represented Departments

**Facility Seniority Unit 5.7: Saginaw**

5.71 All Represented Departments

**Facility Seniority Unit 5.8: Traverse City**

5.81 All Represented Departments

**Facility Seniority Unit 5.9: Holland**

5.91 All Represented Departments

**Area Seniority Unit 6: 2500 Downtown**

**Facility Seniority Unit 6.1: Tower**

6.111 Secretarial Base

6.121 Mail Services

6.131 Office Support Services

6.141 Graphic & Publishing Services

6.151 Computer Operations

6.161 Data Entry

6.171 **GM Delphi Control Plan Account Appeals**

6.172 **Daimler Chrysler Marketing and Customer Relations**

6.173 **Ford/Visteon Marketing**

6.181 **Information Security**

6.191 **Market Research and Analysis**

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6.1B1 **National Accounting**

**6.1B2 FEP Financial Management**

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- 7.2** Facility Seniority Unit: a building, office or grouping which is part of an Area Seniority Unit.
- 7.3** Base Seniority Unit: one or more specified departments within a Facility wherein bargaining unit work is performed.
- 8.0** Seniority Unit Numbering System
- 1<sup>st</sup> Digit: Number Local & Area
  - 2<sup>nd</sup> Digit: Number Facility or Geographical Location
  - 3<sup>rd</sup> Digit: Number or Letter of the Groupings of Departments that identify a Base Seniority Unit.
  - 4<sup>th</sup> Digit: Number or Letter of the Individual Department in the Base Seniority Unit.
- 9.0** Seniority Unit Changes
- 9.1** In the event of a reorganization, a significant reduction of workforce having major impact upon a Base Seniority Unit, and/or creation of a dedicated unit, the parties shall meet to review possible refinements to the affected Base Seniority Unit structure.
- 9.2** While the Company retains the right to make the final decision on these matters, it is sensitive to the Union's concerns that such actions may have impact on the seniority rights (bidding, layoff, recall) of its members.
- 9.3** Therefore, in consideration of our mutual needs, the Company will provide the Union a two (2) week notice prior to any implementation of such changes.
- 9.4** Regardless of the Company's actions, an employee's seniority rights (bidding, bumping and recall) shall remain vested in the previous base seniority unit through the life of the current Labor Agreement, unless mutually agreed otherwise.
- 9.5** Such arrangements may be revisited periodically upon request from either party.

**APPENDIX E**  
**LOCAL #2500**  
**Representation Zones and Districts**

The following shall be the Zone Representative and Steward District jurisdiction:

<u><b>Zone #</b></u>	<u><b>District</b></u>	<u><b>Location</b></u>
<b>1</b>	<b>1A</b>	<b>Provider Communications; Contract Management; Benefit Policy Administration; Market Research &amp; Analysis; Consultant Services; Product Development; Customer Support &amp; Evaluation; Daimler Chrysler Market &amp; Customer Relations; Daimler/Chrysler Finance/Program Administration; Ford/Visteon Rouge Marketing; GM Delphi Control Plan Account Appeals; Control Plan Operations; Facility Reimbursement; Sales Liaison; Automated Group Reporting; Professional Utilization Review; Facility Utilization Review; Special Programs Review; Quality Management; Professional Provider/Non-Hospital Reimbursement; Health Care Economics</b>
	<b>1B</b>	<b>Data Entry; General Director Information Delivery Services; Network Services Support Unit; Database Service; Network Engineering; Systems Support Mainframe; Professional Claims Systems; Member/Customer Servicing System; Facility Claims Systems; Computer Operations (Days);</b>

**APPENDIX E**  
**LOCAL #2500**  
**Representation Zones and Districts**  
*(continued)*

<u><b>Zone #</b></u>	<u><b>District</b></u>	<u><b>Location</b></u>
	<b>1B</b> <i>(continued)</i>	Data Warehouse Administration, Business Services Applications; ITS/Special Claims; PMO Managers; Call Center COE; WEB COE; Information Security
	<b>1C</b>	<b>Computer Operations (Afternoons);</b> Mail Services (Afternoons)
	<b>1D</b>	<b>Computer Operations (Midnights)</b>
	<b>1E</b>	Mail Services (Days)
<b>2</b>	<b>2A</b>	Facility/Special Programs; Provider Services Performance Improvement
	<b>2B</b>	<b>Provider Inquiry Pricing Department;</b> Professional Provider Information Center-Written; Southeast Michigan Field Services
	<b>2C</b>	Professional Provider Information Center-Phone
<b>3</b>	<b>3A</b>	General Groups Service Center - Telephones
	<b>3B</b>	General Groups Service Center - Written & Clerical
	<b>3C</b>	Major Accounts Service Center - MPSRS

**APPENDIX E**  
**LOCAL #2500**  
**Representation Zones and Districts**  
*(continued)*

<b><u>Zone #</u></b>	<b><u>District</u></b>	<b><u>Location</u></b>
	<b>3D</b>	Major Accounts Service Center - SGIU, Trust Fund & Clerical
<b>4</b>	<b>4A</b>	<b>FEP Claims &amp; Inquiry; FEP Marketing; Graphic &amp; Publishing Services; Office Support Services; Audio-Visual</b>
	<b>4B</b>	<b>Group Billed – Joint Programs; Cooperative Process; Business Process; UAW Local 2500</b>
	<b>4C</b>	Direct Billed Servicing
<b>5</b>	<b>5A</b>	<b>Corporate Recoveries</b>
	<b>5B</b>	<b>Provider Audit-Detroit; FEP Financial Management; Local ASC Accounting; Corporate Accounts Payable; Financial Systems Support; General Accounting; National Accounting; Purchasing; Employee Services</b>
	<b>5C</b>	<b>Cash Disbursements; Cash Receipt/Adjustments</b>

**APPENDIX E**  
**LOCAL #2500**  
**Representation Zones and Districts**  
*(continued)*

<b><u>Zone #</u></b>	<b><u>District</u></b>	<b><u>Location</u></b>
	<b>5D</b>	<b>Special Accounts Customer Service - Telephones &amp; Written</b>
	<b>5E</b>	<b>Member Quality Assurance - Pricing &amp; Support</b>
	<b>5F</b>	<b>Special Accounts - Agent Servicing, Clerical, Pursue &amp; Pay; Account Service Manager</b>
	<b>5G</b>	<b>Member Quality Assurance - Quality &amp; Lobby</b>

**Facilities Management**

<b>FM1</b>	<b>Detroit</b>
<b>FM2</b>	<b>Flint</b>
<b>FM3</b>	<b>Grand Rapids</b>
<b>FM4</b>	<b>Lansing</b>
<b>FM5</b>	<b>Saginaw</b>
<b>FM6</b>	<b>South Lyon</b>
<b>FM7</b>	<b>Southfield</b>

**APPENDIX G**  
**COACHING AND DEVELOPMENT**

**DEFINITION**

The concept of coaching was formally introduced into the 1990 UAW contract negotiations, became a part of the new agreement, and demonstrated a renewed corporate commitment to this process.

*The terms coaching/development and counseling, although often used interchangeably, approach their common goal, performance improvement, from different perspectives which are encompassed in these definitions:*

- ◆ Coaching/development is an ongoing process with an employee to evaluate and provide feedback regarding job performance expectations with the intent of optimizing their potential.
- ◆ Counseling is a planned review with an employee to discuss work performance deficiencies and necessary corrective actions which are utilized when an individual is failing to meet job expectations, and includes documentation of the problem and a plan for improvement of the employee's performance.

In the BCBSM work environment, and in the context of this document, these perspectives are being combined and henceforth are referred to as coaching and development.

*Coaching and Development represents an additional effort at employee performance/recovery and shall be utilized prior to, in conjunction with, and throughout the formal discipline process.*

It is anticipated that effective Coaching and Development will generally result in performance improvement for the benefit of BCBSM and the employee. It will also reflect in reduced

turnover replacement, as well as the training costs associated with performance related issues.

It is therefore the intent of BCBSM and the Union to assist all employees in avoiding, or correcting, work performance deficiencies through the application of Coaching and Development techniques. The process shall occur when a problem is identified and prior to disciplinary action. Coaching and Development is a continuous process to be utilized in an effort to improve employee performance. The following guidelines will assist both Management and the Union in applying this concept:

### **GUIDELINES**

Supervisors should be proactive to help prevent employees from developing performance problems. Guidelines include but are not limited to the following:

- ◆ Routinely give employees feedback that defines both positive and negative performance.
- ◆ Positively reinforce desired performance.
- ◆ Regularly provide employees with current performance data (quality and quantity).

When a supervisor recognizes that an employee has a performance problem that has not been resolved through informal interaction, they shall:

- ◆ Initiate a Coaching and Development Profile.
- ◆ Arrange to discuss the issue in detail with the employee and notify the appropriate union representative via the C&D Profile.
- ◆ Devise a jointly agreed upon plan, with the employee, to resolve/correct the issue.

## **HOW TO BUILD AND PROMOTE THE COACHING AND DEVELOPMENT PROCESS**

### **CLARIFY EXPECTATIONS**

Coaching and Development is always purposeful and directed at achieving specific performance expectations. The expectations for productive behavior are based upon open communication, mutual respect, fulfilling commitments, and participating in the achievement of sectional/departmental/corporate goals.

### **DEFINE SUPPORTING BEHAVIORS - Supervisors and Employees**

Positive behaviors that will help meet performance expectations may include:

- ◆ Lead by example
- ◆ Take the initiative to make things better
- ◆ Request help when you need it
- ◆ Identify problems and offer solutions
- ◆ Be innovative, look for better ways of performing tasks
- ◆ Take responsibility for individual performance
- ◆ Focus on work, not other's personalities

### **ASSESS BEHAVIOR**

Assess the employee's current behavior relative to the desired behavior. The employee may correct a problem just based on a restatement of expectations and positive behavior.

## **PROVIDE CONSTRUCTIVE FEEDBACK**

Discuss options, suggest corrective action and acknowledge positive aspects of performance.

- ◆ Be sure that your feedback is phrased in terms of observable, objective behavior
- ◆ Describe specifically what you have observed
- ◆ Give the employee an opportunity to respond
- ◆ Offer specific suggestions

## **ACTION PLAN AND COMMITMENT - Supervisor and Employee**

Commitments should include completion of the Coaching and Development profile and a follow-up date, and assessment of suggested corrective action.

## **ALTERNATIVE ACTIONS**

Clearly state what will happen should the action plan fail; identify available options.

## **REINFORCE**

Summarize and express your support.

## **ROLES AND RESPONSIBILITIES** **FOR COACHING AND DEVELOPMENT**

### **SUPERVISOR**

- ◆ Understand and support the intent of the coaching and development process
- ◆ Gather employee performance data
- ◆ Evaluate employee performance data
- ◆ Identify specific problem(s)/concerns
- ◆ Document data
  - Quality/Quantity
- ◆ Communicate expectations/standards to employee
  - Performance
- ◆ Communicate problems to Manager
- ◆ Lead discussion with the employee
- ◆ Develop an employee profile (Refer to attached Coaching and Development Checklist)
  - Training (time frames and experience)
  - Quality/Quantity trail
  - Ensure employees have received all process changes/modifications and review with employee
- ◆ Notify or copy District Steward/Committee Person/Union President of development session(s)
- ◆ Jointly develop an action/performance improvement/feedback plan
  - Training/Re-training (Classroom or OJT)
  - Quality/Quantity evaluation schedule
  - Identify expectations and requirements
  - Time frames
  - Define outcomes/next steps
- ◆ Establish timely follow-up agreed upon between supervisor and employee

## **EMPLOYEE**

- ◆ Identify the specific problem and share with the supervisor
- ◆ Understand job expectations
  - Performance Standards
  - Processes
  - Work Flows
  - Reporting systems WMS
  - Quality Program
  - Work Rules
- ◆ Accept or deny (in writing) UAW representation (reference Article 9, Section 9.4)
- ◆ Joint development of action/performance improvement/feedback plan
  - Training/Re-training (Classroom or OJT)
  - Understanding Quality/Quantity evaluation schedule
  - Understanding job expectations/requirements
  - Discuss time frames for improvement
  - Understanding of outcomes/next steps
- ◆ Establish follow-up time frames

## **MANAGER**

- ◆ Understand and support the intent of the Coaching and Development process
- ◆ Assure supervisors are trained to provide appropriate Coaching and Development and are providing consistent application
- ◆ Regular review of performance/action plans for employees (to include discussions with entire staff)
- ◆ Provide performance resources (who to talk to)
- ◆ Provide feedback on department performance
- ◆ Provide timely follow-up

## **UNION**

- ◆ Understand and support the intent of the Coaching and Development process
- ◆ Assure that the CBA (Collective Bargaining Agreement) has been properly administered
- ◆ Attend joint development meetings (as requested)
- ◆ Periodically review the progress of the coaching process (specific employee)
- ◆ Provide feedback on the process

## **HUMAN RESOURCES**

- ◆ Understand and support the intent of the Coaching and Development process
- ◆ Provide feedback on the process
- ◆ Assure appropriate administration of contract language

## COACHING AND DEVELOPING CHECKLIST

(As Applicable)



- Employee Profile
- Employee File
- Attendance History
- Production/Quality Data
  - ✓ Validation Table
  - ✓ Operation Table
  - ✓ Operation Description(s)
  - ✓ Daily, Weekly, Monthly, Performance Summary
  - Quality Package
  - ✓ Quality Package
- Employee Training History
- Issue Related Communications (i.e., benefit clarifications, work flow changes, unit/departmental communications, etc.)
- Desk Procedures
- Departmental/corporate work rules (i.e., limit personal phone calls, etc.)

**COACHING AND DEVELOPMENT PROFILE**  
**(Field Definitions)**

**EMPLOYEE NAME:** *(Self Explanatory)*

**JOB TITLE:** *(Self Explanatory)*

**MEETING DATE:** *(Actual date of the initial Coaching and Development meeting with employee)*

**DEPARTMENT:** *(Self Explanatory)*

**REASON FOR DISCUSSION:** *(Briefly identify cause for concern)*

**FACTS AND/OR EVENTS:** *(Details leading to cause of concern - determine if problem is knowledge or execution related)*

**ATTACHMENTS:** *(Check indicating supportive documentation i.e., production data, attendance history, etc.)*

**\*PREVIOUS DISCUSSIONS/HISTORY:** *(Chronological listing of behaviors)*

**\*EXPECTED RESULTS:** *(Complete narrative: Outline the specific results expected from the action plan)*

**\*COOPERATIVE ACTION PLAN:** *(List agreed development steps; specify joint responsibilities of Supervisor and Employee and all necessary parties; identify the tools required to further achieve expected results.)*

**\*TIME LINES:** *(Specify the time frames of each component of the action plan)*

**\*ALTERNATIVE ACTIONS:** *(Clearly state what will happen should the action plan fail; identify available options)*

**UNION REPRESENTATION:** *(Indicate acceptance or rejection of union representation during session)*

**SIGNATURES:** *(Both employee and supervisor sign and date)*

cc: Employee  
Supervisor  
Manager  
HR Region  
Local Representative  
Local President

# COACHING AND DEVELOPMENT PROFILE

Employee Name: \_\_\_\_\_ Date: \_\_\_\_\_

Job Title: \_\_\_\_\_

## REASON FOR DISCUSSION

## FACTS AND/OR EVENTS

## PREVIOUS DISCUSSION/ HISTORY\*

## EXPECTED RESULTS\*

## COOPERATIVE ACTION PLAN\*

## TIME LINES\*

## ALTERNATIVE ACTIONS\*

\*If applicable

## UNION REPRESENTATION

Accepted <input type="checkbox"/>		
Rejected <input type="checkbox"/>	Employee's Initials	Union Rep's Initials

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

cc: Employee/Supervisor/Manager/HR Region/Local  
Representative/Local President

## APPENDIX H

### JOB SECURITY/TECHNOLOGICAL CHANGE

#### Procedures

1. The Job Security/Technological Change Notice form is completed by management and is forwarded to the appropriate Human Resources Regional Office in the event that an employee or group of employees is subject to loss of their job by way of job classification consolidation, job classification elimination or obsolescence due to technological change, merger of operations, office closure, transfer of operations to a distant location, subcontracting or outsourcing.
2. Human Resources meets with management to discuss proposed change.
3. Within ten (10) days, the Human Resources representatives will notify the affected UAW Local President(s) in writing and attach a copy of the Job Security/Technological Change Notice form.
4. Human Resources will coordinate a meeting with the appropriate UAW Local(s) and management to discuss details of the proposed change; the sharing of ideas; resolving and clarifying issues and discuss the appropriateness of convening a Job Security Committee. Meeting minutes will be taken and distributed to the meeting attendees. If necessary, future meetings will be scheduled.
5. The affected Local President(s) will determine if it is necessary to convene the Job Security Committee to resolve issues: If convened, the Job Security Committee will be comprised of the following representatives:

- ◆ Designee(s) of UAW Local President(s)
- ◆ Designee from Regional Human Resources
- ◆ Line Management Representative
- ◆ Zone Representative/Chairperson of Affected Area
- ◆ Representatives of the International Union

6. If the Job Security Committee is convened, the following represents its responsibilities:

- ◆ Develop action steps to minimize adverse affects on the employee(s) which could include:
  - Placement into open positions within the Area Seniority Unit;
  - Special training programs to enable employees to qualify for other jobs;
  - A special separation plan with a severance allowance and waiver;
  - A voluntary layoff process with recall rights; and/or
  - Special transfer return rights,
  - Special consideration for most senior employees with respect to more advantageous options.
- ◆ Address employee hardships and resolve concerns to the degree possible.
- ◆ Identify possible impacts to employees, departments, divisions and other UAW Locals.
- ◆ Recommend how information will be jointly communicated to employees.
- ◆ Explore the impact of technological changes, if any, on affected employees to include taking an inventory of the skills and aptitude of the affected employees as well as review their individual training needs and transferable skills.

7. With respect to Technological change on affected employees, Education, Training and Development will

conduct skills assessments and an assessment of training requirements when systems and processes are in place. They will also make recommendations to the Job Security Committee to:

- ◆ Determine actions for employee(s) who is having significant portions or all of his/her job eliminated.
- ◆ Redefine training for the employee(s) on the new function being developed.
- ◆ Make recommendations to the UAW Local President(s), Human Resources and Management.

8. The Job Security Committee will, within ninety (90) days, follow up on all placements and relay their findings and any recommendations deemed appropriate to the Local President(s), Human Resources, and management.
9. None of the procedures identified in this document are intended to violate the provisions of Article 25.

**LETTER OF UNDERSTANDING #1.1**

**RE: RECOGNITION**

As of September 1, 1990, any secretary to manager transferred from Local 2500 to Local 1781 will be continued in the bargaining unit.

## **LETTER OF UNDERSTANDING #1.2**

### **RE: RECOGNITION**

During the 1999 Negotiations, the parties agreed that various non-represented classifications have been performing UAW bargaining unit work and properly belong in the bargaining unit. This is work that:

- ◆ The Company removed from the unit due to the purported technological or other significant changes.
- ◆ Is new and the Company did not assign to bargaining unit classifications.
- ◆ Has been excluded historically from the bargaining unit.

To that end, the parties agree to meet and confer during the life of the Agreement to identify those classifications that belong in the bargaining unit. The parties further agree that all employees holding those classifications will be placed in the bargaining unit under the following terms:

- ◆ All classifications performing bargaining unit work which are no longer in the bargaining unit because of various technological or other significant changes will be returned to the bargaining unit.
- ◆ All new classifications performing bargaining unit work which are not in the bargaining unit will be included in the bargaining unit after a card check of the employees holding those classifications is conducted by a neutral third party demonstrating the Union's majority status.

- ◆ All classifications performing work, which are not supervisory, managerial, confidential or otherwise excluded by the National Labor Relations Act and have been excluded historically, will be included in the bargaining unit after a card check of the employees holding those classifications is conducted by a neutral third party demonstrating the Union's majority status.

The parties further agree to establish a joint committee to examine the work outsourced by the Employer to determine the feasibility of returning that work in-house and including the classifications performing the work to the bargaining unit. (All classifications so identified will be included in the bargaining unit after a card check of employees holding those classifications is conducted by a neutral third party demonstrating the Union's majority status.)

**LETTER OF UNDERSTANDING #2.1**

**RE: SUB-TITLES**

The parties agree that sub-titles were added specifically for easy referencing and shall not be used for any other purpose, i.e., arbitration.

**LETTER OF UNDERSTANDING #5.1**

**RE: VOLUNTARY RETIREE DUES**

The Company agrees to arrange check-off authorizations from past or future retirees who were bargaining unit employees for the purpose of paying voluntary monthly dues.

Such authorization shall be on a form provided by the Union. The amount deducted shall be forwarded in accordance with the "check-off" provisions of this Labor Agreement. The parties agree to meet, discuss and implement a system to assure timely start-up.

**LETTER OF UNDERSTANDING #6.1**  
**RE: COMPENSATED TIME OFF**  
**FOR UNION REPRESENTATION PURPOSES**  
**LOCAL 2500**

For the purposes of avoiding confusion and disputes over the amount of "reasonable time" for designated grievance procedure purposes provided by the Company to Stewards, Alternate Stewards and Bargaining Committee Zone Representatives, as the case may be, it is agreed that the Company shall not be required to provide District Stewards or Alternate Stewards with more than one (1) hour or Zone Representatives with more than two (2) hours of such compensated time per working day. District Stewards servicing 100 or more employees shall have an additional one-half (1/2) hour of compensated time per working day.

Zone Representatives who represent geographically separate buildings will be allowed up to an additional two (2) hours per week to cover travel between buildings. Use of such time is subject to periodic review and discussion between the parties.

Notwithstanding the above, the Steward/Zone Representative may request of his/her supervisor additional compensated time off for grievance handling purposes in individually warranted situations. The supervisor of the Steward/Zone Representative may grant such request (operational needs would be taken into consideration) and will advise their Employee Relations Representative of all such requests. Such requests shall be considered in good faith by the supervisor and shall not be rejected for capricious or arbitrary reasons.

## **LETTER OF UNDERSTANDING #6.2**

### **RE: UNION REPRESENTATION**

During the 1993 negotiations, the parties attempted to negotiate, state-wide, a redefinition of the roles, duties and responsibilities of various union representatives.

The purpose of such discussions was to explore the feasibility and cost effectiveness of designating certain union representatives as full-time released personnel to handle the multiplicity of normal day-to-day issues and the variety of cooperative efforts recognized through the bargaining process.

Because of the unique needs of the four (4) UAW Locals, the parties were unsuccessful in negotiating a single state-wide application.

Accordingly, the parties have agreed to defer this issue to the Director of Human Resources and UAW Local for post negotiation resolution.

Pursuant thereof, a joint committee will be established within sixty (60) days following ratification for each Local for the purpose of exploring, discussing, resolving and implementing, by mutual agreement, the redefinition of union representation.

In the interim, the existing representation language will continue to be applied.

## **LETTER OF UNDERSTANDING #6.3**

### **RE: REPRESENTATION**

During the course of the 1993 negotiations, the parties discussed the possibility of changes in the UAW's representation structure. The parties agreed that if the International Union, UAW, and the local unions desire to change the Representation Article, Article 6 contained in the Master Labor Agreement to include a statewide council and/or the composition of the statewide bargaining committee, appropriate changes will be mutually agreed to prior to being implemented into that agreement.

## **LETTER OF UNDERSTANDING #8.1**

### **RE: TRANSFER TO ANOTHER AREA SENIORITY UNIT**

In the event of transfer of employee(s) between Area Seniority Units, the following provisions shall govern the transfer of their seniority:

- a. If the transfer of work between Area Seniority Units is company initiated the employees performing such work will transfer their full seniority and continue to accumulate seniority in the new Area Seniority Unit.
- b. If the transfer to another Area Seniority Unit is employee initiated, the employee will be considered by filing a Petition To Transfer Request form which is provided by the Company. Such request must specify at least one (1) but no more than three (3) positions for which the employee wishes to be considered. Such requests will be valid for a period of six (6) months. Transfer Requests shall be honored by seniority after all bids have been satisfied and the employee is qualified to perform the work.
- c. If a seniority transfer question arises which is not covered by the above, the parties agree to meet and discuss the issues.

**LETTER OF UNDERSTANDING #8.2**

**RE: 2145 AND 2256 SENIORITY APPLICATION**

The Company and the Union recognize that multiple departments may exist in Base or Facility Seniority Units in the 2145 and 2256 Area Seniority Units. However, all departments within an individual Facility Unit will be considered as one department for the purpose of job posting and bidding, layoff and recall. Employees may exercise their seniority providing they meet the job specifications.

**LETTER OF UNDERSTANDING #8.3**  
**RE: SPECIAL PLACEMENT PROCEDURE**  
**METRO SERVICE CENTER AND**  
**LYON MEADOWS FACILITY**

In the event an employee is about to be laid off from the Metro Service Center or the Lyon Meadows facilities, such employee will be placed by the Company in any other available position which the employee can perform in another base seniority unit within the Metro Service Center or the Lyon Meadows facilities, as long as no other employee has recall rights to such position. (In the case of multiple layoffs, seniority shall prevail and such placements will be made prior to the posting of the position.)

## **LETTER OF UNDERSTANDING #8.4**

### **RE: TEMPORARY PROMOTIONS OUTSIDE OF BARGAINING UNIT**

In furtherance of Article 8, Section 8.6, the following provisions shall govern bargaining unit employees who are temporarily promoted outside the bargaining unit:

1. Such assignments are to be completely voluntary.
2. The employee's bargaining unit seniority shall be adjusted to reflect the time spent outside the bargaining unit upon return to their previous position.
3. Unless an extension is agreed to by the Union, an employee temporarily promoted outside the bargaining unit for more than ninety (90) working days shall forfeit automatic reinstatement to their previous position. Extension requests shall be considered in good faith by the Union and shall not be rejected for capricious or arbitrary reasons.
4. Employees returning to the bargaining unit prior to ninety (90) working days shall retain the right to return to their previous position.
5. Employees returning to the bargaining unit after ninety (90) working days will be offered a bargaining unit position prior to the Company hiring external candidates pursuant to Article 8.
6. While retaining the right to bid on bargaining unit vacancies, employees temporarily promoted outside the bargaining unit shall only be

considered prior to the Company hiring external candidates pursuant to Article 8.

7. Union dues deduction shall end immediately upon promotion outside the bargaining unit.
8. Upon promotion outside the bargaining unit, employees forfeit their right to Union representation.

## **LETTER OF UNDERSTANDING #8.5**

### **RE: PROVIDING VARIOUS LISTS TO UNION**

In recognition that the Union has the task of monitoring and enforcing the terms of the Master Agreement on behalf of its members, the Company agrees to provide the following lists pursuant to the enumerated schedules:

#### **Part-Time Employees**

Effective at the end of the first full payroll period in January, April, July and October of each year covered by this Agreement, the Company shall provide the Union with a list of all part-time bargaining unit employees, including the number of hours worked and paid, both for regular and overtime hours, in the preceding quarter.

#### **Seniority Lists**

The Company shall provide the Union with a seniority list that separates the seniority of its part-time and full-time employees as of the first full payroll period in January, April, July and October of each year covered by this Agreement.

#### **Temporary Employees**

Effective at the end of the first full payroll period in January, April, July and October of each year covered by this Agreement, the Company shall provide the Union with a list of all temporary employees working in bargaining unit positions in the prior quarter. This report will also include the date a temporary employee is placed in a permanent position in the prior quarter.

### **Probationary Employees**

Effective at the end of the first full payroll period in October, and every month thereafter during the period of the Agreement, the Union shall receive a list, which will include the employee's hire date, job title and department, of all probationary employees working in bargaining unit positions.

### **Interim Assignments Inside or Outside of the Bargaining Unit**

Effective at the end of the first payroll period in October, and every month thereafter during the period of this Agreement, the Union will receive an automated list based on established parameters of all bargaining unit members working in interim assignments inside or outside of the bargaining unit.

### **Retirees**

Effective at the end of the first full payroll period in October, and every month thereafter during the period of this Agreement, the Company shall provide to the Union a list of all employees retiring from bargaining unit positions, in the previous calendar month, which shall include: name, address, social security number, retirement date, grade and class.

### **Additions to/Deletions from the Bargaining Unit**

The Company shall furnish to each Local Union a monthly computer report, listing employees who are hired, rehired, reinstated, transferred into or out of the bargaining unit, transferred to other locations, promoted, reclassified, downgraded, placed on layoff, recalled from layoff and separated (including retirement), who have been added to or deleted from the bargaining unit. The Company shall also furnish an employee address listing. The report shall be separate from the monthly dues report and should be submitted to the Local(s) Financial Secretaries. Information will be provided based on the availability of automation.

**LETTER OF UNDERSTANDING #8.6**  
**RE: TRAINING/ INTERIM ASSIGNMENTS**

The parties recognize the importance of training employees to perform their assigned duties. When an employee is placed on an interim assignment, the company will provide adequate training to enable the employee to successfully perform such assignment.

## LETTER OF UNDERSTANDING #8.8

### RE: STAFFING OF NEWLY CREATED DEPARTMENTS

The Company and the Union recognize the need to maintain adequate staffing levels in production departments and to provide service to our customers. From time to time, new departments are established, in response to major product/program implementation efforts. Bargaining Unit personnel from existing operating units often bid on openings in newly created departments, causing staffing shortages in existing departments.

Both parties recognize the need to take operational requirements into consideration when staffing for major implementation efforts while at the same time allowing opportunity for employee's professional growth. The Company also understands the Union's obligation to protect the seniority rights of all members.

During negotiations, the Company and the Union discussed at length the subject of newly created departments and the impact this activity has on existing departments. As such, when the need for a new department is identified (not including a reorganization of an existing department) the Company and the Union agree to initiate proactive collaborative efforts to explore options and alternatives which may address the impacts to:

- ◆ Customer Service
- ◆ Quality
- ◆ Employee's Professional Growth
- ◆ Seniority Rights
- ◆ Seniority Unit Structure
- ◆ Training
- ◆ Operational Efficiencies
- ◆ Socio-Technical Systems

**This effort may address alternatives such as:**

- ◆ **Advance Hiring**
- ◆ **Transferring employees in phases**
- ◆ **Employee Incentives in lieu of leaving**
- ◆ **Backfilling**
- ◆ **Placement Thresholds**

**These collective efforts will develop action plans so as to minimize the adverse effects of staffing a new department.**

## **LETTER OF UNDERSTANDING #8.9**

### **RE: USE OF COMPANY TEMPORARY EMPLOYEES**

During the 1993 Negotiations, discussions ensued regarding the use of temporary employees.

The parties agreed that the use of temporary employees is controlled by the language of Article 8, Section 8.12

Therefore, it is not the intent of the Company to utilize temporary employees to replace bargaining unit members nor to erode the bargaining unit.

During the 1999 Negotiations, the parties recognized the need to address issues related to providing coverage for fluctuating volumes, peak receipts, expanded servicing requirements, interruptions to service and other customer servicing expectations. The parties also discussed pilots to address these issues.

To this end, two pilots will be implemented to study the efficient use of Company Temporary Employees and department clerical personnel. After the initial six (6) month implementation, extensions may be approved by the Local, International, Statewide Chairperson and the Vice President of Human Resources based on the pilot results.

- The first pilot will apply to departments with a demonstrated need for supplemental employees. Company Temporary Employees may be used to supplement the workforce on a pilot basis. The time restrictions outlined in Article 8 will not apply during the pilot period.
- The second pilot will be implemented in customer service units which provides for the career pathing of incumbent and departmental clerical personnel. Such

employees will be afforded the opportunity on a voluntary basis to be trained and used in a customer service capacity, prior to meeting tenure. Participation is contingent upon successfully meeting the established CSR Selection criteria.

The intent of this pilot will be to provide departmental clerical personnel in customer service units the opportunity to work part-time in a clerical capacity and part-time in a customer service capacity prior to full-time CSR job openings. During the pilot period, such departmental clerical employees shall remain in their current salary grade and be compensated for time worked as a Customer Service Representative. As a result, the CSR tenure will apply. Additionally, Company Temporary Employees will be used to back fill clerical personnel during the pilot without restrictions to time limits.

## **LETTER OF UNDERSTANDING #8.10**

### **RE: ADVANCE HIRE EMPLOYEES**

The Advance Hire program is utilized to minimize disruptions to service due to job vacancies.

#### **Selection and Placement**

As Advance Hire positions become available, they will be posted in accordance with Article 8.10.2 and interested employees will apply at the time the openings are posted. However, when individual vacancies occur, other than advance hires, such vacancies shall be posted in accordance with Article 8.10.2. At the time of employee selection, a supervisor and union representative will be assigned. In the event that applicants are in excess to a department's need, the Union and Company shall meet to reallocate such resources based on Article 8 and Article 25. It is understood that the Advance Hire process may raise unanticipated issues. These issues may be forwarded by the Local Union President(s) to the Statewide Chairperson for discussion/resolution with the Director of Human Resources.

#### **Career Path Opportunities**

The parties also agree to routinely educate internal employees on career path opportunities and to recruit internal employees for such openings on an ongoing basis. Such processes shall occur on a semi-annual basis, and be conducted by Cooperative Process Coordinators.

## **Continuous Process Improvements**

The parties further recognize that the time required to recruit, select, and train employees for certain operational units may be extensive and result in delays to servicing. To this end, the parties agree to discuss and implement, as feasible, a more efficient process which may provide for streamlining the selection process.

**LETTER OF UNDERSTANDING #8.11**

**RE: INTERIM WORK ASSIGNMENT**

In recognition that, from time to time issues may arise regarding the qualifications of the most senior employee to perform an interim work assignment, such violations may be referred by the Statewide Chairperson directly to the Human Resources Director for discussion/resolution with Local Union Presidents/HR personnel.

**LETTER OF UNDERSTANDING #10.1**  
**RE: JOB CLASSIFICATIONS – PROJECT TEAM**

The parties are desirous of utilizing the most progressive and effective job classification and evaluation system which supports the dynamic and rapidly changing business environment now and in the future.

Both parties envision a job classification system which ensures:

- ◆ Equity of value across the company;
- ◆ Consistency of the job classification process for all jobs;
- ◆ Union and management understanding of how the process works and support for the integrity of the process;
- ◆ A fair and consistent process;
- ◆ A cost effective solution providing a return on investment;
- ◆ Employee satisfaction providing a career perspective with growth potential;
- ◆ Simple administration; and
- ◆ An enhanced recognition of the value of the employees to the corporation.

Ideally, the parties would develop a system designed to compress the number of job titles and grades resulting in a flatter, more efficient organization with clearly defined career paths. As an outcome, the posting and bid process may

also be streamlined. Furthermore, the design of this job classification system will be able to accommodate the requirements of a rapidly changing business environment.

To this end, the parties agree to establish a work team, within **the life** of the Agreement, to make recommendations for a comprehensive strategy for career paths. The intent is to *structure career paths in a manner which fosters* employee growth, company loyalty, improved workforce skills and proficiencies for service to our customers. The concept may include pay for knowledge and expanded apprenticeships.

**LETTER OF UNDERSTANDING #10.2**

**RE: JOB CLASSIFICATIONS – JOB  
CLASSIFICATION BOOK**

During the life of the 93-96 MLA, the parties met intensively to address concerns relating to the administration of existing contract language pertaining to Job Classifications.

The parties agree that all jobs currently cataloged within the Job Classification Book may be jointly reviewed by the Presidents of all four (4) local unions or their designees and that any disputes with regard to job content will be referred to the Statewide Grievance procedure and processed in accordance with 10.6.2.

**LETTER OF UNDERSTANDING #10.4**

**RE: JOB CLASSIFICATION**

The parties agree there have been concerns regarding job classifications, which were originally raised during 1999 contract discussions. Efforts to resolve these issues remain active. The Company and the Union agree to continue to address the identified concerns during the life of the 2002-2005 Agreement.

Any unresolved issues shall be processed according to the provisions of Article 10 of the Master Labor Agreement.

**LETTER OF UNDERSTANDING #10.5**

**RE: PRICERS**

**During the 2002 contract discussions, the parties identified concerns regarding Pricers. During the first year of the agreement, the Company with input from the Union will address the issues of Job Class, Career Path, and other related issues.**

**LETTER OF UNDERSTANDING #11.1**  
**RE: PRODUCTION/QUALITY STANDARDS**

**QUALITY STANDARDS METHODOLOGY:**

The basis for the setting of quality standards as referenced in Section 11.3 of Article 11, Production/Quality Standards, is found in the document entitled Individual Quality Assurance Program, dated May, 1986, copies of which were provided the Union during 1987 negotiations.

**NOTIFICATION/CHALLENGE PROCESS:**

Each Time Study Representative will function independently in their designated area. In the event notice is given on a standard that simultaneously affects more than one (1) Local, the Company shall convene with the affected Time Study Representatives to discuss any related issues in question.

**SPACE REQUIREMENTS:**

The Company will provide sufficient space to a Time Study Representative during the investigation of a specific standard to perform the duties designated herein. Each Time Study Representative will be assigned a file cabinet at their respective place of work.

**EXCLUSIONS DURING PRODUCTION STANDARDS TIME STUDIES:**

The Company agrees in principle, that temporary employees, probationary employees, and employees on loan from another department will not be studied when establishing a production standard. In extenuating circumstances the Company will discuss the situation with the respective Union Time Study Representative.

## **EMPLOYEE PERFORMANCE PROBLEMS:**

The Company will continue its practice of addressing individual employee performance problems that are due to reasons beyond the employee's control on a case-by-case basis. It is the employee's responsibility to advise his/her supervisor that a particular condition may be affecting his/her work performance. The supervisor will advise Employee Relations and the matter will be investigated in conjunction with the Union Time Study Representative.

## **LETTER OF UNDERSTANDING #11.2**

### **RE: COACHING/DEVELOPMENT**

Management realizes that there may be times when an individual's performance may fall short of the production and quality standards. Management also realizes that there may be a variety of reasons for this temporary set back. Management will utilize the coaching and development as a way to identify the performance problem and as a way to identify, with the support and help of the individual, what the cause of the problem is. When management, through the contractual Coaching and Development process, develops and institutes an improvement plan, and the employee meets the improvement plan goals--both intermediate and final--no discipline will apply for that issue during that episode. Improvement plans should be realistic and include individual circumstances of the work setting as well as the employee. If the employee fails to meet the plan goals and/or the performance difficulty re-occurs, discipline may be applied concurrently with Coaching and Development.

## **LETTER OF UNDERSTANDING #11.3**

### **RE: "BEST IN CLASS" QUALITY**

The parties recognize that continuous improvement in the quality of the Company's products and services is essential to the long-term viability of Blue Cross Blue Shield (BCBSM) and its UAW represented employees.

BCBSM and the UAW further recognize that a skilled workforce, effective leadership, cooperative union management relations and employee involvement are essential for long term success.

Toward this end, the parties have successfully worked together to achieve mutual goals since 1992 and have demonstrated the ability to utilize problem solving techniques effectively to address union and management concerns.

This Letter of Understanding establishes our mutual interests to build a skilled workforce, enhance communications, provide effective leadership and to utilize effective problem solving approaches to address mutual concerns.

This commitment will be demonstrated by the implementation of the Joint Quality Steering Committee's proposals for improved work place quality. The parties further agree to expand successful quality concepts within the bargaining work units.

Key objectives will include:

- ◆ Joint Leadership Development
- ◆ Joint Contract Training\*
- ◆ Enhanced Communications
- ◆ Employee Partnering
- ◆ Workforce Development (Skills Training and Re-training)
- ◆ Comprehensive Employee Orientation
- ◆ Clarification of Job Roles and Responsibilities

To achieve these objectives in the life of the **2002-2005** MLA, the parties recommend to reconvene the Joint Quality Steering Committee to oversee the implementation of the processes necessary for success. It is also recommended that this JQSC Oversight Committee report to joint union and management leadership.

*\*Union and Management leadership will present the Master Labor Agreement training sessions.*

**LETTER OF UNDERSTANDING #11.4**

**RE: SERVICE EXPECTATIONS**

The parties agree that it is in the best interest of the Company and its employees to retain current, and obtain new business by providing a superior level of service that is both accurate and timely.

While the concepts of quality processes are being discussed in other forums, it remains the right of the Company to develop and implement processes that measure the accuracy and timeliness of responses to our customers and providers for the purpose of employee development and accountability.

**LETTER OF UNDERSTANDING #12.1**

**RE: OVERTIME EXEMPTION FOR  
EDUCATIONAL PURPOSES**

To encourage successful completion of higher education, the Company agrees to extend special consideration with respect to mandatory overtime requirements.

Employees who are pursuing job-related educational course work under the Company's Tuition Aid Program must request, in advance, exemption from overtime by submitting verification of enrollment and a schedule of class time(s) to their Supervisor. Such requests shall be considered based on operational need. If granted, mandatory overtime shall be pro-rated to account for those hours when the employee is scheduled for class. Such exemption shall not be arbitrarily denied. If courses are dropped or unattended, the exemption will be immediately revoked.

**LETTER OF UNDERSTANDING #12.2**

**RE: MORNING BREAKS**

The Company will not schedule morning breaks within the first thirty (30) minutes of an employee's shift except in emergency situations.

**LETTER OF UNDERSTANDING #12.3**  
**RE: OVERTIME FOR NON-DEPARTMENTAL**  
**VOLUNTEERS**

The contractual provisions related to overtime for non-department volunteers contained in Article 12.8.1 (d) will be posted on the corporate job posting board located at each facility. This is to be done to enhance employee awareness of the procedures to be followed should there be an interest in working overtime in another department.

## **LETTER OF UNDERSTANDING #12.4**

### **RE: TELECOMMUTING**

During 1999 negotiations, the Union and the Company discussed the issue of telecommuting/work at home arrangements. The parties agreed to pilot programs on telecommuting/work at home for Customer Service Representatives.

Telecommuting/work at home pilots shall contain the following guidelines:

- ◆ Participant's wages, benefits and all other terms and conditions of employment shall be governed by the collective bargaining agreement.
- ◆ Participation shall be voluntary based on operational needs.
- ◆ Employees shall be selected by criteria which has been mutually agreed to between the Union and the Company.
- ◆ The Company shall bear the cost of providing all equipment including additional phone lines, phone sets, wiring and jacks, modems, fax machines, personal computers, and/or work-related furnishings.
- ◆ The Union and the Company will provide joint administration and oversight.
- ◆ UMAC may terminate the telecommuting/work at home pilot arrangements based on the results of the pilot.
- ◆ Telecommuters will spend a defined period of time in the office based on mutually established guidelines.

- ◆ Home visits will routinely be no more than two (2) per month unless required for employee or business needs.

UMAC may extend the pilots based on mutual interests.

## **LETTER OF UNDERSTANDING #12.5**

### **RE: FLEXIBLE SCHEDULING**

During the course of the 2002 Negotiations, the parties discussed at length, the need to remain flexible in our approach to the way we service our customer's needs. Specifically, the parties discussed various work schedules to meet the needs of the company. The parties agreed such work schedules will enhance employee satisfaction, recognize the need for work family balance, and lead to improved customer satisfaction. To that end, the Company will develop and implement, with Union input, work schedules to meet customer expectations and service requirements.

To assure employee preferences can be considered, employees will be surveyed to allow their input into potential schedule options. To the extent it is operationally feasible, such preferences will be honored, in seniority order and remain voluntary. Additionally, work schedule exchange features will be developed to accommodate operational and employee needs. Any disputes arising from the implementation of this Letter Of Understanding will be reviewed by the Vice President of Auto National Operations and Vice President of Human Resources prior to a grievance being filed.

The following guidelines will be followed in the implementation of a flexible scheduling program:

- ◆ Work schedules will be developed with the above referenced employee preferences and operational needs in mind.
- ◆ Work schedule changes required to meet customer needs will be communicated to the local president and the affected employees thirty (30)

days in advance. When operational need does not allow for thirty (30) day advance notice, the Company agrees to provide the Union and employees as much advance notification as possible.

- ◆ Due to the nature of flexible work schedules, benefits, and other terms and conditions of employment shall be governed by the Collective Bargaining Agreement, except for the following special provisions.
  - A workweek will continue to equal 38.75 hours; however, there will be variations in the number of hours worked per day and the number of days worked per week.
  - Flexible Scheduling waives the daily overtime and shift premium requirements of the Master Agreement. All hours in excess of 38.75 a week shall be compensated according to the provisions of the Master Agreement.
  - Sick time, personal time, vacation and holidays will be paid/utilized as hours worked consistent with the employee's schedule.

**LETTER OF UNDERSTANDING #13.1**

**RE: COMPENSATION FOR UAW PARTICIPANTS  
IN COOPERATIVE PROCESS**

**In recognition of the strategic roles and contributions of the UAW participants in the Cooperative Process, which advance and facilitate the Company's collaborative functions, mission, and growth, as well as their high level interaction with management peers and possible foregone opportunities while they hold such positions, the parties agree as follows with respect to the position of UAW Statewide Chairperson, the four UAW Local Presidents, the Cooperative Process Liaisons and the Cooperative Process Coordinators.**

**With respect to persons currently in those positions, those persons will continue to receive compensation at their current level unless the parties mutually agree otherwise during the term of this Agreement.**

**With respect to persons who are elected or appointed to these positions during the term of this Agreement, those persons shall initially be compensated at the pay grade they held immediately prior to their election or appointment. In order to prevent such persons from being disadvantaged as a result of their election or appointments, such persons shall also be allowed to progress into other pay grades in accordance with the promotional opportunities that would have been otherwise available to such persons.**

## **LETTER OF UNDERSTANDING #15.1**

### **RE: ABSENTEEISM**

During negotiations the parties agreed that absenteeism is costly and disruptive to operations. The Company and Union also agreed that absenteeism places an unfair burden on those employees who regularly report to work and use sick time only when necessary. The parties, therefore, agree to establish a procedure separate from the normal disciplinary process, to deal with the small number of employees who appear to continually have problems with absenteeism.

The initial step of this procedure will entail a joint Union and Company counseling of the employee by the employee's Department Manager, Zone Representative/Chairperson and an Employee Relations Representative. During this session the employee will be apprised of her/his absenteeism record and the parties will discuss the reasons for the absences. If the absences are considered to be of a confidential nature, a member of the Employee Assistance Program (EAP) Committee and Joint Attendance Coordinators will be contacted to work in a support role.

This letter should not be construed as limiting management's right to impose discipline for absenteeism up to and including discharge, or the Union's right to grieve such action if believed to be inappropriate, nor is it intended to address an employee who had previously exhibited a good attendance record over the years but more recently developed a poor record due to legitimate reasons and where management's expectation is that such an employee will return to an acceptable attendance level. Rather this procedure is intended to apply to those individuals who have definite patterns of excessive absenteeism.

## **LETTER OF UNDERSTANDING #15.2**

### **RE: ATTENDANCE/LOST TIME**

The Attendance Committee will consist of one (1) representative from BCBSM management and one (1) representative from the UAW. The committee will utilize representatives from the following entities, as needed, to assist in resolving issues related to attendance at BCBSM:

- ◆ Internal Medical Consultants
- ◆ EAP Vendor
- ◆ Salary Continuation Vendor
- ◆ Rehabilitation Process Committee
- ◆ Systems Support
- ◆ Employee Relations
- ◆ Others as appropriate

The responsibilities of the Joint Attendance Committee and/or Coordinators may include, but are not limited to the following:

- ◆ Establishing and monitoring an attendance control reporting system.
- ◆ Coordination of the administration of the Salary Continuation program and vendor.
- ◆ Coordination of the administration of the Attendance Waiver Policy.
- ◆ Review of attendance performance data to determine trends, aberrant behaviors, etc., and make recommendations for action or policy changes as needed.
- ◆ Other activities and/or responsibilities as appropriate.
- ◆ Joint training for management and union representatives.

- ◆ Development of training class content with the Corporate Training and Development Department.
- ◆ Development of a structured communication plan. Possible plan uses are:
  - Brochures
  - Sectional departmental meetings
  - Presentations at New Employee Orientation sessions
  - Etc.
- ◆ Development of a structured approach for the effective use of L.O.U. 15.1. This may include the use of EAP, medical specialists, rehabilitation facilities and specific procedures for corrective actions as determined on an individual basis.
- ◆ Collaborate with ISD in the development of necessary reports and the monitoring of the reporting system.
- ◆ Jointly address relevant attendance issues to help ensure understanding of the program and effective implementation.
- ◆ Investigate and analyze attendance related disputes and make recommendations for resolutions to union/management leadership.
- ◆ Review attendance performance data and establish trigger points to determine trends, aberrant behaviors, etc.
- ◆ Review cases for catastrophic illnesses/injuries for case management considerations and for direct access to sick time.
- ◆ Advise and consult with union and management leadership for attendance policy clarifications and disputes.

Ongoing responsibility for oversight of committee activities to be determined by UMAC.

## **LETTER OF UNDERSTANDING #15.3**

### **RE: WORKERS' COMPENSATION**

During negotiations, the parties discussed the method of compensating employees who are determined to have a job-related illness or injury, in accordance with applicable State law.

Any employee injured while at work for the Company and required to leave the office for treatment, or sent home for such injury, shall receive pay for the balance of their regular shift. The Company agrees to supplement the pay provided by the Workers' Compensation carrier to one hundred percent (100%) of the employee's base rate, beginning with the first day of the illness or injury. The supplemental pay will not be charged to the employee's Sick Time Benefit and no occurrence will be generated. While the employee remains on the active payroll, all employee benefits will be provided.

Beginning on the first day of the sixth (6th) month of such absence, the employee will be granted a Workers' Compensation Leave of Absence. The employee will continue to receive Workers' Compensation benefits from the carrier. The Company agrees to continue full life insurance coverage and full health care coverage, including Dental, Vision and Hearing benefits, during the period of the Leave of Absence.

**LETTER OF UNDERSTANDING #15.4**

**RE: SICK TIME**

The change from Sick Leave to Sick Time is only for the purpose of consistent verbiage and does not alter/change the intent that employees covered by this Agreement shall be entitled to all provisions relating to seniority, benefit accrual and reinstatement rights as indicated in Article 18 - Leaves of Absence.

## **LETTER OF UNDERSTANDING #15.5**

### **RE: ATTENDANCE/RETURN TO WORK PROCESS**

The Company and Union agree that effective return to work processes are essential to enable employees who have become ill, injured or disabled to maintain employment or return to work when their physical and/or emotional disability can be accommodated in a position suited to their level of ability. The parties also agree that when possible, employees will be returned to work at BCBSM in their former job or one of like status and pay provided the employee is able to perform such job functions.

The parties, therefore, agree to utilize formal return to work processes to ensure efficient and effective transitions for return to work purposes. The Joint Attendance Coordinators will assist the process and discuss issues or concerns as identified in Letter of Understanding 15.2, re: Attendance/Lost Time.

**LETTER OF UNDERSTANDING #15.6**

**RE: LONG TERM DISABILITY (LTD)**

During the 1999 negotiations, the parties discussed the administration of the Long Term Disability (LTD) plan as it relates to the employment status of employees on LTD.

Although employees who have applied for LTD are removed from the active employment rolls, they are not to be considered as terminated from their employment with BCBSM.

Employees shall be notified to apply for LTD prior to the first day of the sixth month of disability. Failure to apply may jeopardize continued employment.

Furthermore, upon providing a medical release to return to work, the employee shall be reinstated in accordance with the September 30, 1997 Settlement Agreement on LTD/Workers' Compensation return rights.\*

The Company shall provide the above information to the employee upon application for LTD benefits.

\*Settlement Agreement reprinted on p. 293.

## **BCBSM/UAW**

### **SETTLEMENT AGREEMENT**

#### **LTD/Workers' Compensation Return Rights**

*In full and final settlement of Arbitration #54-300-740-94, and all other outstanding grievances pertaining to said issue, BCBSM and the UAW agree that the following settlement provisions shall be applicable statewide.*

1. Human Resources will be responsible for administering the provisions of this Agreement governing employees returning to work from LTD or WC.
2. The Company acknowledges the right of employees to return to work from an LTD or WC leave of absence. This Agreement sets forth these reinstatement rights.
3. The Company agrees to post the position of any employee on a sick leave of absence after six (6) months. The Company will not arbitrarily deny placements when positions are available. Any disputes arising hereunder shall be addressed by the Director of Human Resources and the affected Local Union President.

The parties recognize that they cannot anticipate all issues/concerns that may arise. If issues do arise, the parties will meet to address them.

1. For a period equal in length to her/his seniority, but not to exceed four (4) years from her/his LTD or WC, an employee returning from such leave shall be placed in a job vacancy for which she/he is qualified, as follows:

- a) former job;
- b) job like status and equal pay in the same department;
- c) job of lower status and pay in the former department; provided, however, that if placed in a lower level position such employee shall suffer no loss of regular wages for two (2) years following her/his return to work and shall be entitled to recall rights in accordance with Article 8 of the Master Labor Agreement for the two (2) year period.
- d) In the unlikely circumstance that a job is not available as referenced under sections a, b, or c above, the Bargaining Chairpersons of both Company and Union will meet to determine placement of the returnee in accordance with provisions of the Job Security Agreement, Article 25, and Letters of Understanding and in accordance with the intent of this letter, in consultation with the affected Local Union President. Affected employee shall suffer no loss of regular wages for two (2) years following her/his return to work and shall be entitled to recall rights in accordance with Article 8 of the Master Labor Agreement for the two (2) year period.
- e) The Company's obligation under this section shall begin fifteen (15) work days from the date the employee provides the Company with the medical release and return to work date.

If an employee's LTD or WC leave of absence extends beyond her/his seniority or the maximum of four (4) years, she/he shall be considered a laid off employee with rights as set forth in Article 8 of the MLA.

**LETTER OF UNDERSTANDING #20.1**

**RE: RETIREE HEALTH CARE**

Eligibility for retiree health care (retiree, dependent, surviving spouse, and surviving spouse and dependent of person eligible for retirement, but not retired) will continue for early, disability and regular retirements under the Plan unless otherwise mutually agreed to by the parties.

## **LETTER OF UNDERSTANDING #20.2**

### **RE: JOINT BENEFITS COMMITTEE**

The Joint Benefits Committee (composed of the four (4) Union Benefit Representatives and an appointee of the Director of the Technical, Office and Professional Department of the International Union, UAW, and an equal number of Company representatives) will meet at least quarterly to discuss benefit issues. At the least, the Committee will:

- Discuss, design and implement a campaign to educate and inform members about the need for organ donations and the process by which such donations may be made.
- Discuss, design and implement a campaign designed to encourage members to use mail order drugs, as appropriate.
- If a non-Blues, long term care insurance product is to be offered, the Committee will develop the specifications (RFP) for such a product and will make the final selection of the product to be offered. The Company will use its usual RFP process to facilitate the solicitation of bids and procurement of the vendor selected.
- Review and approve medical necessity guidelines for hearing aids more frequently than every thirty-six (36) months.
- Review and recommend changes to applications and forms employees are asked to sign for benefit eligibility or claims information, leaves, disability pension, etc., in order to ensure they are narrowly tailored in order to preserve the employee's right to

privacy and limit the Company's access to medical or personnel information to a strict need to know basis.

- Discuss the work environment as a factor causing or contributing to incidences of long term disability.
- Other issues as the parties may direct.

The Company agrees that it will provide basic training for the Union Benefit Representatives on all matters of benefits, including contract provisions and appeals processes.

**LETTER OF UNDERSTANDING #20.3**  
**RE: CHANGES TO THE PENSION PLAN**  
**AND SAVINGS PLAN**

The Union and the Company agree that the Pension and Saving Plans must remain legally qualified at all times and that the benefit level is negotiated. It is, therefore, agreed that there will be no amendments to the Pension Plan or Savings Plan unless mutually agreed to by the Union or unless legally required.

In instances in which changes may be legally required and there are options of how the amendment may be made, the Company and the Union will mutually agree on the option.

**LETTER OF UNDERSTANDING #20.4**  
**RE: FUTURE BENEFIT ENHANCEMENTS**

During these negotiations, the Union expressed an interest in providing benefits for:

- ◆ Complementary and Alternative Treatment Modalities:
  - ❑ For those with chronic and acute debilitating pain.
  - ❑ Where they can assist in the management of serious health conditions.
  - ❑ In instances in which they enhance recovery during an inpatient admission, shorten the length of stay for premature babies, and for conditions for which they offer better control of contributing factors.
- ◆ Shared decision making for conditions for which there is considerable variation in treatment options, benefits and risks.
- ◆ Case management for serious illnesses.
- ◆ Prosthetic and Orthotic appliances for select conditions, such as alopecia and chemotherapy.
- ◆ An education program on Hormone Replacement Therapy.

There was general discussion about the design and scope of such benefits, the Company's ability to offer them at this time, and the fact that such benefits were not widely available for major customers. It was agreed that, at such time as benefits such as these are designed and implemented for major customers, they would be implemented for employees, and their eligible dependents covered under the Collective Bargaining Agreement. It is

understood that implementation could be delayed beyond the implementation for major customers in order to accommodate the Company's separate benefit system, but that implementation would be as soon as practicable.

Any decisions on the benefit specifications that need to be made by the parties would be referred to the Joint Benefits Committee and any changes would be made by mutual agreement.

In addition, the Union expressed an interest in a case management program for those with very serious illnesses or who may be terminally ill. The Company is in the process of implementing such a program for salary personnel. At such time as it is implemented for salary personnel, it will be simultaneously implemented for employees covered under this Collective Bargaining Agreement and their dependents.

## LETTER OF UNDERSTANDING #20.5

### RE: LONG-TERM CARE

During these negotiations, the parties discussed the Union's proposal for long-term care insurance policy and the fact that the Company was in the process of seeking approval for such a product from the State Insurance Commissioner. It was therefore agreed that a long-term care insurance product would be sponsored by the Company and paid for by employees through payroll deductions.

If the Company has an insured product available within twenty-four (24) months from the date of ratification, the Blues' policy will be offered to employees. If the Company does not have an insured product available within the twenty-four (24) months, a non-Blues' product will be jointly selected and offered to employees. Thereafter, if the Company does develop a similar product, the parties will consider substituting the Blues' product for the one otherwise selected. In agreeing to switch to a Blues' product, the parties will consider the comparability of the products in terms of benefits and cost to the employees and any loss of benefits that may be created by the switch.

## LETTER OF UNDERSTANDING #20.7

### RE: SCHOLARSHIP PROGRAM FOR DEPENDENT CHILDREN

Blue Cross Blue Shield of Michigan and the UAW recognized the importance of continuing education for college-aged dependent children of UAW represented employees. In this regard, the Union and the Company agreed to establish a Scholarship Program for Dependent Children.

- ◆ **Eligibility:** Active UAW represented BCBSM seniority employees with dependent children who are pursuing post-secondary education or training at an institution accredited by a governmental or nationally recognized agency. Acceptable educational programs include courses which lead to an associate, undergraduate, graduate or Ph.D. degree, or vocational or technical certification.
- ◆ **Funding:** The Company shall provide:
  - \$150,000.00 per semester (based on two [2] semesters) effective September 1, 2002
  - \$150,000.00 per semester (based on two [2] semesters) effective September 1, 2003
  - \$150,000.00 per semester (based on two [2] semesters) effective September 1, 2004
- ◆ **Dependent Child Definition:** For purposes of this program, the definition of Dependent Child is as follows:
  - Your unmarried children by birth, legal adoption, or legal guardianship, while they are in your custody and dependent on you.

- Children of your spouse or domestic partner while they are in the custody of and legally dependent on your spouse or domestic partner and reside as members of your household.
- Children, who are the employee's legal responsibility for the provision of medical care, but do not reside with the employee.
- Unmarried children who are totally and permanently disabled before age 19. The disability must result from a medically determined mental or physical condition that prevents the child from self-sustaining employment, and you must provide more than half of the child's support.
- Unmarried principally supported children who reside with you as a member of your household, are dependent on you for more than half of his or her support and are claimed on your most recent tax return.

◆ **Covered Expenses:** The program covers the following expenses paid to accredited institutions:

- Tuition
- Certain fees (identified on the application form)
- Credits earned by exam or prior learning
- Tests or exams to enter a degree program
- Pre-requisite courses to enter a degree program

◆ **Scholarship Amount:** The scholarship is limited to a per semester benefit of up to \$750 provided sufficient funds are available. In the event the number of requests exceeds the amount in the fund, benefits shall be distributed in equal amounts.

Payments under the Scholarship Program for Dependent Children will be subject to applicable federal, state, and local income tax provisions.

**LETTER OF UNDERSTANDING #20.8**  
**RE: WORK AND FAMILY PROGRAM**

**Purpose**

The Company and the UAW recognize that the competing demands of the workplace and the family create stress at home and on the job. When work and family responsibilities are out of balance, employees often are unable to reach their full potential. Productivity, job performance and family harmony all can suffer.

When employees are able to balance their work and family lives, they can be more productive both at work and at home. The Work and Family Program provides workplace based support and assistance to help employees achieve that balance.

**Joint Family Care Committee**

The Joint Family Care Committee will consist of four (4) members from the Union and four (4) from the Company. This committee will consist of **one union** representative from **each Local**. The committee will oversee and make **recommendations, as appropriate, for the family care fund, childcare consortium activities, and the resource and referral program. In addition, the committee will recommend alternative providers, which may include union providers, for childcare programs. The committee will pursue a childcare initiative aimed at providing on-site or near on-site quality childcare in one or more BCBSM communities.**

## Resource and Referral Program

A 1-800-telephone service will **continue to provide** employees with information, referrals, education and consultation to meet their family care needs. Employees experiencing childcare, elder/adult care, and other such needs can access the service. The Detroit and Southfield locations will be provided with 4-8 hours on-site consultation with a family care expert and the outstate locations will be provided on-site consultation as jointly determined appropriate. **The service provider has been selected.**

## Consortium Opportunities

In an effort to expand employee access to childcare services in the Metropolitan Detroit Community, the parties will review the feasibility of joining the Alliance for Children and Working Families.

Additional consortium opportunities will be explored as available in communities where employees live and work.

## Family Care Fund

All employees covered by this Agreement shall have access to a family care fund to be used for direct childcare, elder/adult care, and adoption services. The Company will contribute \$600,000.00 each year for the life of the Agreement. Employees can access up to \$750.00 per year from this fund for direct dependent care as follows:

### Eligible Family Members/Eligible Expenses:

**Childcare - child, adopted child or stepchild up to 12 years of age**

- ◆ **Direct Childcare:**
- ◆ **Summer Day Camps**
- ◆ **School Holiday Care**

- ◆ **Preschool Programs**
- ◆ **Summer School**
- ◆ **Emergency Care (Snow Day & Sick Childcare)**
- ◆ **Latch Key Services**
- ◆ **Tutoring**

**Childcare - child, adopted child, or stepchild 13 to 18 years of age**

- ◆ **Day Camps**
- ◆ **Summer Camps**
- ◆ **Tutoring**

**Elder/adult Care - spouse, child, stepchild, adopted child, father, stepfather, father-in-law, mother, stepmother, mother-in-law, grandfather, grandmother**

- ◆ **Home Health Care**
- ◆ **Home Health Aids**
- ◆ **Handicap Accessible Modification to Homes**
- ◆ **Durable Medical Equipment (not covered by insurance)**
- ◆ **Transportation to medical appointments**

### **Adoption**

- ◆ **Legal Fees**
- ◆ **Agency Fees**

The Joint Family Care Committee will oversee the administration of the Family Care Fund. **Annual funding, distribution amounts and distribution schedules may be adjusted due to projected or actual usage as determined by the Joint Family Care Committee, but in no event will exceed the total amount generated at the \$600,000.00 rate plus interest earned.**

## LETTER OF UNDERSTANDING #25.1

### RE: JOB SECURITY

In undertaking the **Joint Program/Business Process Improvement** initiative, BCBSM and UAW have committed themselves to creating an affirmative environment that encourages and empowers our work force to review current work processes, systems, and organizational structure for the purpose of recommending how these components can be redesigned to maximize customer service and cost effectiveness. Direct employee involvement, participation, and leadership can result in much needed productivity gains, improved quality and reduced administrative costs.

Realizing that our BCBSM employees, who are UAW members, may be reluctant to apply their innovative energies and talents to this endeavor if it is perceived that their recommendations and ideas for improvement will simultaneously jeopardize their future employment, the Company, in an effort to encourage a creative environment that stimulates the free flow of ideas, hereby provides the following protection to bargaining unit employees:

No bargaining unit member within the "pilot" department(s) will lose employment, be reduced in wage rate, or hours of work as a result of the implementation of joint recommendations generated through the **Joint Program/Business Process Improvement** process. This protection will also be extended to include any/all bargaining unit employees of departments other than pilot departments who are impacted by **Joint Program/Business Process Improvement** recommendations.

## **Temporary Employees**

It is in our collective best interest to establish a "reserve pool" concept to provide full-time bargaining unit positions to perform that work previously assigned to non-union, contracted Temporary Agency Employees for extended periods of time. The parties will meet to mutually develop a plan to implement the reserve pool for the expressed purpose of phasing out non-union contracted Temporary Agency Employees who may be performing bargaining unit work for such extended periods in violation of the Master Labor Agreement

The Company and the Union should recognize that there may be a continuing need to utilize temporary employees for short duration's as outlined in Article 8 of the Master Labor Agreement. The Company will routinely utilize Company Temporary Employees to cover new business or new product implementations, extended employee absences from work, special projects, and other situations which may not require the use of full-time employees.

To ensure that time frames and other contractual obligations are met according to the terms of the Master Labor Agreement, utilization of all temporary employees will be administered and approved by Employee Relations. Any violations in this regard may be referred by the Statewide Bargaining Chairperson directly to the Director of Human Resources.

## **Outsourcing**

Both BCBSM and the UAW agree that it makes good business sense to utilize our "own" employees to perform work for which they are qualified. Toward that end, we are committed to reviewing every opportunity to minimize outsourcing.

The parties agree to establish a work team in each Local Union to review outsourcing. First priority will be given to areas of the corporation that are scheduled for **Joint Program/Business Process Improvement** pilot activity.

**LETTER OF UNDERSTANDING #26.1**  
**RE: BASIC SKILLS ASSESSMENT PROGRAM**

Since the parties recognize that successful training performance and resulting job performance are linked to solid foundational skills, the Company and the Union agree to explore the feasibility of implementing a Basic Skills Assessment Program. The intent of the Basic Skills Assessment Program is to allow UAW represented employees an opportunity to assess reading, writing, math and keyboard/typing skills.

Such a program, if determined to be viable to meet anticipated needs, will provide the avenues for addressing skill needs. Among the issues to be explored are:

1. Timelines
2. Assessment Procedures
3. Skill upgrade alternatives such as a pilot co-sponsored by the Company and the Union or community education programs
4. Location, facilities and hours
5. Exclusions and limitations
6. Joint Funding

## **LETTER OF UNDERSTANDING #26.2**

### **RE: TRAINING (INTENT)**

The Company and the Union recognize the importance of providing training to the employee, as soon as possible, after placement into a new position. During the 1993 negotiations, the parties discussed many ways to address this concern such as:

- ◆ Identifying the requisite skills for the job on the job posting;
- ◆ Assessing the employee's skills within thirty (30) days of placement into a position;
- ◆ Classroom training and/or training alternative delivery methods to begin within thirty (30) days following assessment.

To this end, the Company agrees to make every effort to provide the required training within the appropriate tenure period. The Company will not arbitrarily extend tenure. The members of the Corporate Training Council will define appropriate tenure guidelines and criteria for extension.

The parties also recognize training to be a dynamic process with shared responsibilities between the Company and the individual employee. The Company must continue to provide opportunities for learning, technical and professional growth and development that encourages continuous improvement. Simultaneously, the employee must commit to the learning process, self development and achievement. Therefore, the parties agree that the Trainee must be an integral part of the complete training process; actively participating at each step including assessment(s), coaching, feedback, alternative training strategies, and training plan.

**With Trainee involvement and the Company's commitment to encourage and support employee development, training can become a vehicle for maximizing successful job performance.**

**LETTER OF UNDERSTANDING #26.3**

**RE: GAP TRAINING**

The parties will implement a structured plan within the terms of this Agreement, for the purpose of providing cross training to all phone and written Customer Service Representatives. Such training will be offered on a voluntary basis, with most senior volunteers considered first.

In addition, the parties agree that fully trained employees are more productive and able to meet customer service needs. To achieve this end, GAP training needs for Customer Service Representatives will be assessed, and the required training provided to employees in accordance with Article 26.10.

**LETTER OF UNDERSTANDING #27.1**  
**RE: BCBSM/UAW COOPERATIVE PROCESS**  
**COMMITTEES**

During the 1993 negotiations, both the Company and the Union recognized the need to continue to pursue a mutual gains approach to identify and address employee needs and corporate strategic business goals. This commitment is being met by the formation of joint committees to develop and address long range plans, and has resulted in recommendations under the auspices of the Cooperative Process Coordinating Group (CPCG).

These committees recommendations were approved by the Union Bargaining Committee and subsequently brought before the Union-Management Action Committee (UMAC) for endorsement of each committee, allocation of resources, and establishment of priorities for cooperative process activities. The process defined above, will continue throughout the life of the 2002 - 2005 Master Labor Agreement.

The Cooperative Process Coordinating Group will continue to assist in the development of project summaries which enable UMAC to prioritize and allocate resources for these committees. The project summaries will consist of definition of committee purpose, deliverable(s)/product(s), meeting frequency, time frame for completion and anticipated resource needs. It is understood that the committees listed below are in addition to any Cooperative Process activities identified in Article 27 of this Master Labor Agreement.

With UMAC's authorization, the Cooperative Process Coordinating Group will assume responsibility for coordinating activities for the following joint committees:

<b>COMMITTEE</b>	<b>CHARGE</b> (In accordance with Master Labor Agreement, and Union Bargaining Committee/Management Policy)
<p>TQM/Self Managed Teams (including Horizons)</p> <ul style="list-style-type: none"> <li>◆ Implementation Team</li> <li>◆ Self-Directed Teams</li> </ul>	<p>Develop and administer training in work redesign processes.</p> <p>Participate in the drafting of joint recommendations for work redesign in accordance with jointly approved guidelines.</p>
<p>Attendance</p>	<p>Establish and monitor attendance reports:</p> <ul style="list-style-type: none"> <li>◆ Coordinate the administration of the Salary Continuation Program</li> <li>◆ Coordinate the administration of the waiver policy</li> <li>◆ Recommend policy changes based on trend analysis</li> <li>◆ Review and implement joint recommendations regarding the rehabilitation process.</li> </ul>
<p>Production/Quality Standards-Coaching and Development</p>	<p>Facilitate implementation of Coaching and Development Process.</p>
<p>Joint Training Centers (Prudence M. Humphrey Center)</p>	<p>Under the direction of Joint Administrators (appointed by the Company and the Union, respectively), administer programs to promote training opportunities to bargaining unit employees.</p>

It is understood that Cooperative Process activities are intended to realize the goals set forth in the Master Labor Agreement. The Cooperative Process Core Group, UMAC and the Joint Committees referenced by this letter are specifically not authorized to modify the terms of the Collective Bargaining Agreement.

**LETTER OF UNDERSTANDING #27.2**

**RE: QUARTERLY MEETINGS**

Both the Company and the Union agree that review of any plans and concerns raised by either party would be addressed during quarterly "State of the Union and Company" meetings, which will be beneficial to both parties by fostering an open and harmonious working relationship.

**LETTER OF UNDERSTANDING #30.1**

**RE: LOSS OR SALE OF BUSINESS**

In the event BCBSM or one of its subsidiaries closes as a result of the loss or sale of business, employees affected by such action will be afforded placement consideration at the remaining companies prior to the hire of any external candidates. Such employees will receive preferential employment consideration for a period equal in their seniority, but not to exceed two years.

Affected employees must contact BCBSM or any subsidiary for which they wish to apply no later than 30 days following their last day of employment. An employee who declines a job offer will forfeit further placement consideration with BCBSM or any subsidiary under the terms of this letter. Affected employees are subject to all employment and job requirements of BCBSM and/or the subsidiary for which they apply.

**LETTER OF UNDERSTANDING #A**  
**RE: NEW EMPLOYEE ORIENTATION**

The Company has implemented a New Employee Orientation (NEO) program. The Union participates in this process by providing a module which describes the Union and its objectives and goals. This helps build better understanding of the legitimate and valued roles the Union plays with respect to building amiable Labor-Management relationships. The Union will provide the Company with the names of the individuals who will facilitate for each Local Union in the process.

## LETTER OF UNDERSTANDING #B

### RE: MISCELLANEOUS ITEMS

With regard to all Locals, the following understandings will apply:

1. **Training Time** - Whenever possible, the Company will hold training sessions during regular working hours.
2. **Out of Territory** - The Company, when the need arises, will offer out of territory work on a voluntary basis. If there are not volunteers, selection for such work will be the least senior employee who is qualified to perform the function.

### Work Between Local Jurisdictions

3. **Split Assignments** - On rare occasions, the Company will have need to split an employee's work schedule between different facilities, e.g., one day at one office and four days at another office. The Company will make every effort to assign an employee from a location that is within the jurisdiction of the Local that represents both offices. When the Company is unable to do so, and finds it necessary to assign an employee from another Local, the Company will provide rationale, including business needs, to the Leadership of both Locals, and solicit their input in an effort to make a mutually agreeable decision. In the event of an impasse, the Company may implement and the Union retains its rights under Article 7 to grieve this decision.
4. **Lodging** - For those employees who require overnight lodging (i.e., training, out of territory) the Company shall provide appropriate lodging. Should

the employee prefer other accommodations, any additional cost exceeding Company-provided lodging is the employee's responsibility. When overnight lodging is required, two employees are expected to share a room. Travel Cash Advances will be made available when requested. When Cash Advances are not available the Company will provide lodging with food service available.

5. **Mileage** - Employees on temporary work assignments or training sessions in another facility will be paid for reimbursable business mileage. Mileage will be paid at the corporate approved rate in effect as of the date of this Agreement. Changes from that rate must be mutually agreed upon.
6. **Overtime** - If the "work day" including appropriate travel time exceeds 7.75 hours, overtime will be paid at one and one-half (1-1/2) times the employee's base salary rate. Travel time required is based on the normal travel time from the employee's facility to the temporary assignment or training session.
7. **Cots** - The Company will provide cots in those district office facilities where there is adequate space.
8. **Office Equipment** - As facilities are remodeled or relocated, the Company will consider the installation of microwave ovens and the inclusion of separate employee lounge areas in the design plan.
9. **Personnel Files** - The official employment personnel file is maintained in the Human Resources Department. Employees may arrange to see their files in accordance with corporate policy and an applicable law.

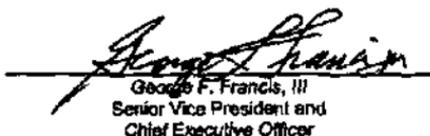
**LETTER OF UNDERSTANDING #C**

**RE: 2256 PRESIDENT**

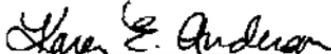
For clarification purposes, the parties agree that the designation of "President" when referencing Local 2256 shall be understood to mean Bargaining Chair/Unit President throughout the 2002 - 2005 MLA.

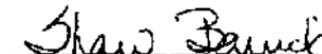
BLUE CROSS AND BLUE SHIELD OF MICHIGAN

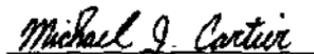
  
Richard E. Whitmer  
President and CEO

  
George F. Francis, III  
Senior Vice President and  
Chief Executive Officer

  
Charles E. Boyer  
Vice President, Human Resources

  
Karen Anderson  
Manager, Employee/Labor Relations

  
Shari Barrick  
Manager, Employee/Labor Relations

  
Michael Cartier  
Director, Michigan Operations

  
Todd Harrison  
Director, Rewards

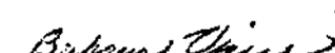
  
Robert Long  
Director, West Michigan Provider Services  
Administration

  
Marie Björke  
Director, Employee/Labor Relations

  
Roy Nesler  
Director, Employee Services

  
Judith Phelps  
Manager, Provider Services

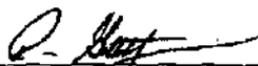
  
David Sikkeles  
Director, IS/Human Resources

  
Barbara Viaene  
Director, Auto/National Operations

  
John Weber  
Manager, Employee/Labor Relations

IN WITNESS WHEREOF, the parties hereto have, by their duly authorized officers and representatives, executed the Agreement this 1<sup>st</sup> day of September 2002.

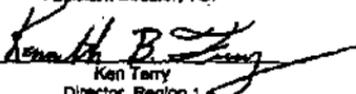
INTERNATIONAL UNION, UAW



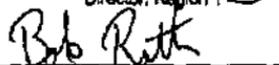
Roy Göttsfänger  
President



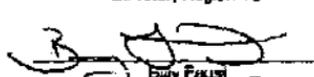
Dave Burch  
Assistant Director, TOP



Ken Terry  
Director, Region 1



Bob Roth  
Director, Region 1C



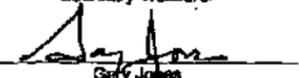
Gary Faust  
International Representative, Region 1C



Valerie Oates  
International Representative, Region 1



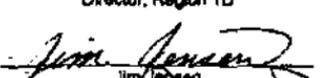
M. Elizabeth Bunn  
Secretary Treasurer



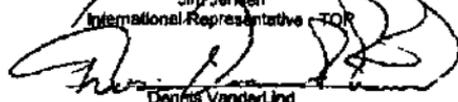
Gail Jones  
Administrative Assistant



Don Osman  
Director, Region 1D

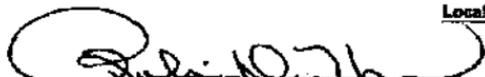


Jim Jensen  
International Representative - TOP

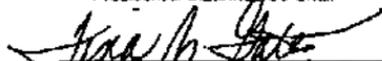


Dennis VanderLind  
International Representative, Region 1D

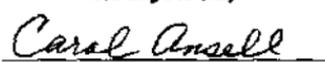
Local 1781



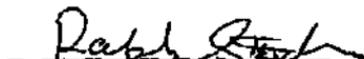
Robin D. Thomas  
President & Statewide Co-Chair



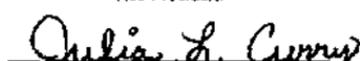
Tina M. Getes  
Recording Secretary



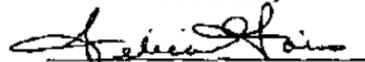
Carol Ansell  
Chairperson



Ralph Stephan  
Vice President



Julia L. Curry  
Financial Secretary



Felicia Goins  
Chairperson

Michele Brown-William

Michele Brown-William  
Chairperson

Rolands Dudley

Rolands Dudley  
Chairperson

Arnita Newby

Arnita Newby  
Chairperson

JoAnne Woodell

JoAnne Woodell  
Chairperson

Brian Bosek

Brian Bosek  
President

Local 2145

Cynthia M. Morse

Cynthia M. Morse  
Chairperson

Karen J. Poulakas

Karen J. Poulakas  
President

Local 2258

Claire P. Garmyn

Claire P. Garmyn  
Chairperson

Sally Eileen Bier

Sally Eileen Bier  
President & Stenotype Chair

Local 2500

Gloria S. Crook

Gloria S. Crook  
Vice President

Anita Temple

Anita Temple  
Recording Secretary

Joyce Mills

Joyce Mills  
Financial Secretary  
Statewide Recording Secretary

Richard Adliss

Richard Adliss  
Zone Representative

Dwight Harris, Sr.

Dwight Harris, Sr.  
Zone Representative

Zelda Anderson

Zelda Anderson  
Zone Representative

Bruce Roemer

Bruce Roemer  
Zone Representative

Michael Bark

Michael Bark  
Zone Representative

Dorrie M. Schulte

Dorrie M. Schulte  
Zone Representative

Arlette Green

Arlette Green  
Zone Representative

Carlene Warren

Carlene Warren  
Zone Representative

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