

K#: 7419



Horizon Blue Cross Blue Shield of New Jersey

Making Healthcare Work

May 1, 2010 thru April 30, 2013

Agreement between

Horizon Blue Cross Blue Shield of New Jersey

and

Local 32

**Office and Professional Employees International
Union**

A.F.L.-C.I.O.



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Article I – Recognition & Coverage

SECTION 1

(a) The Employer, Horizon Blue Cross Blue Shield of New Jersey, recognizes the Union as the sole collective bargaining agent for its employees who comprise the Unit hereunder as follows:

(b) All employees of the Employer employed at any of its business locations; excluding all professional employees, all supervisors, managerial and confidential employees, all human resources employees, all trainees and guards as defined by the National Labor Relations Act, as amended, all employees and positions excluded by reason of a prior contract between the parties.

Bargaining Unit Job Titles

Job Title	Job Title
Account Clerk	Lead Mail Clerk
Account Installation Associate	Lead Warehouse Clerk
Accountant	Mail & Assembly Clerk
Accounting Disbursement Clerk	Mail Clerk
Accounts Payable Clerk	Mailing Equipment Operator
Accounts Receivable Clerk	Medical Underwriting Clerk
Administrative Assistant	Medicare (COB) Invest Specialist
Administrative Secretary	Medicare-Medicaid Secondary Payor
Archive Stationery Clerk	Processor
Associate Team Service Representative	Membership Services Associate
Assistant Team Service Representative	Messenger
Benefit Technician	Microfilm Clerk
Billing & Enrollment Coordinator	Micrographics Data Capture
Billing Coordinator	Operator
Bindery Clerk	Notification/Enrollment
Bookkeeper	Coordinator
Call Center Service Associate	Offset Press/Web Operator
Cash Adjustment Clerk	Offset Print Machine Operator
Cash Suspense Clerk	Physician Reimbursement Clerk
Claims Specialist	Policy Support Representative
Claims/Pends Specialist	Policy Support Specialist
Claims Associate	Presort Clerk
Claims Control Clerk	Principal Account Clerk
Claims Investigator	Principal Claims Clerk
Clerk	Principal Clerk
Clerk/Typist	Printer Operator
Client Service Consultant	Provider Account Clerk
Complaints and Appeals Associate	Sales Support Assistant
Complaints Specialist	Self Billing Enrollment Analyst

Job Title	Job Title
Computer Operator	Senior Accountant
Control Clerk	Senior Accounting Clerk
Control Clerk/Typist	Senior Bindery Clerk
Control/File Clerk	Senior Claims Investigator
Courier/Driver	Senior Client Service Consultant
Default/Switchboard Rep.	Senior Control Clerk
Dental Claims Examiner	Senior Data Capture Operator
Dental Claims Spec	Senior Data Capture/Tech Operator
Dental Enrollment Clerk	Senior Document Technician
Document Specialist	Senior Mail & Assembly Clerk
Enrollment Administrative	Senior Mail Clerk
Assistant	Senior Mailing Equipment Operator
Enrollment Clerk	Senior Prep Person/Pressman
Enrollment Coordinator	Senior Principal Claims Clerk
Enrollment Service Specialist	Senior Principal Inventory Clerk
Equipment Operator	Senior Warehouse Clerk
Forklift/Truck Operator	Service Request/Correspondence
Fulfillment Clerk	Service Specialist
Head Pressman	Sr. Accountant
HIPAA Associate	Sr. Acctng Disbursement Clerk
Initial Claims Inventory Clerk	Sr. Call Center Service Associate
Initial Claims Specialist	Sr. Cash Adjustment Clerk
Inquiry Specialist	Statistical Clerk/Typist
Institutional Claims & Correspondent	Team Control Clerk
Specialist	Team Service Representative (t)
Institutional Provider Services	Truck Driver
Coordinator	Underwriting Support Clerk
Inventory Clerk	Van Operator
Lead Clerical Processor	Verification Data Entry Clerk
Lead Control Clerk	Web Enrollment Specialist
Lead File Clerk	

(c) Any job titles which are no longer in use but which had been used as Bargaining Unit job titles shall remain as Bargaining Unit titles if the titles are subsequently reinstated.

(d) Future exclusions shall be made on the basis of whether the position sought to be excluded is like or similar to existing positions already excluded from the Unit. The Employer will supply the Union with a list of all proposed exclusions on a monthly basis or notice that no exclusions are proposed. In addition, Active and Inactive job titles will be supplied on a monthly basis. If the Union has any disagreement with an exclusion by the Employer, it shall within six (6) months of notification of the exclusion, petition the NLRB for a clarification of the Unit.

SECTION 2

The Employer retains the right to hire temporary employees to work no more than twelve (12) months during any twelve (12) month period. The amount of temporary employees hired by the Company shall not exceed 15% of the total Bargaining Unit workforce. Such temporary employees shall be excluded from the Union and shall not be entitled to any of the rights, benefits, paid or unpaid leaves or procedures contained within any Article of this Agreement.

SECTION 3

The terms "employee" or "employees" when used in this Agreement, shall apply only to such employees as are included in the Unit covered by this Agreement. The terms "he", "his", or "him" in this Agreement shall include male and female employees.

Article II – Part-Time

SECTION 1

The Employer may hire as many employees as it deems appropriate to work 20.0 hours or more per week. The Employer may hire up to 22% of total Bargaining Unit positions to work less than 20.0 hours per week.

SECTION 2

Paid time off for part-time employees shall be prorated based on employees' normal work hours. Pension benefits shall be paid to the extent required by ERISA and the pension plan.

SECTION 3

A part-time employee is any employee whose regular workweek is less than 40 hours per week.

SECTION 4

In the event of a reduction in the number of positions in a department where there are both part-time (employees who work less than 20 hours per week) and full-time employees doing the same work, the part-time employees shall be deleted first. However, if there is insufficient work for a full-time position, the position will become a part-time position and the employee occupying that position will have the right to accept the position or exercise his rights under Article XV, Section 3.

Article III – Probationary Period

SECTION 1 – REQUIREMENT

(a) A probationary period of up to two (2) months shall be served by anyone hired, promoted or transferred or placed in a vacant position below Grade Level 15. For positions at Grade level 15 and above, an employee will serve a probationary period of up to four (4) months.

(b) Probationary periods by part-time employees shall be equivalent in length to that of full-time employees for the same position.

(c) During the probationary period, employees will receive training and materials essential for the proper performance of their jobs.

(d) At any time prior to the end of the probationary period, the Employer may make the employee permanent or reject the employee for permanency.

(e) A newly hired or rehired employee serving a probationary period or any extension of that period may be discharged by the Employer for any reason.

SECTION 2 – EXTENSIONS OR INTERRUPTIONS

(a) Probationary periods may be extended equal to the amount of any time lost or unavailability which occurs during that period.

(b) For those employees who are involved in formal classroom training, the Employer may extend the probationary period to allow those employees to complete training and to provide the Employer with a two week period following the conclusion of training to assess the employee's performance. At the conclusion of said 2 week period the probationary period shall come to an end. In no event will the total amount of time pursuant to this Section extend more than 3 months beyond the normal probationary period as provided in Section 1a above.

(c) The extension pursuant to this Section shall take effect upon notice to the employee and the Union. Failure to provide such notice prior to the expiration of the initial probationary period shall operate as a waiver of the Employer's right to extend the probationary period.

(d) The Employer may request Union approval to extend the time periods beyond those provided in Sections (b) and (c) above, and approval by the Union shall not be unreasonably withheld.

SECTION 3 – WAIVER

An employee who had previously performed satisfactorily as a permanent employee in the same job during the past fifteen (15) months shall not be required to serve a new probationary period.

SECTION 4 – PROBATIONARY FAILURE - Promotions, Transfers and Placement

(a) If, prior to the completion of the probationary period, the Employer determines that the employee shall not be made permanent or if the employee elects not to remain in that job, the employee shall be returned to his former position, if vacant. If not vacant, the employee shall be placed in accordance with Article XV, Section 3 of this Agreement.

(b) This Section applies only to those positions at Grade Level 15 and above.

If, within two (2) months of beginning the probationary period, the employee elects not to remain in that job prior to the conclusion of the probationary period, the employee shall be returned to his former position, if vacant. If not vacant, the employee shall be placed in accordance with Article XV, Section 3 of this Agreement. If, after two (2) months, the employee elects not to remain in that job prior to the conclusion of the probationary period, the employee shall be returned to his former position, if vacant. If not vacant, the employee shall be placed in accordance with Article XV, Section 3(a) or shall be laid off, if not placed.

(c) An employee who fails probation, either voluntarily or involuntarily, or withdraws from probation, may not bid on another job until twelve (12) months transpires from the date he is placed following probationary failure.

(d) Any employee who fails probation on four (4) occasions during a thirty (30) month period may be terminated at the discretion of the Employer.

SECTION 5 – GRIEVANCE AND ARBITRATION

New or rehired employees shall not be permitted to use the grievance and arbitration procedures for any purpose during or relating to their probationary period. Incumbent employees shall not be permitted to use the grievance and arbitration procedures relating to their probationary periods.

Article IV – Work Week and Hours of Work

SECTION 1

(a) **Hours of Work** - The work week for full-time employees will consist of 40 hours Monday through Friday inclusive, with the normal schedule consisting of 8 hours per day, 5 days a week.

(b) **Scheduling** - Based upon its business needs, the Company will determine applicable starting times and staffing needed for each such time. Thereafter, affected employees will be permitted to determine their respective work schedules to conform with the Company's requirements. The Company agrees not to intervene unless the employees cannot fulfill its requirements.

(c) **Staggered Starting Times** - Staggered starting times will be permitted provided that such schedules do not interfere with the operating needs of the unit. Generally, affected employees will be required to select one starting time from among two or more alternatives and they will be required to adhere to that time. Changes to existing staggered starting times may follow upon providing employees with two (2) weeks advance notice.

(d) **Alternative Schedules** - Based on operational needs and to enhance customer service, the Employer may vary the normal schedule to include a compressed workweek, work on Saturday and/or Sunday. Work on Sunday will not be assigned to employees hired prior to May 1, 2000 although such employees may volunteer to work on Sundays. In the event that the Employer decides to implement an alternative schedule, the Employer will determine staffing needs and hours of coverage and will allow employees to determine their preferred schedules of work. If all staffing needs are not met, the Employer may assign schedules based on inverse seniority. However, if there are insufficient numbers of employees willing to fulfill the scheduling needs and the Employer is unsuccessful in hiring new employees to meet those needs, the Employer may assign current employees to fill out the schedule through rotational assignments. Employees who decide against accepting such new assignment, may exercise their seniority rights in accordance with Article XV, Section 3 (a).

(e) **Meals and Breaks** - Employees shall have a one hour unpaid meal break and one (1) fifteen (15) minute rest period in the morning and one (1) ten (10) minute rest period in the afternoon. The meal period may be shortened if agreed to by the employee and Employer.

SECTION 2 – OVERTIME

ALL OVERTIME IS SUBJECT TO PRIOR SUPERVISORY APPROVAL

(a) **Payment** - All hours worked beyond forty (40) hours per week shall be compensated at a rate of time and one-half times the employees' straight time hourly rate.

(b) Pool time, holidays, jury duty and bereavement leave shall be considered as time worked for overtime computation.

(c) The Employer may require employees to work overtime for up to 4 hours per week beyond their normal work hours. Before requiring employees to fulfill this requirement, the Employer will first make a good faith effort to seek sufficient volunteers from among all employees in the Section that normally perform the work as well as others outside the Section that are qualified to perform that work. The Employer shall only be required to offer overtime to those who have demonstrated through past performance that they have the ability to regularly meet acceptable performance expectations. The Company agrees to notify employees if they are required to work overtime before the end of the week preceding the one when such overtime is to be worked.

Employees shall not be required to work more than two(2) consecutive months of mandatory overtime without a two (2) week break from mandatory overtime unless the employee so elects.

(d) Employees shall not be required to work overtime on holidays.

(e) Employees who voluntarily work overtime shall have the time counted towards the 4 hour per week overtime requirement.

(f) Overtime shall be equalized over a reasonable period of time. In order to control the equalization of overtime, employees who are offered overtime shall be charged with one and one-half hour for each hour offered, whether or not worked. Aside from these requirements, there shall be no other limitations on the Employer regarding overtime offers.

(g) The Employer shall attempt to accommodate any employee who, because of parental, child care or medical emergencies, cannot perform overtime provided timely notice is given to the Employer. If an employee is excused under this clause from overtime, he shall not be considered for voluntary overtime or holiday work.

(h) Employees who cannot meet all the Employer's requirements for overtime because of needs described in Section 2 (g), may be offered the opportunity to fulfill some of those requirements by shortening their meal breaks, starting or quitting times.

(i) Employees may continue on an overtime basis to perform home work without limitation.

SECTION 3 – PYRAMIDING

Overtime and premium pay shall not be pyramided or duplicated. A shift differential shall not be considered as premium pay.

SECTION 4 – TELECOMMUTING

Individuals may be employed to perform various tasks at home or away from the Employer's facilities. Telecommuting is voluntary and no employee shall be required to telecommute. The Employer may employ no more than 20% of the total Bargaining Unit positions to work off-premises under this Subsection. Where this is done, the following rules will be applicable.

(1) Where equipment is involved, the equipment will be paid for and installed by the Employer with all expenses of installation, maintenance and repair being borne by the Employer.

(2) Employees shall be required to arrange for the pickup and delivery of work at their own expense.

(3) The Employer may set a standard for the minimum amount of work to be done each week. Failure of the employee to meet this standard shall result in termination.

(4) The Employer will require employees who intend to telecommute to sign an Agreement stipulating the conditions and arrangements under which they will work.

(5) The Employer will provide two (2) weeks' advance notice prior to being required to report back to a Company facility except as set forth below. This call back provision does not apply to training requirements. The Employer will provide forty-eight (48) hours' advance notice for mandatory meeting attendance.

The Employer need not provide the aforesaid two (2) weeks' advance notice in the following circumstances:

(1) When the employee has been rendered unable to work in the home environment.

(2) When the employee is unable to secure the home work site from access to third parties so as to secure and protect proprietary and confidential documents and records in his/her possession.

(3) When the employee fails to adhere to the defined "workweek."

(4) When the employee assigns, transfers or delegates any service owed by the employee to the Company to a third party.

(5) When the employee fails to maintain the required equipment under the Telecommunicating Policy for more than 48 hours.

(6) When the employee abuses the equipment provided by the Company or permits any other person to use the equipment without the express consent of the Company.

(7) When the employee cannot be actively working within two hours of such inoperability of equipment as prevents the employee from performing his job functions, except that the employee shall be permitted to utilize approved pool time.

(8) When the employee denies either emergency or 24-hour notice inspection of the work site by the Employer or its vendor.

Article V – Wages

SECTION 1 – GRADE LEVELS AND RANGES

(a) The following grade levels and ranges will prevail effective April 30, 2010 through April 28, 2011:

Hourly Rate Range

PAY GRADE	MINIMUM	MIDPOINT	MAXIMUM
10	\$7.57	\$9.58	\$11.60
11	\$8.32	\$10.54	\$12.76
12	\$9.16	\$11.60	\$14.04
13	\$10.07	\$12.76	\$15.44
14	\$11.09	\$14.04	\$16.99
15	\$12.19	\$15.44	\$18.69
16	\$13.41	\$16.99	\$20.56
17	\$14.75	\$18.68	\$22.61
18	\$16.22	\$20.54	\$24.87
19	\$17.84	\$22.59	\$27.35

(b) The following grade levels and ranges will prevail effective April 29, 2011 through April 28, 2012:

Hourly Rate Range

PAY GRADE	MINIMUM	MIDPOINT	MAXIMUM
10	\$7.76	\$9.82	\$11.89
11	\$8.53	\$10.81	\$13.08
12	\$9.39	\$11.89	\$14.39
13	\$10.32	\$13.07	\$15.83
14	\$11.36	\$14.39	\$17.42
15	\$12.49	\$15.82	\$19.15
16	\$13.75	\$17.41	\$21.08
17	\$15.12	\$19.15	\$23.18
18	\$16.62	\$21.06	\$25.49
19	\$18.29	\$23.16	\$28.03

(c) The following grade levels and ranges will prevail effective April 28, 2012 through April 27, 2013:

Hourly Rate Range

PAY GRADE	MINIMUM	MIDPOINT	MAXIMUM
10	\$7.99	\$10.12	\$12.24
11	\$8.79	\$11.13	\$13.47
12	\$9.67	\$12.24	\$14.82
13	\$10.63	\$13.47	\$16.30
14	\$11.71	\$14.82	\$17.94
15	\$12.87	\$16.30	\$19.73
16	\$14.16	\$17.94	\$21.71
17	\$15.57	\$19.72	\$23.87
18	\$17.12	\$21.69	\$26.25
19	\$18.83	\$23.85	\$28.87

(e) If after payment of the general increase required pursuant to Section 3 of this Article, an employee's rate of pay is below minimum, such rate shall then be increased to minimum.

SECTION 2 – NEW HIRES

(a) The Employer reserves the right, provided there are no qualified applicants within the Company, to hire or rehire outside personnel at or above the salary range minimum for a particular job. The background, experience and performance of the individual as determined by the Employer shall determine where the employee shall be placed within the range of the particular job. However, in no event may the hire rate be above the midpoint of the range. Progression thereafter shall be in accordance with Section 3 of this Article.

(b) Nothing in this Article requires adjusting the salaries of current employees in the event new hires are hired or rehired above or below the rates paid to current employees in the same job.

(c) If the pay rate for a new hire is above that paid to a current employee in that same job, the new employee or the Union may submit an appeal to the Employer to consider awarding an equity increase to current, affected employees. The Employer agrees to consider each such request and the Employer's decision shall be final and not subject to grievance. In order to allow the union to consider whether an appeal is warranted, each month the Employer agrees to send to the union a list of all bargaining unit employees hired during the previous month showing their names, hire dates, titles, grades and rates of pay.

SECTION 3 – GENERAL INCREASE

(a) Effective 04/30/10, employees employed at that time shall receive a general increase equivalent to 2.0% of their base salary. This increase will appear in employee paychecks dated 05/14/10. Effective 04/29/11, employees employed at that time shall receive a general increase equivalent to 2.5% of their base salary. This increase will appear in employee paychecks dated 05/13/11. Effective 04/28/12, employees employed at that time shall receive a general increase equivalent to 3.0% of their base salary. This increase will appear in employee paychecks dated 05/11/12.

(b) In no event shall the payment of any general increase raise an employee's rate of pay above the maximum of the respective range nor shall an employee whose pay is already above the range receive a general increase. However, any employees who received "Exceeds Expectations or Significantly Exceeds Expectations" ratings on their performance appraisal for the last period will receive their increases in a lump sum.

SECTION 4 – PROMOTIONS

Upon completion of the probationary period, an employee promoted to a higher grade level shall receive the minimum rate of the new range or a 10% increase, whichever is greater. Such increase shall be paid retroactive to the effective date of promotion. In no event will any employee receive a promotional increase which will raise his or her rate above the maximum of the new range.

SECTION 5 – SHIFT DIFFERENTIAL

(a) A first shift employee who works on the second shift will receive a 10% shift differential while working on the second shift and a 15% differential while working on the third shift. A second shift employee will receive a 5% shift differential while working on the third shift. The second shift begins at or after 3:00 PM. The third shift begins at or after 11:00 PM.

(b) Shift differentials are not included in base salary. For overtime computation purposes, the differential is applied after the premium pay rate (i.e., time and one-half) is calculated.

SECTION 6 – PAYDAY

(a) Employees will be paid bi-weekly. The bi-weekly pay will include all earnings during the aforesaid period except for overtime which will be paid in the subsequent pay cycle.

(b) Errors in pay which are in the amount of \$100.00 or more of the employee's net pay, and which are brought to the attention of Payroll by 12 NOON on payday, will be corrected or supplemented prior to the end of the employee's normal payday. If the error is in the amount of less than \$100.00 of the employee's net pay, the error will be corrected in the following pay cycle.

(c) Whenever an error in wages results in an overpayment to an employee, the Employer shall have the right to correct such overpayment through payroll deduction(s) upon first discussing the matter with the employee in an effort to reach agreement regarding repayment arrangements. In the absence of an agreement, the Employer may recapture overpayments based on the following schedule:

Employee's Current Gross Annual Rate of Pay	Rate of Recapture
Under \$25,000	20%
\$25,001 - \$40,000	25%
\$40,001 - \$60,000	35%
\$60,001 and over	50%

(d) If an overpayment is made in the employee's paycheck and the employer is unable to correct the error in that payroll cycle, the Employer shall, with three (3) work days' notice to the employee, recoup the total amount of the incorrect payment in the subsequent payroll cycle.

Thereafter, any error discovered that is in excess of 50% of the employee's weekly salary shall, upon three (3) work days' notice to the employee, be fully recaptured in the next payroll cycle.

Errors of less than 50% of the employee's weekly salary, shall be subject to recapture based upon the percentages set forth in Section 6(c).

SECTION 7 – DOWNGRADES, DOWNBIDS, AND DOWNARD MOVEMENTS

(a) If the Employer decreases the grade of an employee's job (downgrading) and if the employee's salary exceeds the maximum of the new grade range, the employee will continue to receive a salary in excess of the range for a period not to exceed twelve (12) months from the effective date of such downgrading. Thereafter, if the employee remains in the same grade level, his salary shall be reduced equal to that of the maximum of the range.

(b) If an employee submits a bid for a position which is lower than his current position (downbid) or if an employee otherwise takes a lower level position pursuant to Article XV and the employee's salary is above the maximum of the new range, the employee's salary shall immediately be reduced to the maximum of the new range.

(c) Whenever an employee moves from a higher level to a lower level position and is subsequently promoted, he shall not receive a promotion increase unless the new position is at a level higher than that of any position previously held. However, in accordance with Subsection (b) above, if the employee's salary has been reduced and the employee subsequently is promoted to a level which is not above his former grade level, he shall have his salary increased to the maximum of the new grade level. If the employee has been receiving a three (3) year increase prior to downbidding, he shall continue to receive such increase, in the same amount, for as long as he remains in any position which is a grade level lower than any previously held positions.

SECTION 8 – TEMPORARY JOB RECLASSIFICATION (TJR)

(a) In the event an employee is temporarily assigned by the Employer to a position in a higher grade level the employee will be paid for each individual day(s) worked at the higher level as if he/she were promoted to that higher grade level. Assignments to a higher grade level for one-half workdays or more shall be considered as assignments for the full workday; assignments for less than one-half day shall not be considered at all.

(b) The Employer may temporarily assign employees to existing jobs in the same or lower pay groups for a period of forty (40) workdays at a time, with a three (3) week break before reassignment. During such temporary transfer, there shall be no reduction in an employee's pay.

Article VI – Employee Benefits

SECTION 1 – GROUP HEALTH BENEFITS

(a) **Coverage** - Employees will receive group health coverage through Horizon Blue Cross Blue Shield of New Jersey, as described hereafter. Coverage will be provided to eligible dependents, which include dependent children to the end of the calendar year in which they attain age 23. Coverage will be effective the first of the month following date of hire or rehire. Coverage will end on the last day of the month following or coinciding with the employee's last day of work.

(b) **Medical Coverage** - Employees have the option to select from among the following coverage: Horizon HMO, Horizon POS, BlueCard PPO and Horizon CDHP. Further, in the event that the employer develops a new product during the term of this contract, it shall have the right to offer coverage to employees provided that the Employer and Union reach agreement regarding employee premium contributions.

Included as Supplemental Services are hearing aids/hardware, subject to \$300 maximum every three years, and Orthotics, subject to \$500 maximum per two year period.

(c) **Prescription** - Effective 01/01/06, benefits will be provided under the three-tier prescription program subject to co-payments as follows:

- \$10.00 co-payment will apply for any generic drugs
- \$25.00 co-payment will apply for any non-generic drugs that are considered preferred
- \$35.00 co-payment will apply for non-generic drugs that are considered non-preferred

Employees purchasing drugs through mail order may receive up to a three-month supply for a double co-payment.

(d) **Dental** - Employees have the option to choose from among the following dental plans: Horizon Option Plan, Horizon Dental Care and Horizon TotalCare.

Preventive Services will be covered with no deductible. An annual \$25 per person/\$75 family deductible will apply for treatment and restorative services. Basic and periodontal treatment services provided by a participating dentist are covered at 80% of the usual, customary and reasonable fee charges.

Orthodontic and prosthodontic services and implants provided by a participating dentist are reimbursed at 50% of the usual, customary and reasonable fee charges. The annual per person maximum for orthodontia services is \$1000. The annual per person maximum lifetime benefit for implants is \$1000. All other services are subject to an annual maximum of \$2,000 benefit payment per person.

(e) **Premiums and Copayments Effective 05/01/2010** - Employee premium and copayments for full-time employees will apply based on the schedule below. Premiums will be paid on a pre-tax basis through bi-weekly payroll deductions. It is understood that total premiums for coverage will not be affected by deficits or surpluses realized for the prior year. Any surpluses shall be returned to the Employer and any deficits shall be paid by the Employer.

Employee Contribution of Total Premium

Coverage Type	Co-payment/Coinsurance and/or Deductibles	Effective 05/01/2010
Horizon HMO	\$15 to PCP and \$25 to Specialist	20%
Horizon POS	\$20 to PCP and Specialist	25%
Horizon PPO	\$20 to PCP and Specialist 70% reimbursement after deductible is met	25%
Horizon CDHP	Office visits 100% after deductible is met	12.5%
Horizon Dental Option Plan	Treatment and restorative - \$25 per individual; \$75 per family	25%
Horizon Dental Choice		20%
Horizon Total Care		20%
Prescription	See co-payment schedule 1(c) above	25%

(f) Premiums for Part-Time Employees - In addition to paying the employee share of the health benefit premium required pursuant to Subsection 1e, part-time employees are also required to contribute their prorated share of the full-time employee contribution based on their number of scheduled weekly work hours. For example, if an employee's weekly scheduled work hours is 22, the employee is considered to work 55% of a full-time schedule (22 divided by 40). As such, the part-time employees shall pay 45% of full-time employee contribution in addition to the premium share provided in Subsection 1e. If the biweekly full-time contribution was \$10, the part-time employee would pay \$10 plus 45% of \$10 for a total biweekly contribution of \$14.50.

(g) Open Enrollment - Employees will be eligible to change their coverage effective January 1 of each year. Employees may waive coverage at any time, but must wait a minimum of two (2) years before being eligible to re-enroll for Dental coverage the following January 1.

SECTION 2 – LIFE INSURANCE

(a) Basic Term Coverage - Effective 05/01/2010, current employees will receive fifteen thousand dollars (\$15,000) of Group Term Life Insurance and Accidental Death and Dismemberment (AD&D) Insurance and new hires will receive the same fifteen thousand dollars (\$15,000) Group Term Life and (AD&D) effective the first of the month following one (1) calendar month of employment. This coverage will be provided at no cost to the employee.

(b) Group Universal Life Insurance - Employees eligible for Basic Term Coverage may purchase additional coverage equal to 1X base pay or 1 1/2, 2, 2 1/2, 3, 3 1/2, 4, 4 1/2, 5, 5 1/2, 6X annual base salary. Further, employees may purchase spousal coverage and Dependent Children's Coverage pursuant to the offerings made available by the carrier.

SECTION 3 – LIABILITY INSURANCE

The Employer shall maintain in force a blanket policy of liability insurance covering the Employer's liability in case of an employee being involved in an accident when using his personal automobile on authorized business of the Employer.

SECTION 4 – LONG TERM DISABILITY

(a) **Eligibility** - Employees will be covered for LTD benefits on the first day of the month following six (6) months of employment.

(b) **Benefits** - The Plan provides monthly income the first of the month coincident with or next following six (6) calendar months of disability. Benefit payments will be based on the employee's basic monthly earnings (excluding commissions, bonuses, overtime pay and other extra compensation) received immediately preceding the onset of disability. The benefit amount will be 50% of the employee's basic monthly earnings offset by other Employer provided benefit plans or statutory benefit payments to a maximum monthly benefit of \$2,500.

(c) **Application** - When it has been determined by a licensed physician that an employee is likely to be absent for a period of five (5) months or more, that employee shall be required to apply for the LTD and Social Security benefits. In the event the employee fails to apply for LTD benefits or comply with provisions of the LTD plan, the Employer shall have the right to discontinue sick pay until such time as the employee complies with these requirements.

(d) During the period that the employee's application for Social Security benefits is under consideration, the Employer agrees to pay full LTD benefits to the employee without any offset for Social Security benefits provided that the employee submits proof to the Employer that he/she has made an application for such benefits no later than four (4) months from the last day worked and provided that the employee signs a promissory note agreeing to repay the Employer for Social Security benefits which he/she may receive. Further, in the event the employee is denied Social Security benefits, he/she shall be required to immediately file an Appeal with the Social Security Administration and provide the Employer with a copy of the Appeal. Failure to comply with this provision shall result in offsetting the LTD benefit.

(e) Effective 05/01/10, an employee who becomes eligible for LTD benefits shall be terminated unless otherwise prohibited by law. The employee shall continue to receive Company Medical and Prescription Drug benefits, with premium sharing, for a period of twenty-four (24) months. Thereafter, such benefits shall cease, unless otherwise required by law.

(f) **Health Benefits** - Employees on LTD, as of April 30, 2005, shall continue to maintain their current benefit/ premium cost sharing.

SECTION 5 – PENSION PLAN

The Pension Plan negotiated between the Employer and the Union shall be deemed a separate and supplemental agreement of employee benefits, to this Agreement, and all changes and amendments thereto shall be made in accordance with Exhibit A of this Agreement or as may otherwise be mandated by law.

SECTION 6 – NON-DUPLICATION OF BENEFITS

There shall be no duplication of Short Term Disability, Long Term Disability or Temporary Disability Benefits. Short Term Disability and Temporary Disability Benefits are deemed to run concurrently and in no event will the employees be entitled to doubled payments. If an employee receiving Short Term Disability becomes eligible for Long Term Disability, such Short Term Disability will cease immediately upon the effective date of Long Term Disability eligibility. Notwithstanding the foregoing, the employee will be paid a rate of 50% of his/her Short Term Disability payment until the Long Term Disability benefit, if approved, becomes payable. Thereafter, all Short Term Disability shall cease. The employee shall immediately return all Long Term Disability payments which duplicate any Short Term Disability payments previously made. Upon repayment, the employee shall be credited back with the Short Term Disability time which was charged subsequent to becoming eligible for Long Term Disability.

SECTION 7 – OPTIONAL BENEFITS

At anytime during the term of this Agreement, upon advance notice to and discussion with the Union, the Employer may offer a flexible benefit or cafeteria program to employees. Employee participation in either program will be voluntary.

SECTION 8 – BENEFIT NOTIFICATION AND INTERPRETATION

- (a) The benefits provided to employees under this Agreement are described fully under each respective Plan and Summary Plan Description document.
- (b) In the event there appears to be a contradiction between the benefits described in this Agreement and those provided in the Plan document or Summary Plan description, the latter shall prevail.
- (c) Upon request from the Union, the Employer will send copies of any changes made to the Summary Plan Description to the Union. Failure to do so shall be subject to the grievance procedure.
- (d) The Employer agrees that if there is a change in health plan design during the term of this Contract, excluding premium increase, which the Union believes results in a lesser value plan design than the present plan design, the Union shall have the right to file a grievance.

Article VII – Retiree Benefits

SECTION 1 – DEFINITION

For purposes of eligibility for retiree medical, prescription and life insurance coverage only, a retiree is any employee who terminates his or her employment after age 55 and has completed at least five (5) years of service.

SECTION 2 – BENEFITS

(a) For employees retiring during the term of this Agreement, health benefits coverage will be provided for the term of this Agreement to them and their eligible dependents to the same extent as had been provided to them as active employees except that Dental coverage shall be discontinued.

(b) Retirees may elect Prescription coverage at retirement. The Prescription Program will be the same program as they had as active employees unless they are enrolled in a coverage which has its own Prescription benefits.

SECTION 3 – COST SHARING

(a) Employees retiring between May 1, 2005 through December 1, 2005 shall have the CAP Program for their cost-sharing provisions.

(b) Employees retiring January 1, 2006 and thereafter shall have the Retiree Health Account for cost-sharing purposes.

(c) Employees hired after May 1, 2005 and who subsequently become eligible for retiree health benefits, shall have access to health coverage through the Employer. However, those employees will pay the full cost of such coverage at the Employer group rates when they retire.

(d) The CAP and Health Account Programs are more fully described in the brochures and Summary Plan Descriptions.

(e) Where premium contributions are required, the retiree shall pay such premium quarterly directly to the Employer. If the retiree fails to remit such premium within thirty-one (31) days following its due date, the Employer may terminate the benefit coverage.

SECTION 4 – “LIFE INSURANCE”

At retirement, only Basic Life Insurance coverage is provided during the term of this Agreement. Employees enrolled for optional insurance under Group Universal Life may continue that coverage upon remitting premium payments directly to the carrier.

(1) An employee who retires under the terms of the Pension Plan will continue to have \$10,000 of Basic Life Insurance until age 65. The premium for this coverage will be paid for by the Company.

(2) At age 65, coverage will be reduced to 50% of Basic Life Insurance.

(3) At age 66, coverage will be reduced to 25% of Basic Life Insurance.

Article VIII – Holidays

SECTION 1

The listing below reflects paid holidays available to employees.

New Year's Day	Labor Day
Martin Luther King's Birthday	Thanksgiving Day
President's Day	Friday following Thanksgiving Day
Good Friday	Christmas Eve
Memorial Day	Christmas Day
Independence Day	

SECTION 2

An employee will be paid for a holiday based on his normal daily work hours to a maximum of eight (8) hours. For purposes of this Subsection, holiday time will be considered as time worked for overtime computation purposes.

SECTION 3

When a holiday falls on a Saturday, it shall be observed on the immediate preceding Friday. When a holiday falls on a Sunday, it shall be observed on the immediately following Monday. Whenever an employee works on a holiday, he shall be paid at a rate of time and one-half for the number of hours worked in addition to holiday pay, if due.

SECTION 4

This Section shall become effective January 1, 2011.

Unauthorized and unapproved absences other than those absences acceptable under the terms of this Agreement on the last scheduled work day before the holiday or the first scheduled work day after the holiday shall result in the employee being charged a pool day and subject the employee to the Attendance Control Program.. Any continuous absences of more than thirty (30) days preceding the holiday will disqualify an employee from receiving such holiday pay except if otherwise prohibited by law.

Article IX – Pool Time

SECTION 1 – SCHEDULE

(a) Effective January 1, employees employed on this date will be credited with Pool Time off based upon service completed in accordance with the following schedule:

Years of Service

As of January 1	<u>Number of Pool Days</u>
Less than 4 years	20
4 but less than 14	25
14 but less than 29	30
29 and over	35

(b) Employees hired after January 1, will be granted a prorated share of pool days based on their date of hire, as follows:

<u>Hire Date</u>	<u>Days</u>	<u>Hire Date</u>	<u>Days</u>
Jan 1 through Jan 15	20	Jul 16 through Aug 15	8
Jan 16 through Feb 15	18	Aug 16 through Sep 15	7
Feb 16 through Mar 15	17	Sep 16 through Oct 15	5
Mar 16 through Apr 15	15	Oct 16 through Nov 15	3
Apr 16 through May 15	13	Nov 16 through Dec 15	1
May 16 through Jun 15	12	Dec 16 through Dec 31	0
Jun 16 through Jul 15	10		

SECTION 2

(a) **Utilization** - Pool days may be utilized immediately for any reason, including but not limited to vacation, personal time, bereavement leave (other than death of an immediate family member), illness of a family member or illness/injury of the employee, as noted in Sub-Section (c).

(b) **Carry Over** - There shall be no carry over of pool time into the follow-up calendar year. Pool time not used during the current calendar year shall be forfeited.

(c) **Illness** - The initial period of each illness absence occurrence is charged to the pool, with the number of hours equal to the number of hours comprising that employee's normal work week. For example, if an employee works a 40 hour week, the first 40 hours of absence due to illness or injury will be paid from the employee's pool. Any absence occurrence which continues beyond 40 work hours will be subject to payment under Short Term Disability.

SECTION 3 – NOTICE AND APPROVAL

Except for emergencies or where advance notice is not possible, all other requests for time off must be made in advance and are subject to approval by the Employer. Denial of pool time requests will be based on operational need; and the Employer shall not unreasonably refuse requests for use of pool time.

SECTION 4 – PART-TIME EMPLOYEES

Pool time for part-time employees shall be prorated based upon the employee's normal work hours. For example, a 4 year employee who normally works 4 hours per day, 5 days per week is entitled to 76 hours of pool time (19 days X 4 hours = 76).

SECTION 5 – SCHEDULING

(a) The Employer will determine scheduling vacation during the November/December time period for the forthcoming year on the basis of 90% of the normal Bargaining Unit complement as opposed to operational needs. The Employer, at its discretion, may utilize a lower percentage for determining vacation scheduling. Such scheduling will be based on company-wide seniority. However, an employee entering the department or work unit after the schedule has been finalized will be required to accommodate to the finalized schedule despite his/her seniority. Employees transferring are expected to modify their vacations to accommodate training required in their new jobs.

(b) Individual days may be taken in units of one (1) hour or more subject to operational needs. Requests for individual days will be considered on a first come first serve basis; and multiple requests will be determined by company-wide seniority.

(c) Disputes involving scheduling of pool days shall not be the subject of grievance and arbitration procedures but shall remain within the sole discretion of the Employer, except that the Employer agrees not to block out any time periods for pool-time scheduling.

SECTION 6 – OVERTIME

Pool Time shall be considered to be time worked for overtime calculation purposes.

SECTION 7 – TERMINATION

(a) An employee must remain actively employed through the end of the year to be eligible to utilize the entire amount of pool time granted for that year. If a terminating employee has utilized more pool time than permitted pursuant to this Article, appropriate deductions shall be made from the employee's final pay, or if no pay is forthcoming, the employee shall be required to immediately repay the amount owed. If a terminating employee has not utilized the entire amount of pool time permitted pursuant to this Article, the employee will be paid for the number of unused hours.

(b) The following schedule will apply for calculating the amount of pool time for which a terminating employee is eligible.

<u>Termination Date</u>	<u>20 Day Schedule</u>	<u>25 Day Schedule</u>	<u>30 Day Schedule</u>	<u>35 Day Schedule</u>
Jan 15 - Feb 15	1	2	2.5	3
Feb 16 - Mar 15	3	4	5	6
Mar 16 - Apr 15	5	6	7.5	9
Apr 16 - May 15	7	8	10	12
May 16 - Jun 15	8	10	12.5	14.5
Jun 16 - Jul 15	10	13	15	17.5
Jul 16 - Aug 15	12	15	17.5	20
Aug 16 - Sep 15	13	17	20	23
Sep 16 - Oct 15	15	19	22.5	26
Oct 16 - Nov 15	17	21	25	29
Nov 16 - Dec 15	18	23	27.5	32
Dec 16 - Dec 31	20	25	30	35

Article X – Short-Term Disability

SECTION 1 – SCHEDULE

This Section shall remain in effect until December 31, 2010.

Employees will be credited with Short Term Disability (STD) benefit days based on completion of service in accordance with the schedule below. STD benefits are the equivalent of full pay.

Years of Service Completed

<u>Prior to January 1</u>	<u>Number of STD Days</u>
Less than 5	10
5 but less than 10	50
10 but less than 15	100
15 but less than 20	150
20 and over	200

This Section shall become effective January 1, 2011.

Effective January 1, 2011, if an employee is absent from work due to illness or injury for more than seven (7) consecutive days, he/she may be eligible to receive Short-Term Disability (STD) benefits. STD absences are subject to the provisions of Article XXII, Attendance Control.

STD benefits shall be paid at the rate of two-thirds (2/3) of the employee's current base salary or at the New Jersey TDBI rate, whichever is greater.

SECTION 2 – UTILIZATION

STD will be paid following seven (7) consecutive days of absence due to illness or injury.

SECTION 3 – UNUSED STD

This Section shall be eliminated effective January 1, 2011.

At the end of the calendar year, unused STD days are lost. Upon termination, there shall be no payment for unused STD days.

SECTION 4 – UPDATING

This Section shall be eliminated effective January 1, 2011.

The STD pay schedule updates January 1, provided that the employee is at work on that day. If not at work, STD updates upon the employee's return to work and applies to absences which occur thereafter.

SECTION 5 – COORDINATION OF OTHER DISABILITY PAY

There will be no duplication of any other pay while the employee is receiving STD. Any Worker's Compensation disability benefits will be subtracted from STD payments.

SECTION 6 – CERTIFICATION

Employees shall be required to submit medical certification from a health care provider for any absences due to illness or injury of five (5) or more consecutive work days duration. The Employer reserves the right to require certification for absences of less than five (5) consecutive work days duration where there is reasonable basis to suspect the legitimacy of the illness claim. For absences of five (5) or more consecutive work days, the employee and the attending health care provider shall be required to complete the form provided by the Employer's Disability Administrator.

SECTION 7 – OVERTIME COMPUTATION

Absences which are paid for under STD are not considered as time worked for purposes of overtime computation.

SECTION 8 – FAMILY/MEDICAL LEAVE

The NJ Family Leave Act and the Federal Family and Medical Leave Act (FMLA) provide that employees may be absent from work for up to 12 weeks per year for certain specified reasons, as follows:

- The NJ law stipulates that any employee with one or more years of service may be absent for up to 12 weeks during a 24 month period due to the birth or adoption of a child or to take care of a family member (parent, spouse or child) with a serious health condition.
- The FMLA provides the same protection as the NJ law allowing for covered absences of up to 12 weeks during a 12 month period, but also stipulates that employees may be absent due to their own serious health conditions.

For more information regarding definitions of "serious health conditions" refer to the next Section.

As long as the employee's absences fall within the parameters of these laws, they may not be disciplined for excessive absenteeism.

The following language will be included with the FMLA Notice:

You are entitled to up to twelve (12) weeks of leave in a twelve (12) month period under the Family and Medical Leave Act.

Your twelve (12) weeks of leave begins on the date shown above.

If you have already been out on an FMLA leave within the last twelve (12) months, that leave time will be deducted from your total twelve (12) week period.

If your absence exceeds twelve (12) weeks, you will not be entitled to return to your job; and your employment may be terminated. Questions regarding FMLA leave should be directed to the Employer's Disability Administrator.

SECTION 9 – SERIOUS HEALTH CONDITIONS

Guidelines issued under the FMLA define "serious health condition" as illness, injury or impairment or physical or mental condition (including one that is work-connected and compensable under the Workers' Compensation law) that either involves:

1. Inpatient care in a hospital, hospice or residential care facility or any subsequent treatment in connection with such care, or
2. Continuing treatment by a health care provider in any of the following situations:
 - a. Incapacity of more than three (3) consecutive days and any subsequent period of incapacity related to the same condition that involves treatment by a health care provider, or
 - b. Treatment, including examination, to determine if a serious health condition exists.
 - c. A regimen of treatment, including a course of prescriptive medication or therapy involving special equipment.
3. Any period of incapacity due to pregnancy or prenatal care.
4. Any period of incapacity, or treatment for such incapacity, due to a chronic, serious health condition, including those that may cause episodic incapacity.
5. A period of incapacity which is long term where the individual is under continuous supervision.
6. The administering of multiple treatments for restorative surgery or for medical intervention.

You may contact a representative in Human Resources with questions regarding a specific condition or event.

SECTION 10 – ABSENCE REPORTING

If you know you are going to be absent, you must advise your supervisor in advance to allow time to plan the redistribution or modification of work or assignments. If you cannot provide advance notice, you are expected to comply with the absence call-in procedures for your unit.

Speak with your supervisors if you are unsure of your call-in requirements.

SECTION 11 – MEDICAL CONSULTATIONS

(a) The Employer may require an employee to submit to a medical examination/consultation by the Employer's designated physician, both while absent due to illness or injury or upon return to work. In such instances, the cost of the examination excluding any necessary transportation expenses, shall be borne by the Employer.

(b) Where there is a dispute between the employee's physician and the Employer's physician concerning the employee's disability or ability to return to work, the parties agree that a third physician to be chosen by the parties, shall examine the employee and that decision shall be final and binding.

(c) Employees with at least one year of service who have been absent due to one or more serious health conditions for more than 12 weeks during the past 12 months, may return to their former positions, if available. If their former positions are filled, they shall be placed in accordance with Article XV, Section 3.

SECTION 12 – RETURN FROM EXTENDED ILLNESS ABSENCE

Employees who are absent due to extended absence for illness or injury and who are ready to return to work, shall be processed as follows:

(a) Employees with less than one year of service, may return to their former positions, if available. If their positions are filled, they shall be placed in accordance with Article XV, Section 3.

(b) Employees with at least one year of service who have been absent due to one or more serious health conditions for 12 weeks or less during the past 12 months, shall be returned to their former positions. If their former positions have been deleted, they shall be placed in accordance with Article XV, Section 3.

(c) Employees with at least one year of service who have been absent due to one or more serious health conditions for more than 12 weeks during the past 12 months, may return to their former positions, if available. If their former positions are filled, they shall be placed in accordance with Article XV, Section 3.

Article XI – Paid and Unpaid Leaves of Absence

SECTION 1 – GENERAL

(a) All leaves of absence with or without pay shall be considered authorized absence from work. A request for such leave shall be made in writing and submitted to the appropriate Management supervisor at least two (2) weeks in advance of the desired effective date, where possible. In emergency situations such as with bereavement leave, it is understood that such advance notice is not likely; however, as much advance notice should be given as is reasonably possible.

(b) Requests for leave under Sections 6 and 7 without pay are granted at the discretion of the Employer; and the denial of such requests are not subject to grievance or arbitration.

SECTION 2 – PARENTAL LEAVE

The Employer shall grant upon request an unpaid parental leave, not to exceed more than twelve (12) consecutive weeks to any employee with one (1) or more years of service. The purpose of such leave shall be to take care of a new child due to birth or adoption. In no event shall the combined pregnancy disability and maternity leave be more than twenty-four (24) weeks duration.

SECTION 3 – BEREAVEMENT LEAVE WITH PAY

In the event of death of the following specific persons designated as immediate family, there shall be allowed a maximum of three (3) work days off with pay immediately following such death. For purposes of this Subsection, such bereavement pay shall be made in cases of death of employee's husband, wife, civil union/domestic partner arrangement as identified in the employee's HR file, father (including stepfather), mother (including stepmother), son (including stepson and legally adopted son), daughter (including stepdaughter and legally adopted daughter), brother (including stepbrother), sister (including stepsister), grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparents and spouse's grandparents.

SECTION 4 – JURY DUTY

Employees will be allowed time off for jury duty without loss of pay (will be paid the difference between jury duty and regular salary). Whenever an employee is on jury duty and there are not scheduled jury sessions for that day, the employee shall be required to report to work.

SECTION 5 – MILITARY LEAVE

Employees on reserve status will be granted military leave of absence in accordance with legal requirements without loss of pay.

Employees on military status will be granted a leave of absence in accordance with the provisions of The Uniformed Services Employment and Reemployment Rights Act of 1994 ["USERRA"]. The Employer will pay the employee up to sixty (60) days of pay offset by military earnings.

SECTION 6 – UNION BUSINESS LEAVE OF ABSENCE

(a) Requests for Union business leaves will not be unreasonably denied by the Employer. However, there shall be no requests for Monday leave. All requests for leaves shall be made in writing by the Union Business Manager at least two (2) work days in advance of the date of requested leaves.

(b) A cumulative total of up to 35 days per Contract year shall be granted to members to attend conventions, conferences, regional meetings or to perform such work on behalf of OPEIU, Local 32, including attendance of a Steward at Horizon/OPEIU, Local 32 arbitrations. Such time off will be with pay. In no event, will more than one (1) employee in the same department be excused at the same time.

(c) At the conclusion of any leave provided for; the employee shall be reinstated to his job if it still exists. If the job is deleted, the employee will be placed in accordance with Article XV.

(d) Up to three (3) negotiating committee members shall be granted time off to participate in the renegotiation of a labor agreement. The Employer will pay up to thirty-three (33) days' pay cumulatively for any employees designated by the union for time spent while in negotiations.

SECTION 7 – UNPAID PERSONAL TIME

Management may grant unpaid personal time off to any employee with one (1) or more years of service. However, unpaid personal time will not be granted until all paid personal time off has been utilized.

SECTION 8 – BENEFITS DURING UNPAID LEAVE

(a) During any unpaid leave that extends beyond one (1) month, all group health, life and disability insurance benefits will be discontinued unless otherwise required by law. Such benefits will be reinstated upon return from leave without a waiting period. No payment will be made for any holidays, bereavement, jury duty or military leave that may occur while the employee is on unpaid leave unless otherwise required by law.

(b) The employee has an obligation to bring to the attention of the Employer any intervening event or act which might affect his performance.

(c) When the Employer continues to provide benefits coverage to employees on leave, whether required by law, the employee shall remit payment to the Employer for the employee's share of the cost for such coverage. Such remittance must be made before each month of benefit coverage.

SECTION 9 – SENIORITY

Seniority will continue to accrue during paid and unpaid leaves of absence.

SECTION 10 – PLACEMENT

(a) Upon return from a paid leave of absence, the employee shall return to the position held at the onset of leave unless such position has been deleted. In such event, the employee will be placed in accordance with Article XV, Section 3, or in accordance with any applicable laws.

(b) Upon return from an unpaid leave of absence of thirty (30) days or more, the employee will be placed in accordance with Article XV, Section 3.

SECTION 11 – TERMINATION

An employee who fails to report to work upon the expiration of an approved leave or who secures employment with authorization from the Employer while on leave shall be terminated; and the effective date of termination shall be the last day of work prior to the onset of such leave. An employee who becomes ill or incapacitated on the date he is to return to work and so informs the Employer may, at the discretion of the Employer, have his leave extended.

SECTION 12

Unpaid leaves of absence shall not be considered as time worked for overtime computation purposes.

Article XII – Technological Changes

SECTION 1

A technological change is a change in plant, equipment, a process, or method of operation, diminishing the total number of permanent employees required for an operation at the time of change. The term shall not include changes caused by business conditions, variations in service requirements, economic reasons, job alteration or any temporary or seasonal interruptions of work.

SECTION 2

- (a) The Employer may make such technological changes which it sees fit.
- (b) After a preliminary decision has been made to use or implement such technological changes and if it is anticipated that such changes might have an impact on Bargaining Unit employees, the Employer will notify and discuss the changes in advance, where possible, with the Union. After such discussion, the Employer shall be free to make such technological change with or without additional modification.
- (c) When a senior employee is displaced because of technological changes, such employee, if qualified, may exercise seniority rights over junior employees in accordance with the provisions of Article XV.
- (d) Depending upon its needs, efficiency and costs, the Employer may initiate a training program for the displaced employees who qualify, using pre- and post-test programs, and who are interested.

Article XIII – Subcontracting

It is and will be the general policy of the Employer to utilize its employees to perform work they can do in a qualified manner, meet customers' needs and be competitive. However, no restriction is placed on the Employer's right to subcontract when the Employer believes it is necessary to meet the needs of the customer, the interest of efficiency, economy, improved work product or service, or in the event of an emergency. When the Employer believes that time permits, it will notify the Union thirty (30) days prior to commencing the subcontracting and may advise generally what it believes may be the present impact on Bargaining Unit employees and solicit and consider any suggestions or comments made by the Union.

Any employee who is concurrently displaced as a direct result of the Employer's decision to subcontract may exercise his seniority rights under Article XV, Section 3.

An employee who is placed on layoff as a result of the Employer's subcontracting shall receive four (4) weeks of base pay or one (1) week of base pay for each completed year of service, whichever is greater as severance payment.

The Employer may continue to subcontract in those areas where it presently does without any new or additional obligation.

Article XIV – Separation Pay

SECTION 1 – LAYOFF

An employee will be eligible for separation pay if he is laid off or if his job is transferred to a facility which is over twenty-five (25) miles from his current facility as follows:

- (a) (1) Less than six (6) months continuous service (excluding new hire probationers) - two (2) weeks notice or one (1) week of pay in lieu thereof.
(2) Six (6) months continuous service, but less than one (1) year of continuous service - two (2) weeks notice or two (2) weeks of separation pay in lieu thereof.
- (b) One (1) year of continuous service, but less than five (5) years of continuous service - two (2) weeks pay.
- (c) Five (5) years of continuous service but less than ten (10) years of continuous service - four (4) weeks pay
- (d) Ten (10) or more years of continuous service - eight (8) weeks pay.

SECTION 2

An individual who receives separation pay and is recalled in less than one (1) year shall have the option of repaying the separation pay and having future separation pay computed from the original date of employment or may use the rehiring date as a basis for computation of future separation pay. It is further understood that should an employee elect to use the rehiring date for computation of future separation pay, it shall in no way affect his seniority, pension rights, vacation rights or any other rights provided in this Agreement.

SECTION 3

In the event there is a difference in the interpretation between this provision and the Summary Plan Description, as required by ERISA, the Summary Plan Description shall prevail. The Company will notify the Union of any changes to the Summary Plan Description.

Article XV – Seniority

SECTION 1

The following types of seniority recognized by this Agreement apply as described hereunder:

(a) **Company-Wide Seniority** - The length of continuous service with the Employer in a position covered by this Agreement, subject to the provisions and limitations as set forth in this Agreement. Such seniority applies in the event of vacations and in the event of promotion, transfer, displacement, layoff, recall and the scheduling of pool time off, subject to the ability to perform the work and the business needs of the Employer. Where two (2) or more employees have the same seniority date, the order of seniority will be determined by current methodology for assigning employee identification numbers. The lower employee identification number will be considered more senior.

(b) **Super-Seniority** - The seniority enjoyed by Union Officers who perform on-the-job contract administrative functions and Stewards. In the event of a layoff, such Union representatives shall be the last to be laid off, provided they can perform the work without training.

SECTION 2 - LOSS OF SENIORITY

An employee shall lose all seniority rights when any of the following occur:

(a) termination of employment; (b) resignation; (c) layoff for more than twelve (12) months; (d) retirement; (e) acceptance of employment while on leave of absence; (f) failure to return to work following expiration of leave of absence; and (g) absence for three (3) consecutive work days without notice to the Employer; the date of termination shall be the last day worked.

SECTION 3 - DISPLACEMENT

An employee may be considered displaced when there is a reduction in the staff for economic reasons or because of technological changes his job is deleted, he is bumped out of his position by a senior employee or where the employee's job is transferred to a new location in excess of twenty-five (25) miles from his present location and the employee elects not to be transferred. In any instance, the employee shall be placed as follows:

(a) Employee shall be required to accept the first vacant position at his same grade level that exists during the first five (5) working days following deletion or displacement provided the employee meets the minimum qualifications for that position. If more than one (1) such vacant position exists at the same time, the employee shall have the choice of positions. The employee may also elect to fill a vacant position at a lower level provided that he meets the minimum qualifications. If the employee fills a vacant position in accordance with this Subsection, he shall serve a probationary period as set forth in Article III.

(b) In the event the displaced employee is not placed in accordance with Subsection (a) above, within the subsequent ten (10) workday period, he may exercise his seniority rights by displacing a junior employee at the same or lower level provided that during an interview with the employer, he can demonstrate that he can perform the job with procedural orientation only. In the event the displaced employee is eligible to displace more than one (1) employee performing the same job (even though in a different department), he shall be required to displace the least senior employee. When placed in a position pursuant to this subsection, the employee shall not serve in a probationary period.

If during the ten (10) workday placement period, the employee has not been placed and a vacant position occurs at the employee's same grade level for which he meets the minimum qualifications, he shall be required to take that position pursuant to the conditions set forth in Subsection (a) above.

(c) If upon expiration of the fifteen (15) workday period described in Subsections (a) and (b) above the employee has not been placed, he shall be laid off.

(d) If no current placement opportunities exist under Subsections (a) or (b) above, upon advance notice to the Union, an employee may be moved to the next step of the process or be laid off. In such instances, the Employer agrees to review any job opportunities with the Union upon request.

(e) At anytime prior to being placed, employees may forego placement through the process and opt for layoff.

(f) If an employee is not placed due to his absence which occurs at any time during the fifteen (15) workday period in Subsections (a) and (b) above and which is not inconsistent with any of the provisions of the Agreement, upon his return, he shall continue in the placement process. During the period of his absence, the Employer may fill any vacant positions which occurs.

(g) If prior to being placed during the required period, the employee bids on a job posting, that bid shall continue to be processed until the employee is placed pursuant to this Article or Article XVI, whichever occurs first. If the employee is laid off, his bid shall continue to be processed.

(h) The employee may request the presence of a Shop Steward during the placement process and such request shall not be unreasonably withheld.

SECTION 4 - LAYOFF AND RECALL

An employee may remain on layoff for up to twelve (12) months and if not recalled during that period, at the expiration of the twelve (12) months, he shall be terminated.

(a) A laid off employee shall be recalled to a vacant position at the same grade level or at a lower level held at the time of layoff provided that the employee meets the minimum qualifications for the job. Employees will be recalled on a basis of Company-wide seniority with the most senior employee being recalled first.

(b) Recalled employees shall be required to report to work within three (3) days following recall unless illness or injury prevents same. In the event of such illness, the employee may remain on layoff until the expiration of twelve (12) months and the Employer may request a medical certificate or an examination by a Company doctor as a condition of returning to work.

(c) An employee recalled from layoff shall be required to serve a probationary period.

(d) If an employee fails to return to work within three (3) work days of recall or refuses to accept a job offered at the same grade level held at the time of layoff, provided he meets the minimum qualifications for the job, he shall be terminated.

(e) Laid off employees may be asked to fill temporary job vacancies (excluding summer temporary jobs) where they meet the minimum qualifications. However, any employee who accepts a temporary job will still be considered on layoff for purposes of recall to a permanent position.

(f) While on layoff, an employee shall not be entitled to group health insurance, group life insurance or any paid time off benefits except to the extent required by law.

SECTION 5

For job placement purposes, a vacant position is defined as a job in which there is no active incumbent.

SECTION 6

Whenever an employee is placed into a position lower than the one previously held, his salary shall be adjusted in accordance with Article V, Section 7(b).

SECTION 7 – SENIORITY LISTS

Seniority lists including position title, grade level and rates of pay will be provided to the Union on a quarterly basis.

Article XVI – Job Posting

SECTION 1 – BIDDING

(a) Vacancies in jobs shall be announced for five (5) work days. Positions at Grade Level 10 and 11 or temporary jobs need not be announced. Job postings shall contain a statement that other duties, including but not limited to, telephone service, claims processing, enrollment or correspondence may be required on an irregular basis.

(b) An employee must be in his current position for at least twelve (12) consecutive months [new hires must remain in the position for eighteen (18) months] before being permitted to bid on a permanent position. Notwithstanding the above, if there are no bidders or no eligible bidders, the employer may promote or transfer an employee willing to accept the promotion or transfer to the permanent position, who has not completed the above requirements, provided that the employee otherwise meets the qualifications for that job.

(c) In any announcement of a job vacancy for a position that involves unspecified duties or functions, the announcement shall state that the position may require the employee to perform irregular duties, including telephone service, claims processing, enrollments, correspondence or other such similar duties if the position may require the employee to perform those duties.

SECTION 2 – NEW JOBS AND JOB CHANGES

(a) **New Jobs** - The Employer shall promptly notify the Union of the creation of each new Bargaining Unit job together with its description and grade level. Each newly created position shall be posted concurrent to or within ten (10) days of the Union having been notified of its existence. During the posting, bidding and selection process, the Employer may temporarily assign an employee to the job for a period not to exceed thirty (30) days.

(b) **Job Changes** - The Union shall be notified of the contents of major changes to Bargaining Unit jobs together with its job description and grade level.

(c) If the Union disputes the Employer's decision on grade level in (a) or (b), the Union may submit a grievance listing their objections to the grade level. In such instances, the Union shall bear the burden of demonstrating that the job level is improper.

(d) Upon request from the Union, the Employer will provide the Union with listings of the temporary employees on the payroll.

SECTION 3 – QUALIFICATIONS

(a) In regard to new jobs established under Section 2(a), the Employer agrees to establish minimum job-related qualifications. Nothing herein will prevent the Employer from establishing additional job-related qualifications and from hiring an individual who is the most qualified for the duties of the positions.

(b) Nothing herein will prevent the Employer from prescreening any of the job bidders who have not met the minimum qualifications for the position. The Employer will notify these employees in writing or by phone of the prescreening within four (4) days from the date the determination is made. If an employee believes he was improperly prescreened, he shall notify the Employer and if the Employer agrees, the employee's bid shall be reinstated to the bidding process. However, if the Employer disagrees, then that decision shall be final and not subject to grievance. Upon request, a representative of the Union may participate in any of these discussions.

SECTION 4 – TEST AND TESTING

(a) The Employer may require an employee to pass a test as a part of determining whether the applicant meets the minimum qualifications for the job. All tests shall be administered by a representative of Personnel, where possible, or by a representative of the Employer not directly affiliated with the section into which the employee is making a bid.

(b) With the exception of skills tests, any employee who fails any other test may retake it for a total of three (3) times in connection with separate job postings. After the third test failure, that test may only be retaken if the employee provides documentation to demonstrate that he has taken training or other development courses that would lead to the belief that he would now pass that test. An employee shall not be required to take a test to measure knowledge, skill or ability for a new job, if the employee is satisfactorily performing that same function in a current job.

(c) Skills test are those designed to measure skill or proficiency at typing, stenography or word processing. The limitation regarding three (3) test failures in subsection 4 (b) does not apply to skills test.

(d) An employee who fails a test will be notified by phone or in writing and the employee's bid will not be processed further. If the employee disputes the test score, he shall notify Human Resources. If, upon review, Human Resources agrees with the employee, the bid shall be reinstated into the selection process. If Human Resources disagrees with the employee, then the decision of the Employer will be final and not subject to grievance. Upon request, a representative of the Union may participate in any of these discussions.

SECTION 5 – SELECTION

(a) The Employer shall select the person who in its opinion is the most qualified of all the qualified bidders on the job posting. In making its determination, the Employer may consider but will not be limited to considering factors such as attendance, interview results, discipline and past performance. Where several job bidders are equally qualified, the most senior will be selected. However, in instances where there is only one (1) qualified job bidder, that person shall be selected for the job except if the applicant has more than one active Disciplinary Notice. In such instance, the applicant may be bypassed for selection.

(b) The successful job bidder will be notified of new salary, starting date and whether a probationary period will be required and for what length. If the employee believes that there is a factual mistake in the information or requirements, the Employer shall be notified and the issues will be researched in an effort to resolve the dispute. If the dispute cannot be resolved, then the decision of the Employer will be final and not subject to grievance. The selected candidate will occupy the new position within three (3) weeks of the Employer's selection except where operational needs of the Employer require that the incumbent complete a task or tasks prior to leaving.

(c) Unsuccessful applicants will be notified by phone or in writing of their non-selection.

SECTION 6 – SHIFT VACANCIES

If a vacancy occurs in any multiple shift job, a notice shall be posted within the Unit or Section for a period of five (5) work days to allow incumbents *working on other shifts* in that same job to fill such vacancy before that job is posted in accordance with Article XVI, Section 1. As an alternative to posting, the Employer may canvas employees on other shifts. If more than one such employee seeks that job, it shall be awarded to the most senior employee.

SECTION 7 – TRAINEES

(a) If no currently employed applicants meet the minimum qualifications for a job as a result of a regular job posting, the Employer may repost the job as a trainee position by eliminating or reducing any and all qualifications for the job.

(b) Such trainee shall serve a probationary period in accordance with Article III. Upon successful completion of the probationary period, the employee shall receive a promotional increment or the minimum of the range, whichever is greater.

(c) If the Employer hires externally under Section 7(a), the new hire will be paid no more than a trainee would have received internally under the posting.

Article XVII – Travel Expenses

Employees who utilize their personal automobiles for authorized company business will be reimbursed for all incurred company related travel expenses, including parking, tolls and mileage, at the IRS allowable rate.

Article XVIII – Union Activities

SECTION 1 – MEMBERSHIP

Thirty (30) days after the date of the Agreement or thirty (30) days after the effective date of this Agreement or thirty (30) days after the date of employment, whichever is the latest date, all employees, as a condition of employment, shall become members of this Union in good standing. Membership in good standing shall consist solely of tendering dues and initiation fees required as a condition of acquiring or retaining membership and as required by law. Membership of an employee in the Union shall not be terminated by the Union without reasonable cause; and the Employer shall not be compelled to discharge any employee for failure to maintain membership provided that the employee pays dues and fees, unless same is permissible under the existing law.

SECTION 2 – CHECK OFF

At the time of hiring and during the employee's orientation session, new employees will be notified by the Union of this voluntary check off provision and may be requested to sign by the Union. Upon receipt of a lawful written authorization from an employee, the Employer shall deduct from the wages due said employee the regular monthly Union dues and initiation fee, as fixed by the Union. Each month the Employer shall remit to the Union all deductions for dues and initiation fees made from the wages of employees for the preceding month, together with a list of all employees from whom dues or initiation fees have been deducted.

The Employer shall be relieved from making such "check off" deductions upon (a) termination of employment or (b) transfer to a job other than one covered by the Bargaining Unit, or (c) layoff from work, or (d) an agreed leave of absence or (e) revocation of a check off authorization in accordance with its terms or applicable law. Notwithstanding the above, if an employee returns from a leave of absence or layoff within twelve (12) months of its commencement, check off will automatically be restored, provided that this Agreement has not expired and the employee upon notification of this action does not revoke the authorization within thirty (30) days.

It is specifically agreed that the Employer assumes no obligation, financial or otherwise, arising out of this Article and the Union agrees that it will indemnify and hold the Employer harmless from any and all action hereunder.

SECTION 3 – REPRESENTATION

(a) The Union shall be entitled to designate Office Stewards from among the employees, this designation to be based on a ratio of one (1) Office Steward to each one hundred (100) Bargaining Unit employees. However, the Union shall be permitted to designate at least one (1) Office Steward at each branch office location. Meetings of Union Officers and Office Stewards shall *not be held during working hours*, except for scheduled conferences with Management. Stewards shall be released for grievance meetings and other meetings with Management without unreasonable delay of undue interference. Stewards will make every effort to confine their activities to representing employees in their respective office locations, wherever possible.

(b) A permanent Officer or representative of the Union shall be admitted to the premises of the Employer only after submitting a written request two (2) work days in advance to the a representative of Human Resources. Failure to make an advance written request, unless waived by the Employer, will result in the Officer or representative being denied admittance to the Employer's premises. In rare circumstances where it is absolutely necessary for the Union to be present at the Employer's premises short of giving the written two (2) work day notice, the Union shall inform the employer as soon as possible of the need and the explanation for immediate access. If the Employer agrees that an urgent situation exists, the Union will be allowed access without regard to the fact that the written two (2) work day notice was not given. The purpose of such visits shall be limited solely to ascertain whether this Agreement is being observed by the parties and to participate, when necessary, in settling grievances as outlined in the Grievance Procedures contained herein.

(c) Representatives designated by the Union shall be permitted to meet all new hires, in the presence of Management, as part of new hire orientation to acquaint them with the Union and matters regarding Union representation.

(d) The Union agrees to conduct Union business outside of working hours and off Company premises except where otherwise approved and granted by the Employer or except where any adverse impact on the Union by following this procedure would clearly outweigh the right of the Employer to operate its business.

(e) Office Stewards will hold meetings with employees on the Stewards'/employees' lunch period. If a meeting cannot be arranged on the day requested, the Steward shall rearrange his/her lunch schedule, within the following three (3) day period so that the meeting may be held.

Office Stewards in the Telephone Call Center Units shall be permitted to exchange lunch hours with Call Center employees in their Unit in order to schedule a meeting with an employee. If the exchange of lunch hour times cannot be accomplished voluntarily, the supervisor shall designate the most junior employee for the lunch hour exchange.

SECTION 4 – VOTE CAMPAIGN

The Employer agrees to permit employees to deduct monies voluntarily from their weekly paychecks for the purpose of contribution to OPEIU - Local 32 VOTE Campaign, provided that the Union furnishes a letter from the AFL-CIO General Counsel in a reasonable time stating that the campaign is legal under the Labor Management Reporting Act and Federal Election Campaign Act. Upon receipt of a form executed by the employee which states the amount of weekly contribution deduction, the Employer shall begin payroll deductions and will submit said deductions to the Union Business Office on a monthly basis.

Article XIX – Equal Employment Opportunity

All Horizon employees should treat each other with courtesy, respect and professionalism.

Horizon Blue Cross Blue Shield of New Jersey will not tolerate any form of workplace discrimination or harassment, including sexual harassment, from any source. This policy also prohibits all forms of derogatory and insensitive remarks and/or action based on a person's race, color, religion, gender, age, national origin, citizenship status, marital status, sexual orientation, gender identify, disability, veteran status or any other protected characteristic, even if they do not rise to the level of workplace discrimination/harassment as defined by law.

Any remarks or conduct contrary to this provision should be promptly reported to your supervisor, a Human Resources representative or the Compliance Hotline.

This Article is not subject to the grievance/arbitration procedure.

Article XX – Grievance Procedure

SECTION 1 – GENERAL

(a) Definition - A grievance shall be limited to a complaint or dispute involving a disciplinary layoff or discharge or any disagreement as to the application, interpretation or enforcement of one or more expressed terms of this Agreement

(b) Exclusions - Disagreements involving the following are not subject to grievance except as provided hereunder:

(1) The exercise of any Management rights as enumerated in Article XXV.

(2) Written warnings except if such actions subsequently serve as the basis for disciplinary layoff or discharge whereupon these preliminary steps of discipline may be challenged as part of that grievance.

(3) The discharge of any newly hired or rehired probationary employee that occurs prior to completing the probationary period.

(c) Processing

(1) Signatures - All Union and employee grievances must be signed and filed by the Union. Management grievances must be signed by the representative of the Employer who submits it.

(2) Contents of Grievance - The grievance shall contain all the facts known to the grievant and/or Union and arguments as to the issues in disputes so as to place the Employer on notice as to the contractual violations alleged.

(3) Union Responsibilities - The Union shall be responsible for the logging of all grievances, issuance of control numbers, disbursement of copies to affected parties, printing of the Grievance Notices, cost of such printing and distribution to its Stewards.

(4) Date of Grievance - The date of the grievance is the date it is received by the Employer as indicated by the dated signature of a Representative of the Employee Relations Department.

(5) Time Limits - All time periods must be strictly met. They may be extended or shortened only by mutual consent in writing for good cause. All time limits specified commence with the next regular workday following date of grievance submission, Saturdays, Sundays and holidays are excluded from any time computation. Failure to timely file a grievance or apply to arbitration shall render the grievance void and not subject to arbitration. If the non-grieving party does not comply with the time periods set forth in the Grievance Procedure, the grieving party shall first notify the non-grieving party. If the non-grieving party does not comply, the grieving party can proceed to arbitration by submitting written notice for arbitration to the New Jersey State Board of Mediation with a copy to the non-grieving party.

(6) Occurrence - A grievance occurrence is defined as the time at which the grievant becomes aware of the incident or action.

(7) Attendance - Either party may request the attendance of other individuals who have relevant evidence to offer relating to the grievance.

(8) Settlement - A grievance settled at any Step shall be binding on only the specific parties and shall not constitute precedent or prejudice for future grievances.

SECTION 2 – REGULAR GRIEVANCES

A regular grievance must be filed within twenty (20) workdays from the date of occurrence and shall be processed as noted below. Initial grievance submission shall be to both the appropriate management supervisor and the designated Human Resources representative.

Step 1 - The Management supervisor receiving the grievance will conduct a First Step Meeting with the grievant and Office Steward within five (5) work days from the date of grievance submission. If settlement is not reached as a result of the First Step Meeting, Management will set forth its position in writing and submit it to the Union Steward within five (5) work days from the conclusion of the Step 1 Meeting.

If Management's First Step Answer is not satisfactory, the Union may appeal. The Appeal must set forth the reasons for rejection of the Step 1 Answer and be submitted to the designated Human Resources representative within five (5) workdays from receipt of the Step 1 Answer.

Step 2 - The designated Human Resources representative and the Union Business Manager or his representative will meet within five (5) workdays from receipt of the Step 1 Appeal. If the parties cannot settle the matter, Management will set forth its position in writing which will be given to the Union representative who was at the meeting within five (5) work days for the conclusion of the Step 2 Meeting.

Step 3 - Either party may proceed to arbitration under the provisions of Article XXI by submitting a notice in writing to the New Jersey State Board of Mediation, with a copy to the other party within fifteen (15) work days from the date of the Step 2 Answer.

SECTION 3 – DISCHARGE GRIEVANCES

If an employee is discharged for reasons other than those excluded by this Article, the employee or the Union may file a grievance within fifteen (15) workdays immediately following the discharge. A copy of the grievance shall be submitted to the employee's appropriate Management supervisor with a copy to the designated Human Resources representative.

Step 1 - The designated Human Resources representative will meet with the Union Business Manager, or his representative, within five (5) workdays from the date of grievance submission. If the parties are unable to settle the matter the designated Human Resources representative will set forth Management's position in writing. The answer will be submitted to the Union Business Manager or Chief Steward within five (5) workdays from the conclusion of the First Step meeting.

Step 2 - If the matter is not settled at Step 1, the Union may proceed to arbitration under the provisions of Article XXI by submitting a notice in writing to the New Jersey State Board of Mediation, with a copy to the designated Human Resources representative, within fifteen (15) work days from the date of the Step 1 Answer.

SECTION 4 – MANAGEMENT GRIEVANCES

Management grievances shall be processed as noted below. The designated Human Resources representative shall submit in writing a grievance to the Business Manager within fifteen (15) workdays of the occurrence. The grievance need not be on a grievance form.

Step 1 - The designated Human Resources representative and the Chief Office Steward shall meet within five (5) workdays from the date of grievance submission in an attempt to settle the dispute. If settlement is not reached, the Union shall submit its position in writing to the designated Human Resources representative within five (5) working days following the Step 1 Meeting.

If the Union's answer is unacceptable, Management may appeal. The appeal must set forth the reasons for rejection of the Step 1 Answer and be submitted to the Union Business Manager within five (5) workdays from the date of the answer.

Step 2 - If Management's appeal is unacceptable, the Union will have ten (10) working days to issue an answer, in writing to the designated Human Resources representative, setting forth the reasons for the rejection of Management's appeal.

Step 3 - Either party may proceed to arbitration under the provisions of Article XXI by submitting a notice in writing to the New Jersey State Board of Mediation, with a copy to the other party within fifteen (15) work days from the date of the Step 2 Answer.

Article XXI – Arbitration

SECTION 1 – COVERAGE

(a) **Rule** - The Union or the Employer, after properly utilizing all Steps of the grievance procedure and adhering to all respective time limits therein may proceed to arbitration over any unresolved grievance.

(b) **Time Limitations** - If a party fails to serve notice of its intentions to arbitrate within the time limitations set forth in Article XX, it shall be considered settled in accordance with the final answer submitted by the non-grieving party.

(c) **Fees and Expenses** - All arbitration fees or expenses shall be borne equally by the parties except if a matter is not subject to arbitration or if a grievance is not timely processed as noted in Article XX, Section 1(c)6. When a party brings a case to arbitration, as permitted by the provisions of Article XX, Section 1(c)6, the delinquent party shall bear the total cost of arbitration.

(d) **Issues Subject to Arbitration** - Except for disputes involving time limits, all others will be decided via the arbitration process. Disputes over whether time periods have been met will be decided in accordance with federal law. Regarding such time limit disputes, where a matter is held not subject to arbitration, all costs, including actual attorney's fees, will be borne by the grieving party.

If either party brings a dispute to arbitration in which the arbitrator determines that the matter is not subject to arbitration under the provisions of this Agreement, all costs of arbitration, including attorney's fees, shall be borne by the grieving party.

SECTION 2 – SUBMISSION

(a) **Multiple Grievances** - Grievances may only be joined in arbitration by mutual agreement of the parties in writing.

(b) **Individual Arbitration** - No individual employee shall have the right to invoke arbitration.

SECTION 3 – LIMITATION OF ARBITRATOR

(a) In no event will an arbitrator have jurisdiction or authority to add to, detract from or alter by award in any manner whatsoever the provisions of this Agreement.

(b) The arbitrator has no authority to reduce the discipline or discharge imposed by the Employer if the arbitrator determines that discharge or discipline was justified.

(c) The arbitrator shall have no power to establish wage rates, job classifications or benefits of any kind which are not provided for or explicitly negotiated under the Agreement.

SECTION 4 – AWARDS

(a) In any Award for back pay, the Award shall not exceed one-hundred sixty-five (165) calendar days from the date the grievance was timely submitted unless the Employer has acted in bad faith in scheduling the arbitration hearing.

(b) In any Award for back wages, monies earned during the back pay period, including subsequent employment earnings, unemployment compensation, worker's compensation, etc., shall be deducted from the amount due.

(c) Awards will be final and binding and will be implemented within fifteen (15) days from the date of receipt, except where either party contemplates further action in connection with such Award. In such event, the moving party will inform the other in writing of such intent within fifteen (15) workdays of the receipt of such Award. Such intent, however, shall be limited to vacating the Award in the proper judicial form, unless otherwise mutually agreed to by the parties.

SECTION 5 – ARBITRATION PANEL

The parties agree to use a select panel of six arbitrators to be mutually selected by both parties in an effort to shorten the time periods involved in bringing disputes to arbitration.

Article XXII – Attendance Control

This Article shall become effective January 1, 2011

SECTION 1 – GENERAL POLICY

Employees are expected to be at work in accordance with their respective schedules. At the beginning of each year or upon being hired, employees are credited Pool Time to provide time off from work without loss of pay for recreation purposes, to attend to personal business and for unforeseen emergencies, including incidental illness and in the event of death of near relatives. On occasion, some employees may need to be absent for longer periods of time due to the birth or adoption of a child, to provide care for a family member or because of personal illness. Federal and NJ state laws provide some job protection for these situations. However, because we are a business and are obligated to serve our providers and customers, we depend on the regular attendance of our employees.

SECTION 2 – DISCIPLINE AND DISCHARGE

Absences covered by the Federal Medical Leave Act (FMLA), the New Jersey Family Leave Act (NJFLA), other legally authorized leaves or scheduled pool time are not included in this Section.

Any other absences are covered by this Section and may become the basis for discipline or discharge. An unscheduled day is defined as an absence.

(a) Absences - Employees may incur up to seven (7) unscheduled absences, whether due to illness or not. Thereafter, any unscheduled absences will be subject to the disciplinary action set forth in Section (b).

(b)

Steps	Discipline	Record
First	Written Warning	More than seven (7) unscheduled absences.
Second	Written Warning	Subsequent to the First Written Warning, the next unscheduled absence.
Third	Discharge	Subsequent to the Second Written Warning, the next unscheduled absence.

(c) Disciplinary actions are in effect for twelve (12) months from date of issue, subject to Section (d) herein. For a discharge to occur, at least two (2) Written Warnings for absenteeism must be active.

(d) If any employee completes six (6) months of service with no unscheduled absences, then the oldest active disciplinary action, if any, shall be voided.

(e) Employees hired after January 1st, will have Sections (a) and (b) herein changed to read: More than three (3) unscheduled absences.

(f) Employees who remain out of work continuously for more than twelve (12) weeks or are absent in excess of a total of twelve (12) weeks under the New Jersey Family Leave law or the Federal FMLA may be discharged immediately, whether or not they had received any disciplinary warnings for absenteeism or exhausted all their pool days.

(g) In addition, employees with less than one (1) year of service may be discharged if they are absent on STD.

(h) All absences will be charged toward pool time hours, if available, otherwise, the employee shall be docked.

Discipline issued in accordance with this Article is subject to the Grievance Procedure.

Article XXIII – Bulletin Boards

The Employer agrees to provide bulletin board space for the exclusive use of the Union. All Union notices require Employer approval prior to posting. The Employer and Union agree that neither may post any notices or other material which contain demeaning or disparaging references to the other or his representatives.

All notices placed on the Union's bulletin board must bear the signature of an authorized Union representative. The Union agrees not to post anything of a political nature or anything that does not relate to Union matters.

Article XXIV – Additional Agreements

The Employer and the Union agree that any letters of understanding or supplemental agreements that are not incorporated into the new Agreement or specifically renewed by mutual consent in writing shall be deemed expired as of the expiration date of the current Agreement. The parties further agree that any new supplemental agreements or letters of understanding entered into between the parties during the course of this negotiation or at any time thereafter during the term of the Agreement shall, unless stipulated otherwise, remain in force during the term of the Agreement and shall similarly be considered void concurrent with the expiration of the Agreement unless renewed or incorporated in any subsequent Agreement.

Article XXV – Management Prerogatives

SECTION 1 - POLICY

The Union and the Employer agree that the provisions of this Agreement shall be expressly limited to hours, wages, and working conditions explicitly and specifically contained in this Agreement and shall not be construed to restrain the Employer from the sole management of its business.

(a) The Employer reserves the right to determine size and composition of workforce, staffing pattern and areas of work; to select applicants; to hire from any source; to determine minimum qualifications for each job; to determine qualifications of its employees and place of work; to promote, transfer, suspend, layoff and rehire; to determine hiring rates as those rates are consistent with provisions of the Agreement; to establish standards of quantity and quality of work; to determine the kind and amount of training required, to conduct such training and to require employees to undergo such training; and to discharge newly hired probationary employees for any reason whatsoever.

(b) The Employer reserves the right to determine job content; to add, delete or discontinue a position; to reclassify jobs; to transfer jobs from one location to another; to change work hours; to establish new shifts or eliminate existing shifts; to determine the kind, class and character of work and to assign work as it alone deems proper, necessary and suitable; to expand, reduce, combine, consolidate, or abolish any job; to allow employees to perform work off or away from the Employer's premises, including telecommuting, and to determine that work should not be performed.

(c) The Employer reserves the right to determine work hours, including starting and quitting times and overtime; to approve or deny pool time off (except for emergencies) and approve requests for leaves of absence.

(d) The Employer reserves the right to establish, modify, rescind, publish and enforce appropriate standards of conduct and behavior, discipline and discharge for its employees including listing of infractions and setting discipline which will be applied; to determine and distribute rules and regulations for maintaining safety, order and effective enforcing of its operation; to change, add to or delete such rules; and to counsel, warn, reprimand and suspend any employee and to discharge any probationary newly hired employee.

(e) The Employer reserves the right after notice (which shall contain generally the elements of the program) to, but not discussion or negotiation with, the Union to reward employees based on performance, competence, or conduct; to establish merit pay and/or competency pay programs, and to reward employees under such programs; and to develop employee appraisal programs and evaluate performance under such programs.

(f) The Employer reserves the right to have managerial, supervisory or confidential employees perform Bargaining Unit work at any time or to have other non-Bargaining Unit employees perform Bargaining Unit work when new methods or systems are being evaluated or introduced, or in the event sufficient Bargaining Unit personnel are not qualified or available to perform the work.

(g) The Employer reserves the right to make any and all changes, whether technological or not, in equipment and methods of doing business or performing work including the introduction of new, modified, or expanded equipment not presently being used; and to abolish past work customs and practices which are inefficient or costly.

(h) The Employer reserves the right to subcontract any Bargaining Unit work and to allow outside contractors to hire employees to perform such work.

(i) The Employer reserves the right to the sole conduct of its business; to administer policies and procedures relating to research, education, training, operation, service and maintenance; to consolidate, discontinue or create any new department, division or subsidiary of the Company; to determine new locations; including the relocation and/or closing of existing facilities and to determine new lines of business.

(j) The Employer reserves the right to select and appoint bargaining unit employees to participate as members of workgroups and committees to improve procedures, processes and systems in their work areas provided that the affected employees agree to serve in this capacity, to reward and recognize the employees for their contributions and service.

(k) The Employer reserves the right to transfer employees among business teams based on operational needs. Such transfer shall not affect changes in an employee's job title, grade level, or shifts and the new job shall be within a twenty-five (25) mile radius of the former job

SECTION 2 – EXISTING RIGHTS

The Management rights in Section 1 are not to be interpreted as all-inclusive but merely indicate the type of rights which belong to and are inherent to the Employer. All rights, power or authority the Employer had prior to signing this Agreement are retained by the Employer except those explicitly specified, abridged, delegated or modified by this Agreement or any Supplementary Agreement that may be made.

SECTION 3

The exercise of any management rights listed in Sections 1 and 2 shall not be the subject to any grievance or arbitration procedure unless specifically and explicitly provided for by another provision of this Agreement and only to the exact extent so provided.

Article XXVI – Waiver

Waiver of violation in any one or more instances or for any one or more periods of time shall not be deemed a waiver of subsequent or continued violation or as to any subsequent period of time.

Article XXVII – Savings Clause

In the event that any provision of this Agreement shall at any time be declared invalid by any court of competent jurisdiction, or through government regulations or decree, such decision shall not invalidate the entire Agreement, it being the express intention of the parties hereto that all other provisions not declared invalid shall remain in full force and effect.

Article XXVIII – Notice

Any notice from either party to the other shall be in writing and deemed sufficient if sent by prepaid, registered mail addressed to the Union at 2013 Morris Avenue, Union, New Jersey 07083 and to the Employer at 3 Penn Plaza East, M/S PP-06W, Newark, New Jersey 07105.

Article XXIX - No Strike - No Lockout

During the term of this Agreement or any extension thereof, the Employer agrees that there shall be no lockouts of Union members and the Union agrees that there shall be no strike of any kind or degree whatsoever, walkout, suspension of work, curtailment or limitation of production, slowdown or any other interference or stoppage of the Employer's operations. All matters of dispute arising under this Agreement shall be settled by arbitration as provided for in Articles XX and XXI. It is further agreed that if any employees engage in any of the above-noted activities during the term of this Agreement or any extension thereof, the Union and its officers will immediately notify its members, both verbally and in writing with a copy to the Employer, that work must be resumed at a normal rate and it is understood that if the Union and its officers take such action, there shall be no liability upon the Union and its officers for such incidents. However, should such action on the part of the Union and its officers fail to end such strike, slow down or work refusal, it is agreed that the Employer shall have the unqualified right to discipline or discharge employees participating in or encouraging such violations; the Union shall, however, have the right of recourse to the grievance and arbitration procedures to the extent of establishing fact as to whether or not any individual employee has participated in or encouraged such violations.

Article XXX – Successor

In the event that the Employer enters into a binding legal written agreement to sell its assets or stock to another entity, then it shall inform the Union of such binding written commitment as soon as practical subsequent to the point in time when such written agreement becomes legal, binding and effective. The Employer shall not be required to provide such notice until every condition precedent to the performance of either party to such agreement has been fulfilled. Prior to the execution of any such written agreement, the Employer shall inform the other party to the transaction that the Union represents a majority of employees in the unit set forth in Article I of this Agreement, provided that the Plan does not have a reasonable basis to believe that the Union no longer represents a majority of bargaining unit employees. This provision shall not apply to any sales or other transactions caused by an act of the State of New Jersey or any other government entity. The Plan shall not be held liable for the acts of any successor employer.

Article XXXI – Discipline

SECTION 1

Employees may request the presence of the Union at an investigatory interview where the employee believes the investigation will result in disciplinary action; it may not interfere with legitimate Employer prerogatives; and it may not be used by the Union to negotiate or bargain with the Employer. The Employer may present the employee the choice of having the interview without the Union present or having no interview. This Subsection will be enforced in accordance with NLRB principle and only through the NLRB.

SECTION 2

Warnings, disciplinary layoffs and discharge notices shall be issued only for just cause. Such notices shall be in writing and given to the employee promptly with a copy to the Union.

SECTION 3

The Union, Employer and employee shall promptly exchange all available information at a time mutually agreed upon in regard to the grievance.

SECTION 4

It is agreed that the issuance of a written warning, disciplinary layoff or discharge shall occur within thirty (30) work days from the date of the infraction or from the date the Employer learned of the infraction, whichever is later. It is understood that these limits shall not apply when the infraction is in the nature of a series such as tardiness or when past infractions are discovered as a result of a current investigation.

SECTION 5

(a) Any disciplinary notice will expire twelve (12) months from the date the disciplinary notice is issued. A disciplinary notice shall not have any evidential effect or be used as evidence in connection with any grievance proceeding if it is expired.

The fact that any disciplinary action relied upon in the disciplinary process may have expired at the time of the arbitration proceeding shall not bar its evidential effect.

The provision denying evidential effect, because the notice has expired, shall not apply in an arbitration proceeding if, during the arbitration, the Union asserts, or the disciplined employee testifies, that no such previous disciplinary notice was ever issued.

SECTION 6 – STANDARDS

The Company shall notify the Union whenever it establishes or changes performance standards. However, as long as the affected employees are appropriately notified of the performance standards, the Union may not challenge any discipline issued for failure to meet those standards on the basis that the Union was not so notified.

For production and quality standards, the employee's performance shall be rounded to the nearest whole number. For example, if the employee's production performance is measured at 94.7%, the performance shall be considered to be 95%. Likewise, performance at 95.4% shall be considered to be 95%.

SECTION 7

For production or quality infractions, notification of the results and discipline shall be imposed within fifteen (15) workdays following the month reviewed. Any discipline imposed beyond the above timeframe will be a repeat of the last step.

This Section shall not apply to terminations which shall occur within thirty (30) calendar days of the close of the month reviewed.

SECTION 8 – PRODUCTION/QUALITY

(a) For the purposes of the provision only, the parties agree that a written warning issued in lieu of a disciplinary layoff, in addition to a disciplinary layoff, may be subject to grievance.

(b) If an employee in the Service Division receives a written warning in lieu of a disciplinary suspension or receives a disciplinary suspension, the Union may file a grievance setting forth the reasons that the discipline should not have been imposed which shall include but not be limited to: (1) an employee's failure to be trained for the job; (2) the employee has consistently met the production and/or quality standards, except for this one review period and mitigating reason why failure to perform occurred; (3) the computer system was inoperative and the employee was still measured as on production time; (4) the employee was assigned to special projects, in training or performing other functions and was not credited with such time away from his/her function.

The parties agree to utilize Article XX, Grievance Procedure, Section 3 – Discharges, for procedure and time limits for the processing of any grievance involved herein.

In the Section 3 – Step 2 procedure, written notice shall be submitted to the designated Human Resources Representative, not the New Jersey State Board of Mediation.

Arbitrator selection shall be the same expedited procedure as for a discharge case for failure to meet production and/or quality standards.

(c) Prior to discharge of an employee for failure to meet production and/or quality standards, the parties will meet to discuss the reason(s) for discharge. The Employer may, upon demonstration of reasons by the Union, opt not to proceed with discharge, may lessen the discipline to be imposed or impose no discipline. Demonstration shall include but not be limited to: (1) an employee's failure to be trained for job; (2) the employee has consistently met the production and/or quality standards except for one review period and the mitigating reasons why failure to perform occurred; (3) the computer system was inoperative and the employee was still measured as on production time; (4) the employee was assigned to special projects, in training or other functions as directed by the supervisor and was not credited with the time away from his/her production function.

It is agreed for these production and/or quality cases arising in the Service Division that the Union shall follow the procedure and time limits set forth in Article XX, Grievance Procedure, Section 3 – Discharge Grievances. The grievance shall contain all the facts known to the grievant and/or Union, any reason or mitigating factors and any other reasons the Union feels that discharge was improper.

If the parties cannot resolve the matter, then Section 3 – Step 2 shall be written notice to the designated Human Resources Representative, not the New Jersey State Board of Mediation.

The parties agree that at least two (2) arbitrators shall be selected to hear these matters on an expedited basis. The first arbitrator available shall be selected.

(d) The parties agree that if six (6) months or more have elapsed since the last discipline was issued for production or quality, and the employee subsequently fails to meet either the quality or production standard, the Company will repeat the last step of discipline imposed rather than proceeding to the next level of progressive discipline.

SECTION 9

Employees may only work beyond or in addition to their regular work hours if such work has been approved on an overtime basis by the employees' supervisor or higher level management person. If an employee works beyond or in addition to his or her regular work hours without such overtime approval, the employee shall be issued a written warning which shall have no expiration. If, subsequent to the issuance of the written warning to an employee, the employee works beyond or in addition to his or her regular work hours without approval of the work on an overtime basis as aforesaid, the employee shall be discharged. The written warning issued to an employee for working beyond or in addition to his or her regular work hours without overtime approval shall not be used to support any other progressive disciplinary action.

The Employer shall issue a notice to all bargaining unit employees advising them that working beyond or in addition to their regular work hours except on an overtime basis approved by their supervisor or a higher level management person is prohibited and shall subject them to discipline, including discharge where a prior warning has been issued. The Employer shall be performing random audits of employee work records to determine whether employees are performing work beyond or in addition to their regular work hours without employer approval on an overtime basis.

The Employer shall perform random audits of employee work records annually to determine whether employees are performing work beyond or in addition to their regular work hours without employer overtime approval.

Article XXXII – Duration

This contract shall continue in full force and effect through and including April 30, 2013 and from year to year thereafter unless a prior sixty (60) day notice is given by either party of its intent to change, alter, modify, amend or terminate this Agreement prior to its expiration.

Exhibit A

Union Employee's Retirement Plan

January 1, 2010 through December 31, 2014

The following is a summary of the provisions of the Union Employees' Retirement Plan:

- (1) This Plan was frozen effective December 31, 2009.
- (2) **Vesting** – Any employees employed as of January 1, 2010 were automatically vested in the plan.
- (3) **Pay Credit Contributions** – Effective December 31, 2009, the Employer shall make no further contributions to the plan.
- (4) **Interest Credit** – Employee accounts will be credited with interest based on the rate for 5-year Treasury Securities as of November 30th of the preceding year but not less than 5.77% per year nor more than 7.5% per year subject to regulations mandated by the Internal Revenue Service.
- (5) **Benefit Options at Termination of Employment** – The following benefit options are available; and in all cases, the annuities will be the actuarial equivalent of the Cash Balance account at the Annuity Starting Date: 1) Normal Form – A life annuity for single employees and a joint and 50% contingent annuity for married employees; 2) Lump Sum – A lump sum payment equal to the Cash Balance account; automatic lump sum payment if the amount is under \$5,000; 3) Full Cash Refund Annuity – An annuity payable for the life of the participant, with the excess of the Cash Balance account at the annuity starting date over the sum of the pension payments received payable as a lump sum to the participant's beneficiary; 4) Life Annuity; 5) Joint and Contingent Annuities – Joint and 50%, 66%, 75% or 100% contingent annuities; 6) Period Certain and Life Annuities – 5 or 10 years' certain annuities; or 7) Social Security Offset.
- (6) The Employer reserves the right to make changes, required by law, to the Plan to retain the Plan's qualified status.
- (7) The Plan is available for review on the Company portal.
- (8) It is recognized that the Plan document shall be the controlling document concerning any questions of application, interpretation or benefit entitlement.

Exhibit B

Union 401(k) Savings Plan

Effective January 1, 2001

The following are some highlights of the Plan.

- (1) **Eligibility** – Employees are eligible to become participants on their date of hire.
- (2) **Contributions** – Non Highly-Compensated participants can contribute up to 75% of their base pay in pre-tax dollars and up to 6% of the base pay in after-tax dollars. Eligible participants may also make additional pre-tax catch-up contributions.
- (3) **Employer Matching Contributions** – The Employer will match 50% of the first 6% of employee contributions up to a maximum of 3% of pay.
- (4) **Investment Opportunities** – There are 38 funds into which participants can invest their contributions. The number and types of funds may change upon discretion of the Employer. The Employer agrees to notify the Union of any such changes.
- (5) **Withdrawals** – After-tax contributions may be withdrawn once every twelve (12) months for any reason. Pre-tax contributions may be withdrawn anytime for a qualifying hardship.
- (6) **Loans** – Participants may borrow up to 50% of their vested 401(k) account value. The minimum loan is \$1,000 with one (1) to five (5) years to repay. Loans to purchase a home or primary residence may take up to fifteen (15) years to repay. Repayment is done through payroll deduction. Participants are responsible for payment of loan fees charged for the processing of the loan.
- (7) **Vesting** – Vesting is your non-forfeitable right to the money in your account. You are always 100% vested in your pre-tax savings, after-tax savings, and rollover contributions and in any accrued earnings on them. You become vested in Company matching contributions according to the following schedule:

Years of Service From Date of Hire	Percent Vested in Company Matching Contributions
Less than 1	0%
At least 1 but less than 2	25%
At least 2 but less than 3	50%
At least 3 but less than 4	75%
4 or more	100%

(8) Termination – Upon termination of employment, participants whose vested balance is greater than \$5,000 may elect to defer receipt of their account balance or receive a distribution as soon as administratively possible. Participants whose vested balance is less than \$5,000 shall be subject to immediate distribution.

(9) Qualified Domestic Relations Orders – Participants are responsible for the processing fees required to implement the terms of the Order, if applicable.

(10) Annual Increase Program (AIP) – Participants shall have an annual increase of 1% on pre-tax contributions to a maximum of 10%. Increases shall be effective in May of each year of the Contract. The AIP is voluntary; and the participant may modify or stop the AIP increases each May during this Contract. Employer “Match” shall be subject to Section 3 herein.

(11) The negotiated 401(k) plan is not subject to change prior to May 1, 2013 except to retain the Plan’s qualified status.

(12) It is recognized that the Plan Document shall be the controlling document regarding questions of application, interpretation or benefit entitlement.

Exhibit C
Horizon Retirement Contribution Plan

January 1, 2010 through December 31, 2014.

The following represents a summary of the Plan.

- (1) All employees who are employed as of January 1, 2010 shall be entitled to "Horizon Retirement Contributions" based on an age scale starting at 2.0% of salary and increasing to 17.334% of salary. A chart with yearly age credits is attached and made a part hereof. All contributions shall be made by the Employer.
- (2) All employees who are employed as of January 1, 2010 shall be fully vested in all Employer contributions made to their "Horizon Retirement Contribution" account for the duration of the 401(k) Plan.
- (3) An employee's age for the purpose of determining the level of "Horizon Retirement Contributions" to the 401(k) Plan shall be the age that the employee will be at the end of that calendar year. For example, an employee who will turn age 40 in calendar year 2010 will be considered to be age 40 as of January 1, 2010 for the purpose of determining the rate of "Horizon Retirement Contributions" to the 401(k) Plan.
- (4) Employees hired after January 1, 2010 shall receive "Horizon Retirement Contributions" of 3% regardless of age.
- (5) Employees hired after January 1, 2010 will vest in their "Horizon Retirement Contribution" account based on a four (4) year graded vesting schedule. Employees shall be 25% vested after one year of service; 50% vested after two years of service; 75% vested after three years of service and 100% vested after four years of service.
- (6) Employees may not take loans against this Plan.
- (7) Horizon shall maintain the frozen Retirement Plan and the 401(k) Plan, including the "Horizon Retirement Contribution" account, in accordance with the Internal Revenue Code and the regulations thereunder.
- (8) It is recognized that the Plan document shall be the controlling document concerning any questions of application, interpretation or benefit entitlement.
- (9) Except as set forth in Section 7 herein, Horizon shall not seek to change, during the duration of this Agreement, the terms of the Retirement Plan or the terms of the "Horizon Retirement Contribution". However, in the event that Horizon implements significant discretionary changes to the non-Union Horizon Retirement Plan or the "Horizon Retirement Contribution" to the non-Union 401(k) Plan, Horizon may seek to reopen this Agreement to negotiate similar changes. This exception shall also be deemed to permit OPEIU, Local 32 to seek to reopen the Agreement based on discretionary changes Horizon may make to the non-Union Horizon Retirement Plan or the "Horizon Retirement Contribution" to the non-Union 401(k) Plan. For this purpose, discretionary changes mean changes that are not required to comply with changes in federal law.

Age	Pension Replacement Contribution
34 and Under	2.00%
35	2.134%
36	2.294%
37	2.465%
38	2.649%
39	2.847%
40	3.060%
41	3.290%
42	3.538%
43	3.801%
44	4.088%
45	4.391%
46	4.720%
47	5.073%
48	5.454%
49	5.863%
50	6.302%
51	6.774%
52	7.282%
53	7.827%
54	8.414%
55	9.044%
56	9.722%
57	10.451%
58	11.234%
59	12.076%
60	12.981%
61	13.954%
62	15.000%
63	16.125%
64	17.334%
65 and older	17.334%

Horizon Blue Cross Blue Shield of New Jersey

By: _____
Margaret M. Coons
Vice President - Human Resources

By: _____
Michelle Maycock-Smith
Human Resources Business Partner

By: _____
Monica Chinchilla
Human Resources Consultant

By: _____
William Randazzo
Human Resources Consultant

By: _____
Joseph A. Pelizzoni III
Assistant General Counsel

Office and Professional Employees International Union Local 32, AFL-CIO

By: _____
Allen Byron
Business Manager
Secretary-Treasurer

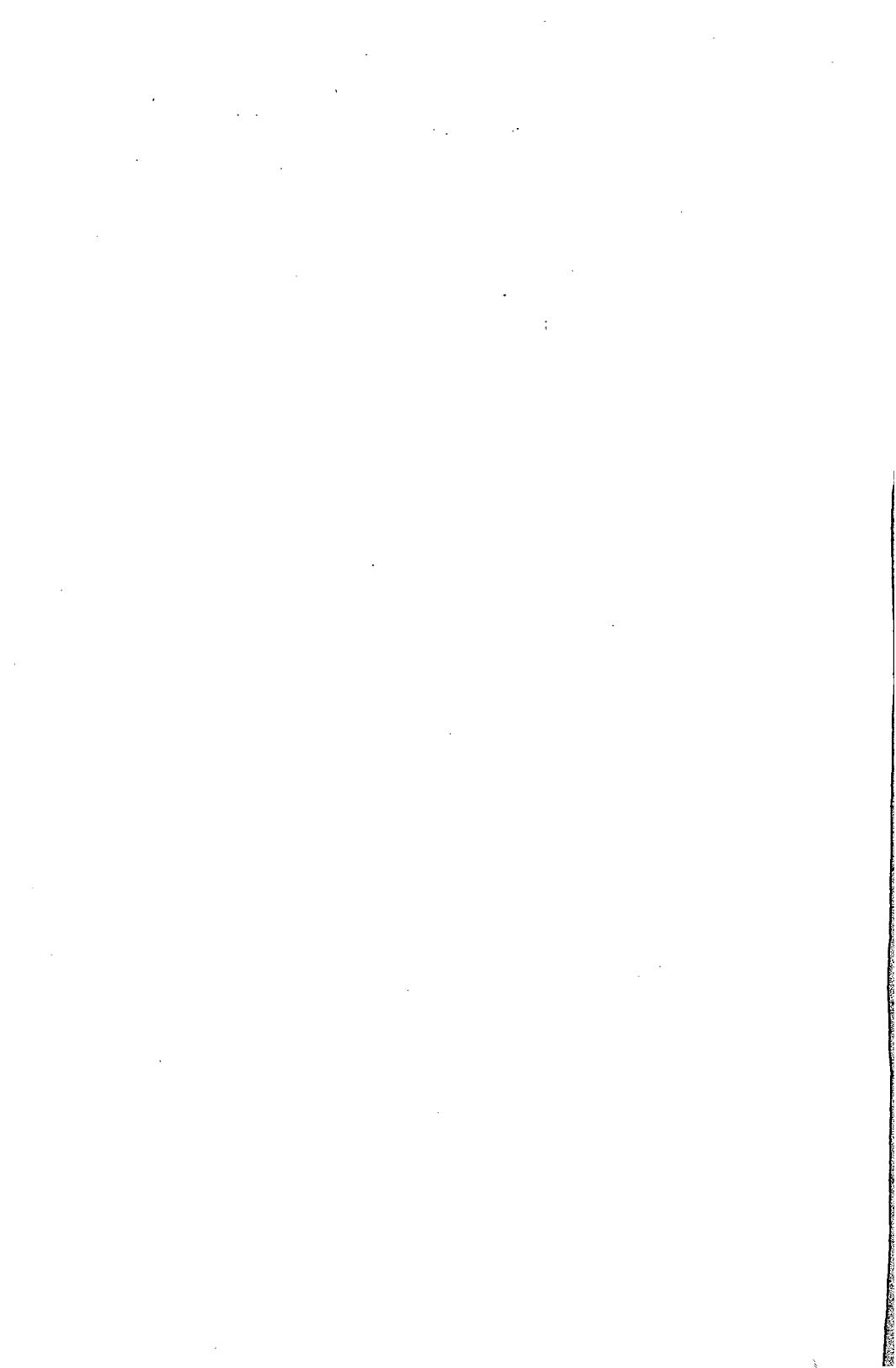
By: _____
Lois Cuccinello
Business Representative

By: _____
Juanita Ray
Business Representative

By: _____
Robyn Banks
Chief Office Steward

By: _____
Geoffrey Burbage
Office Steward

By: _____
Christine Cox
Office Steward



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