

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

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

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

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

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

**SECTION 62            BENEFIT PLANS**

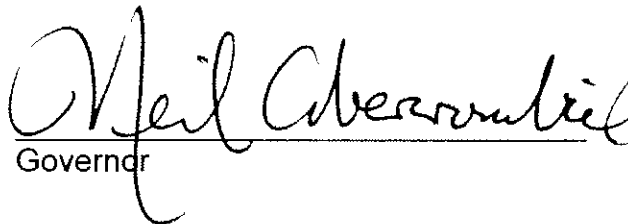
**SECTION 66            DURATION**

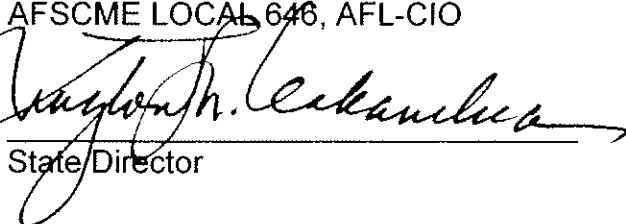
This Agreement may be signed in separate counterparts, and/or via facsimile, each of which shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

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

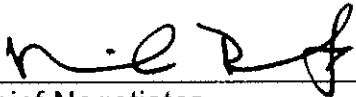
STATE OF HAWAII

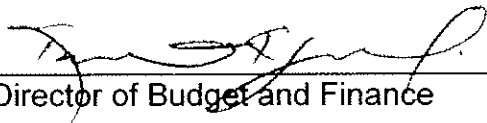
UNITED PUBLIC WORKERS  
AFSCME LOCAL 646, AFL-CIO

  
Governor

  
State Director

  
\_\_\_\_\_  
Director of Human Resources Development

  
\_\_\_\_\_  
Chief Negotiator

  
\_\_\_\_\_  
Director of Budget and Finance

COUNTY OF HAWAII

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Human Resources Director

COUNTY OF MAUI

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Human Resources Director

COUNTY OF KAUAI

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Human Resources Director

CITY AND COUNTY OF HONOLULU

---

Mayor

---

Human Resources Director

HAWAII HEALTH SYSTEMS CORPORATION

---

President and Chief Executive Officer

---

Vice President for Human Resources

JUDICIARY

---

Administrative Director of the Courts

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Human Resources Director

APPROVAL AS TO FORM:

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Deputy Attorney General

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

**SECTION 62. BENEFIT PLANS**

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

3  
4 Subject to the applicable provisions of Chapters 87A and 89, Hawai'i Revised  
5 Statutes, the Employer shall pay monthly contributions to the Hawai'i Employer-Union  
6 Health Benefits Trust Fund ("Trust Fund" or EUTF) as follows:

7  
8 A. "Health Benefit Plan" shall mean the medical PPO, HMO, HDHP,  
9 prescription drug, dental, vision, and dual coverage medical plans.

10  
11 B. Effective July 1, 2011.

12  
13 Beginning December 1, 2011 during plan year 2011-2012, the Employer shall  
14 pay a specific dollar amount equivalent to fifty percent (50%) of the premium rates  
15 established by the Trust Fund Board for the respective health benefit plan plus fifty  
16 percent (50%) of all administrative fees:

17  
18 1. The amounts paid by the Employer in plan year 2011-2012 for each Employee-  
19 Beneficiary with no dependent-beneficiaries shall be limited to those enrolled in the  
20 following self only Trust Fund Health Benefit Plans:

21  
22 SELF ONLY BENEFIT PLAN

- 23  
24 a. Medical (PPO, HMO, or HDHP)(& chiro)  
25 b. Prescription Drug  
26 c. Dental  
27 d. Vision  
28 e. Dual Coverage (medical, drug, chiro):  
29     (1) HMSA  
30     (2) Royal State

31  
32 2. The amounts paid by the Employer in plan year 2011-2012 for each Employee-  
33 Beneficiary with one dependent-beneficiary shall be limited to those enrolled in the  
34 following two-party Trust Fund Health Benefit Plans:

35  
36 TWO-PARTY BENEFIT PLAN

- 37  
38 a. Medical (PPO, HMO, or HDHP)(& chiro)  
39 b. Prescription Drug  
40 c. Dental  
41 d. Vision

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

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

8  
9            FAMILY BENEFIT PLAN

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

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

23  
24            C. Effective July 1, 2012.

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

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

34  
35            SELF ONLY BENEFIT PLAN

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

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

1 following two-party Trust Fund Health Benefit Plans:

2  
3 TWO-PARTY BENEFIT PLAN

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

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

16  
17 FAMILY BENEFIT PLAN

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

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

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

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

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

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

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

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

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

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

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

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

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

1 SECTION 66. DURATION.

2  
3 **66.01 EFFECTIVE DATES.**

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

9  
10 **66.02 NOTICES AND PROPOSALS.**

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