SUMMARY OF 2003 – 2005 UPW CONTRACT NEGOTIATIONS
BARGAINING UNIT 1

Pursuant to the April 25, 2003, Memorandum of Agreement, the Employer and the Union agreed to the following:

EXTENSION OF UNIT 1 AGREEMENT AND OTHER AGREEMENTS AND/OR UNDERSTANDINGS
The July 1, 1999, to June 30, 2003, Unit 1 collective bargaining agreement as well as memoranda of agreement, memoranda of understanding, and supplemental agreements are extended from July 1, 2003, to June 30, 2005.

SECTION 62 – BENEFIT PLANS
The UPW and the Employer will negotiate language similar to the January 28, 2004, Unit 10 tentative agreement on subsection 62.03, Deferred Compensation Plan. Information and instructions will be issued as they become available.

REOPEN NEGOTIATIONS ON WAGES/COST ITEMS
The salary schedules in effect on June 30, 2003, shall remain in effect until June 30, 2005. However, the Employer and the Union agreed to reopen negotiations on wages and other cost items if the HGEA Units 2, 3, 4, or 13 are successful in achieving increases to wages and other cost items during the duration of the Unit 1 agreement.

SECTION 66 – DURATION
The collective bargaining agreement is effective July 1, 2003, to June 30, 2005.

Notices and proposals shall be in writing and presented to the parties between July 1 and August 30, 2004. After notices are given to the parties, negotiations for a new Unit 1 Agreement shall commence on or about September 1, 2004.

The following amendment is due to the April 25, 2003, Tentative Agreement between the parties.

Section 62 – BENEFIT PLANS
Section 62.01 – 62.02 Hawaii Employer-Union Health Benefits Trust Fund (HEUTF): Provides the Employer’s monthly contributions to the HEUTF’s plans

Section 62.03 Deferred Compensation Plan: Disregard subsection 62.03 since the parties will be negotiating provisions that are similar to the January 28, 2004, Unit 10 tentative agreement.
UNIT 1
MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into this 25th day of April, 2003 by and between the State of Hawaii, the Judiciary, the Hawaii Health Systems Corporation, the City and County of Honolulu, the County of Hawaii, the County of Maui and the County of Kauai, hereafter referred to as the "Employer" and the United Public Workers, American Federation of State, County and Municipal Employees (AFSCME), Local 646, AFL-CIO, hereafter referred to as the Union. The parties agree as follows:

1. The Collective Bargaining Agreement effective July 1, 1999 to and including June 30, 2003 affecting employees in Bargaining Unit 1 shall be extended from July 1, 2003 to and including June 30, 2005.

2. Memoranda of Agreement, Memoranda of Understanding, and Supplemental Agreements currently in effect shall also be extended from July 1, 2003 to and including June 30, 2005.

3. Notwithstanding Section 62, Benefits Plans, the Employer shall pay monthly premium contributions for various Employer-Union Trust Fund plans as agreed to in Exhibit 1 (Tentative Agreement to Section 62 Benefit Plans).

4. The parties shall continue to negotiate the deletion of Section 62.03 Deferred Compensation Plan and for a distribution schedule to be negotiated and agreed upon.

5. The parties have agreed to meet and negotiate supplemental agreements pursuant to Chapter 89, HRS, during this extension period.

6. Section 66 Duration, is amended to reflect:

   a. Notices and proposals shall be in writing and be presented to the other party between July 1, 2004 and August 30, 2004.

   b. Negotiations for a successor Agreement shall commence on or about September 1 following the giving of the notice.

7. Although the parties agree to extend the Salary Schedules in effect on June 30, 2003 to June 30, 2005, the parties agree to negotiate wages and other cost items in the event wages and other cost items increases are obtained by bargaining units 2, 3, 4 or 13 through the collective bargaining process during the duration of this agreement.

8. The parties reserve and maintain all rights and remedies under Chapter 89, HRS, that have not been modified by this Agreement.
State of Hawaii:

United Public Workers, AFSCME, Local 646, AFL-CIO

UPW/AFSCME Administrator

Judiciary:

Hawaii Health Systems Corporation:

University of Hawaii:

Department of Education:

City And County of Honolulu:

County of Hawaii:

County of Maui:

County of Kauai:

Approved As To Form, Attorney General
SECTION 62. BENEFIT PLANS

62.01 CHAPTER 87A, HRS.
Subject to the applicable provisions of Chapter 87A and 89, Hawaii Revised Statutes, the Employer shall pay the following monthly contributions to the Hawaii Employer-Union Health Benefits Trust Fund (Trust Fund). The Employer shall pay the same monthly contributions for each Employee enrolled in an "Employee-beneficiary" health plan regardless of which "Employee-beneficiary" health plan is chosen. The Employer shall pay the same monthly contributions for each Employee enrolled in an "Employee-beneficiary with one or more dependent-beneficiaries" health plan regardless of which "Employee-beneficiary with one or more dependent-beneficiaries" health plan is chosen.

62.01a. EFFECTIVE DATE.
Effective July 1, 2003:

62.01a.1. MEDICAL & PRESCRIPTION DRUG PLAN.
Employee-beneficiary only:

$141.32 plus $40.30 plus $5.00
The Employer shall pay the same monthly contribution for each Employee enrolled in a self only medical plan (PPO or HMO) regardless of which plan is chosen.

Employee-beneficiary with one or more dependent-beneficiaries:

$419.78 plus $40.30 plus $5.00
The Employer shall pay the same monthly contribution for each Employee enrolled in a family medical plan (PPO or HMO) regardless of which plan is chosen.

The Employer contributions were calculated in the following manner: The dollar equivalent of sixty percent (60%) of the monthly premium plus forty dollars and thirty cents ($40.30) plus five dollars ($5.00) (prescription drug) plus one hundred percent (100%) of the administrative fees for the Trust Fund's medical and prescription drug plan for each Employee-beneficiary or for each Employee-beneficiary with one or more dependent-beneficiaries.
beneficiary with one or more dependent-beneficiary enrolled in a health benefits plan covering medical, prescription drugs, hospital, surgical, and chiropractic benefits.

62.01a.2. **DENTAL PLAN.**

Employee-beneficiary only:

$14.80 plus $2.00

The Employer contributions were calculated in the following manner: The dollar equivalent of sixty percent (60%) of the monthly premium plus two dollars ($2.00) plus one hundred percent (100%) of the administrative fees for the Trust Fund’s dental plan for each Employee-beneficiary.

Employee-beneficiary with one or more dependent-beneficiaries:

$50.02 plus $2.00

The Employer contributions were calculated in the following manner: The dollar equivalent of sixty percent (60%) of the product of two times the Single Dental Rate (2 X Single Dental Rate) of the Monthly Premium plus two dollars ($2.00) plus one hundred percent (100%) of the administrative fees for the Trust Fund’s dental plan for each Employee-beneficiary with one or more dependent-beneficiaries.

Multiply the Single Dental Rate by two (2) and subtracted from the Family Dental Rate. This results in the attributable Children’s Dental Cost. The Employer shall pay one hundred percent (100%) of the attributable Children’s Dental Cost.
62.01a.3. VISION CARE PLAN.

Employee-beneficiary only:

$3.60

Employee-beneficiary with one or more dependent-beneficiaries:

$7.68

The Employer contributions were calculated in the following manner: The dollar equivalent of sixty percent (60%) of the monthly premium plus one hundred percent (100%) of the administrative fees for the Trust Fund’s vision care plan for each Employee-beneficiary or for each Employee-beneficiary with one or more dependent-beneficiary enrolled in the vision care plan.

62.01a.4. GROUP LIFE INSURANCE PLAN.

Employee-beneficiary only:

$4.16

The Employer contributions were calculated in the following manner: The dollar equivalent of one hundred percent (100%) of the monthly premium and one hundred percent (100%) of the administrative fees for the Trust Fund’s group life insurance plan for each Employee-beneficiary enrolled in the group life insurance plan.

62.01a.5. SUPPLEMENTAL (DUAL) COVERAGES.

62.01a.5a. SUPPLEMENTAL (DUAL) MEDICAL & PRESCRIPTION DRUG PLAN.

Employee-beneficiary only:

$84.20 plus $40.30 plus $5.00

Employee-beneficiary with one or more dependent-beneficiaries:

$251.28 plus $40.30 plus $5.00
The Employer contributions were calculated in the following manner: The dollar equivalent of sixty percent (60%) of the monthly premium plus forty dollars and thirty cents ($40.30) plus five dollars ($5.00) (prescription drug) plus one hundred percent (100%) of the administrative fees for the Trust Fund’s supplemental (dual) medical and prescription drug plan for each Employee-beneficiary or for each Employee-beneficiary with one or more dependent-beneficiaries enrolled in the supplemental health benefits plan covering medical, prescription drugs, hospital, surgical, and chiropractic benefits.

62.01a.5.b. SUPPLEMENTAL (DUAL) DENTAL PLAN.

Employee-beneficiary only:

$8.82 plus $2.00

Employee-beneficiary with one or more dependent-beneficiaries:

$24.94 plus $2.00

The Employer contributions were calculated in the following manner: The dollar equivalent of sixty percent (60%) of the monthly premium plus two dollars ($2.00) plus one hundred percent (100%) of the administrative fees for the Trust Fund’s supplemental (dual) dental plan for each Employee-beneficiary or for each Employee-beneficiary with one or more dependent-beneficiary enrolled in the supplemental (dual) dental plan.

62.01a.5.c. SUPPLEMENTAL (DUAL) VISION PLAN.

Employee-beneficiary only:

$2.06

Employee-beneficiary with one or more dependent-beneficiaries:

$4.38

The Employer contributions were calculated in the following manner: The dollar equivalent of sixty percent (60%) of the monthly premium plus one hundred percent (100%) of the administrative fees for the Trust Fund’s supplemental (dual)
vision care plan for each Employee-beneficiary or for each Employee-beneficiary with one or more dependent-beneficiary enrolled in the supplemental (dual) vision care plan.

62.01b. **EFFECTIVE DATE:**

**Effective July 1, 2004:**

The Employer's monthly contributions to the Trust Fund shall be calculated in the manner provided in Section 62.01a.

Effective July 1, 2004 to June 30, 2005, the Employer's monthly contributions to the Trust Fund shall not be more than the following amounts which are based on the maximum premiums provided by the Hawaii Employer-Union Health Trust Fund insurance carriers for the period July 1, 2004 to June 30, 2005:

62.01b.1. **MEDICAL & PRESCRIPTION DRUG PLAN**

Employee-beneficiary only:

$161.34 plus $40.30 plus $5.00

Employee-beneficiary with one or more dependent-beneficiaries:

$481.12 plus $40.30 plus $5.00

62.01b.2. **DENTAL PLAN.**

Employee-beneficiary only:

$15.60 plus $2.00

Employee-beneficiary with one or more dependent-beneficiaries:

$52.80 plus $2.00
62.01b.3. VISION CARE PLAN.

Employee-beneficiary only:
$3.58

Employee-beneficiary with one or more dependent-beneficiaries:
$7.66

62.01b.4. GROUP LIFE INSURANCE PLAN.

Employee-beneficiary only:
$4.16

62.01b.5. SUPPLEMENTAL (DUAL) COVERAGES.

62.01b.5.a. SUPPLEMENTAL (DUAL) MEDICAL & PRESCRIPTION DRUG PLAN.

Employee-beneficiary only:
$96.30 plus $40.30 plus $5.00

Employee-beneficiary with one or more dependent-beneficiaries:
$288.16 plus $40.30 plus $5.00

62.01b.5.b. SUPPLEMENTAL (DUAL) DENTAL PLAN.

Employee-beneficiary only:
$9.30 plus $2.00

Employee-beneficiary with one or more dependent-beneficiaries:
$26.36 plus $2.00
62.01b.5.c. **SUPPLEMENTAL (DUAL) VISION PLAN.**

Employee-beneficiary only:

$2.06

Employee-beneficiary with one or more dependent-beneficiaries:

$4.36

62.02 **DEFINITIONS AND FORMULA.**

For the purpose of Section 62., the following definitions and formula shall apply:

62.02a. **“Monthly premium”:** The total amount of premium for an active Employee by type of enrollment payable on a monthly basis to the insurance carrier under a contract with the Trust Fund.

62.02b. **“Trust Fund’s sponsored medical and prescription drug plan, dental plan, vision care plan”:** Shall be the plans established by the Trust Fund as its medical PPO, dental, vision, dual coverage medical, dual coverage dental, and dual coverage vision plans.

62.02c. When the Employer’s monthly contribution to the Trust Fund is less than one hundred percent (100%) of the monthly premium amount, the monthly contribution shall be rounded to the nearest cent as provided below:

62.02c.1. When rounding to the nearest cent results in an even amount, the even amount shall be the Employer’s monthly contribution. For example:

62.02c.1.a) $11.397 = $11.40 = $11.40  
    (Employer’s monthly contribution)

62.02c.1.b) $11.382 = $11.38 = $11.38  
    (Employer’s monthly contribution)
62.02c.2. When rounding to the nearest cent results in an odd amount, round down to the next even amount, and the even amount shall be the Employer's monthly contribution. For example:

62.02c.2.a) $11.392 = 11.39 = 11.38
   (Employer's monthly contribution)

62.02c.2.b) $11.386 = 11.39 = 11.38
   (Employer's monthly contribution)

62.03 DEFERRED COMPENSATION PLAN

62.03a. Effective July 1, 2001 the Employer shall pay eighty-four dollars ($84.00) annually for each Employee to the DEFERRED COMPENSATION PLAN sponsored by the Union. ($7.00 per month x 12 months = $84.00).