

Management Proposal

Bargaining Unit: 10

Exclusive Representative: CAPS

Date:

Subject: NEW – Health Benefit Vesting

Article 8.XX Health Benefit Vesting

- A. The following vesting schedule shall apply to state employees in Unit 10 first employed by the State on or after January 1, 2016.
- B. The portion of the employer contribution toward post-retirement health benefits will be based on credited years of service at retirement per the following chart entitled "Health Benefits Vesting". The minimum number of years of State service at retirement to establish eligibility for any portion of the employee contribution will be 15 years. This section will apply only to State employees who were under a service retirement.
- C. State employees as defined in A above, who become BU 10 employees after January 1, 2016 shall not receive any portion of the employer's contribution payable for postretirement health benefits unless those employees are credited with 15 years of State service as defined by law.
- D. The percentage of employer contribution payable for post-retirement health benefits for an employee subject to this section is based on the member's completed years of credited State service at retirement as shown in the following table:

<u>Health Benefits Vesting</u>	
<u>CREDITED YEARS OF SERVICE</u>	<u>PERCENT OF EMPLOYER CONTRIBUTION</u>
<u>15</u>	<u>50</u>
<u>16</u>	<u>55</u>
<u>17</u>	<u>60</u>
<u>18</u>	<u>65</u>
<u>19</u>	<u>70</u>
<u>20</u>	<u>75</u>
<u>21</u>	<u>80</u>
<u>22</u>	<u>85</u>
<u>23</u>	<u>90</u>
<u>24</u>	<u>95</u>
<u>25 or more</u>	<u>100</u>

E. This section shall apply only to State employees who retire for service.

F. Benefits provided an employee by this section shall be applicable to all future State service.

G. For the purposes of this section, State service shall mean service rendered as an employee or officer (employed, appointed or elected) of the State for compensation.