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#### **Contract Database Metadata Elements**

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Union: **Utility Workers of America**

Local: **Local 1-2**

Effective Date: **01/18/04**

Expiration Date: **01/17/09**

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August 8, 2008

JUN 18 2009

**STIPULATION OF UNDERSTANDING**  
**NYPA - UWUA Local 1-2 Successor Collective Bargaining Agreement**

OFFICE OF THE CHAIR

The Power Authority of the State of New York and Local 1-2 of the Utility Workers of America hereby stipulate and agree that the following are the Terms and Conditions agreed to for the successor Collective Bargaining Agreement ("CBA") to the January 18, 2000 - January 17, 2004 CBA:

1. Term of agreement - January 18, 2004 - January 17, 2009 (5 Years)
2. General Wage Increases:
  - o 2.0% (effective 1/18/04)
  - o 3.50% (effective 1/18/05)
  - o 3.50% (effective 1/18/06)
  - o 3.50% (effective 1/18/07)
  - o 3.25% (effective 1/18/08)
  - o 3.50% effective (1/1/09).
3. Lump sum ratification payment - \$1,000
4. Wage Progression - Increase progression increases contained in Article IX, Section I (a) to sixty (60) cents per hour retroactive to first pay period in April 2004 each April and August for the term of this successor CBA.
5. Meal Allowance -- Increase meal allowance contained in Article II, Section 4 (b) to \$9.00, retroactive to 1/18/04.
6. Increase Night Work Premiums contained in Article II, Section 5 to 8% excluding overtime for the 6:01 p.m. - 12:00 midnight period and 10% excluding overtime for the 12:01 a.m. - 6:59 a.m. period, retroactive to 1/18/04.
7. Variable Pay - Modify existing language to read "If the Authority provides for a Variable Pay plan for salaried non-bargaining unit employees, bargaining unit employees shall be eligible to participate in a Variable Pay plan for each calendar year of the CBA."
8. Benefits:
  - a. Medical Annual Deductibles (Individual \$250; Family \$750)
  - b. Annual Out of Pocket Maximum (\$1,000)
  - c. Participating Provider Network healthcare co-payments (\$20 per visit)

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**ADMINISTRATION**

- d. Three Tier Formulary Prescription Drug Plan (including all active employees and those who retire during the term of the successor CBA) Co-payments \$5/\$20/\$35 and 2.5 times applicable tier co-payment for mail-in prescriptions
- e. Monthly employee medical contribution (active employees only) - \$50 per month (pre-tax basis), \$65 per month (pre-tax basis, effective 1/1/09)
- f. Eyeglass Plan - increase benefit contained in Article V, Section 2 (g) to \$100

All benefits changes contained in this paragraph 8 to be effective 1/1/09

- 9. Layoff Clause - Article 1, Section 5 (a) will be reinstated and remain in effect until 11:59 p.m. on January 16, 2009.
- 10. Jury Duty - Eligibility for jury duty pay contained in Article III, Section 7 (c) changed from twelve (12) to twenty-four (24) months.
- 11. Article X, Section 8. (Posting) - Change Plant Utility Worker title to Operating Mechanic B. Plant Utility Worker title and rates of pay to remain in Article XII.
- 12. Holiday - Add Martin Luther King Day as a paid holiday in Article IV, Section 1 (a).
- 13. Personal leave - The two (2) unpaid personal leave days contained in Article III, Section 9, are eliminated from the CBA.
- 14. Representation - The Authority recognized that Local 1-2 is the exclusive representative of the Authority employees working at the 500 MW plant
- 15. Successor Clause - A new clause was agreed to by the parties to read:
  - (1) The Authority and the Union agree that this Agreement shall have force and effect as between them as herein named and described, and that this Agreement, for any part of its term, shall be binding on the parties, their lawful successors and assigns.
  - (2) The Authority agrees that it will provide written notice of the existence and the terms of this Agreement to any purchaser of all or a significant part of the Charles Poletti Project.
  - (3) If Local Union 1-2 is merged or consolidated with any other Local Union of the Utility Workers Union of America,

this Agreement shall continue in force as between the Authority and the successor Local Union resulting from such merger or consolidation.

16. Work Day - The parties agreed to a standard eight and one half hour work day for employees assigned to the 500MW Plant (except those assigned to twelve (12) hour shifts) to read:

"Anyone at the 500 MW facility not assigned to a 12 hour shift (including but not limited to Operating Technicians assigned E week duties) shall be assigned to a standard daily shift of 8 1/2 hours, which shall include a half hour, unpaid meal period. This provision does not alter the regular schedule of any employee assigned solely to the Poletti Project as of the effective date of this agreement for as long as such employee performs services at the Poletti Project."

The parties agreed to delete the second sentence of the first paragraph of Article II, Section 9 of the 2000-2004 CBA (page 24) and replace it with:

"During any shift, the employees shall have non-work periods, whether paid or unpaid, as they had prior to the execution of this Agreement. Those non-work periods shall be scheduled as close as possible to the times they have been in the past, provided however that the Authority may adjust the timing of such non-work periods, on a day to day basis, for reasonable operational purposes such as the nature and progress of the work being performed by the employee(s) involved. If the non-work period, due to an emergency situation, cannot be scheduled prior to the end of the employees' shifts, the Authority will pay the employee(s) for that time at time and one-half of the employee's applicable hourly wage rate."

17. Operating Technician ("OpTech") Aptitude Exam training program - The Authority agrees to implement a computer based training program to enhance the knowledge and skills of existing employees who wish to qualify for Op Tech positions at the 500 MW Plant. This particular computer based training program shall be made available to any interested employees, and it shall be pursued on their own time. The Authority shall schedule an Op Tech Aptitude Exam no later than 6 months after the execution date of this Collective Bargaining Agreement, and shall schedule the Aptitude exam once again no later than six months afterwards for those who did not take the first exam scheduled pursuant to this paragraph, and at least every six months thereafter for those who did not previously take the exam after ratification of the Collective Bargaining Agreement, provided that at least one unit employee has been pursuing the computer based training and expressed interest in taking such exam during each six month period.

18. Preferred List -

Those employees who pass the Op Tech Aptitude Exam will be placed on a preferred consideration list for entry into the 500 MW OpTech technical training program.

Preferred List will be utilized when the number of Op Techs at 500 MW Plant exceed thirteen (13) during term of CBA, as long as there are people on the preferred list who are interested.

At those time(s) candidate(s) from the preferred consideration list will be offered entry into the 500 MW Op Tech technical training program.

Length of continuous service with the Authority will be utilized to select among those on the preferred list to enter Op Tech technical training program.

In the event there are no employees on the preferred consideration list, or if all qualified employees on the list decline to enter the 500 MW Op Tech technical training program, then the Authority will use its discretion to staff the Op Tech classification to ensure the safe and reliable operation of the 500 MW Plant.

19. Op Tech Technical Training Program -

All hours spent in the Op Tech technical training program shall be paid by the Authority. Candidates must successfully complete the 500 MW Op Tech technical training program before being re-classified as an Op Tech. Any employee(s) reclassified as an Op Tech whose rate of pay in their regular assigned title at the time of their reclassification is less than the minimum rate for the Op Tech classification shall receive the minimum rate for the Op Tech classification at the time of the reclassification. Any employee(s) reclassified as an Operating Technician whose rate of pay in their regular assigned title at the time of such reclassification is greater than the minimum rate for the Operating Technician classification shall retain their rate of pay at the time of the reclassification. All subsequent general wage increases and, if applicable, progressions will be based on that retained wage rate.

Those candidates who do not successfully complete the Op Tech technical training program will be returned to their original position.

20. The parties will jointly support legislation seeking to amend the New York State Pension Law to allow Poletti employees, to retire with 25 years of service instead of 30.

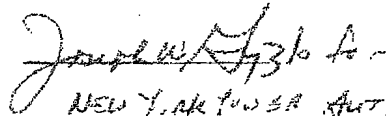
21. The Op Tech wage rate shall be set at \$35.04 per hour and shall commence on January 18, 2004, the date of the initial contractual salary increase.
22. Poletti employees who are laid off at the time of the closing of the Poletti plant will receive three weeks of severance pay for each year of service. Severance pay will be in addition to all other accrued benefits. There shall be no severance pay cap.
23. Employees who remain at Poletti until the closing of that plant, and who qualify for placement on the Preferred List, will be afforded bumping rights in order of seniority to bump any 500 MW OpTech hired after the ratification of the new CBA.

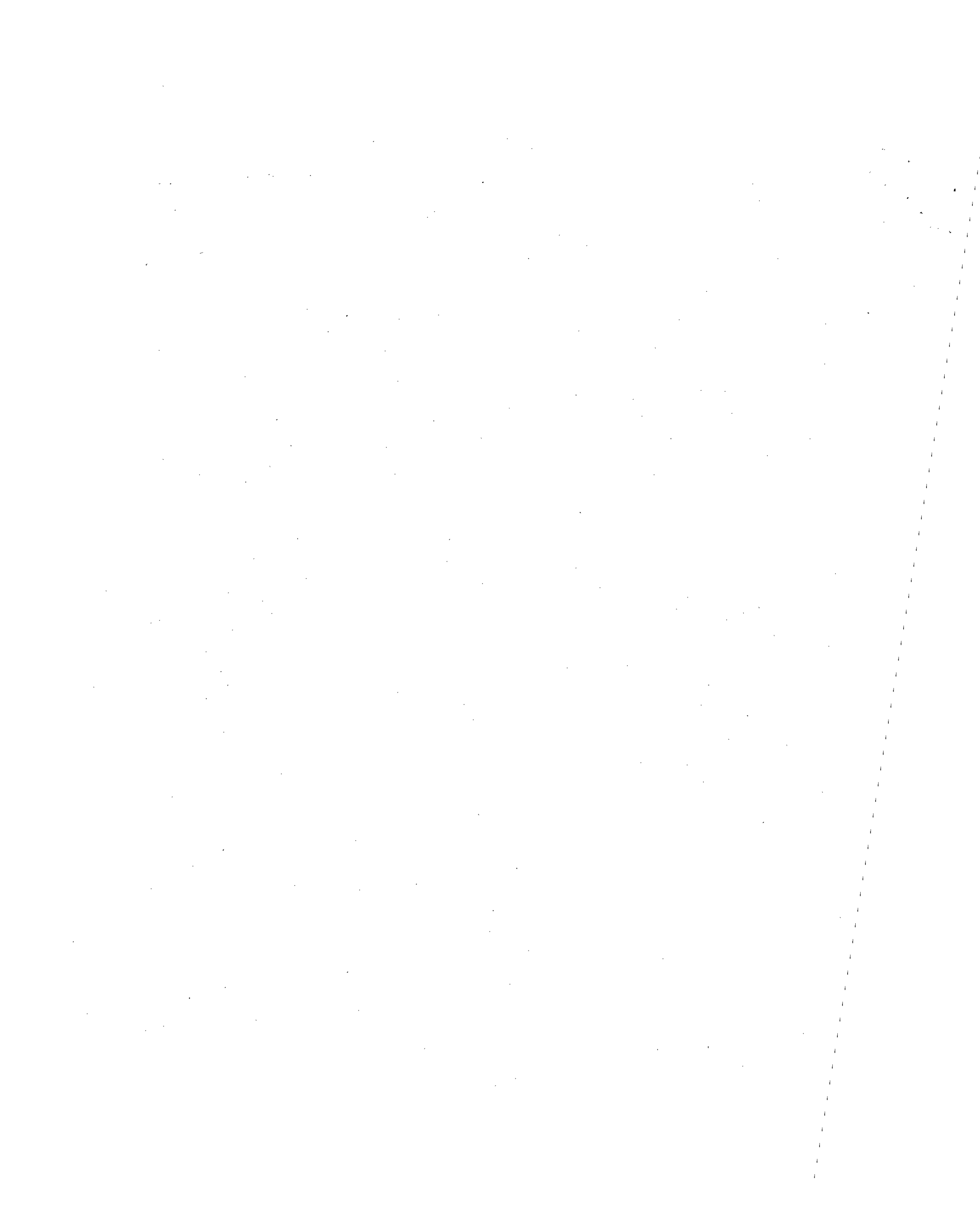
Date: August 12, 2008

Accepted

A handwritten signature in black ink, appearing to be "John [unclear]".

Accepted

  
NEW YORK POWER AUTHORITY  
8/25/08



*This Addendum to the Benefits Handbook describes only the changes to your benefit programs that resulted from the Stipulation of Understanding between NYPA and the UWUA Local 1-2 Successor Collective Bargaining Agreement. Unless otherwise noted, the benefits contained in this Addendum apply to all active employees and those employees who retire under the terms of the agreement on or after January 1, 2009.*

*You are encouraged to keep this Addendum with your Benefits Handbook. It will be your source of information regarding your benefit changes.*

*Please note that the Benefits Handbook has not been updated in any other way. The information in the Benefits Handbook reflects the status of your benefits as of its release date in 2002.*

*If you have any questions regarding your benefits, or to verify that information provided in the Benefits Handbook is still valid, you should contact the Human Resources Department at your facility or Health Care providers.*

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OFFICE OF THE CHAIR

*January 1, 2009*



## **GENERAL INFORMATION**

### ***(Medical Plans)***

#### **I. HEALTH CARE CONTRIBUTION**

A health care contribution for participants in the NYPA Medical Plan and all HMOs will be deducted over 26 pay periods on a pre-tax basis (applies only to active employees).

- Effective January 1, 2009 - **\$65** monthly contribution

#### **II. NYPA MEDICAL PLAN -- ANNUAL DEDUCTIBLE**

Effective January 1, 2009, the annual deductible amount is \$250 for each covered person in each Calendar Year (applies to active employees and all retirees that retire on or after that date). The annual deductible amount in each Calendar Year shall not exceed \$750 for all the members of your Family combined.

#### **III. NYPA MEDICAL PLAN -- PARTICIPATING PROVIDER COPAYMENT**

Effective January 1, 2009, when utilizing a preferred provider, in-network charges will be subject to a **\$20 co-payment** (co-pay) (applies to active employees and all retirees that retire on or after that date). The co-pay does not count toward your deductible or your out-of-pocket maximum.

#### **IV. NYPA MEDICAL PLAN -- ANNUAL OUT-OF-POCKET MAXIMUM**

Effective January 1, 2009, the annual out-of-pocket maximum for the employee and covered dependents becomes **\$1,000** in a Calendar Year (applies to active employees and all retirees that retire on or after that date).

#### **V. NYPA MEDICAL PLAN -- PRESCRIPTION DRUG BENEFITS**

Effective January 1, 2009, the **Participating Pharmacy** co-pays (applies to active employees and all retirees that retire on or after that date) for the formulary three-tiered prescription drug plan are:

- Tier 1 - \$5
- Tier 2 - \$20
- Tier 3 - \$35

Effective January 1, 2009, the co-pays are 2.5 times the participating pharmacy co-pay for the **Bulk Order/Mail Service Option (3 month supply)**:

- Tier 1 - \$12.50
- Tier 2 - \$50.00
- Tier 3 - \$87.50

Below you will find answers provided by UHC to some common questions people have asked regarding its pharmacy benefit.

**What are co-payments?**

The co-payments (co-pays) under the prescription drug benefit are your out-of-pocket expenses and do not count toward your annual deductible or out-of-pocket maximum under the NYPA Medical Plan.

**How are you reimbursed?**

Co-pays are payable to the participating pharmacist when you purchase the prescription. If you have to pay the full amount of a prescription (for example, if you did not have your ID card when you purchased the drug, or you go to a non-participating pharmacy) you may file an "*Out-Of-Network Prescription Drug Claim Form*" form. The pharmacist can complete the prescription drug(s) information requested on the form, or you can just attach the receipt with the cost and prescription number on it. You will be reimbursed the reasonable cost for a covered drug, less the co-payment amount.

Over-the-counter drugs that are indicated by a physician on a prescription form are not covered under the Plan. (For example, aspirin "prescribed" by a doctor.)

**What is the Bulk Order/Mail Service?**

The NYPA Medical Plan has a mail order drug plan that enables you and eligible dependents to obtain up to a three month supply of drugs for a co-payment.

**How is Erectile Dysfunction (ED) medication covered?**

When a doctor prescribes ED medication, the following procedures must be followed:

- Obtain a letter of medical necessity from your physician.
- Send the letter of medical necessity to: **NYPA Plan Administrator, Claudia Manzella c/o UnitedHealthcare, 2950 Expressway Drive South Suite 240, Islandia, NY 11749**
- Obtain approval from UnitedHealthcare to have the prescription filled (pharmacies will have access to computer system that notes approval).
- Have prescription filled at a local pharmacy.

The letter of medical necessity will be on file with UnitedHealthcare and is valid for one year. After that time, you will need to obtain another letter of medical necessity in order to have future ED prescriptions filled.

**The NYPA Medical Plan covers prescription drugs listed on a Prescription Drug List.**

The UnitedHealthcare (UHC) pharmacy benefit offers flexibility and choice in the prescription medications available. Understanding the PDL will help you make more informed decisions about prescription medications that are available.

### **What is a Prescription Drug List?**

A Prescription Drug List (PDL) is a list of Food and Drug Administration (FDA) approved brand name and generic prescription medications. The UHC pharmacy benefit is designed to provide a comprehensive selection of prescription medications. You and your doctors may refer to the PDL to consider prescription medication choices and select the appropriate medication to meet your needs.

### **What are tier designations and how do they affect co-pays at the pharmacy?**

Prescription medications are categorized within three tiers by the UHC PDL Management Committee. Each tier is assigned a co-payment when you fill a prescription at a participating retail pharmacy or through the network mail-order pharmacy service.

#### **Lowest-Cost Option**

Tier 1 is the lowest co-payment option. Generic drugs are in Tier 1 as well as some brand name drugs.

#### **Midrange-Cost Option**

Tier 2 is the middle co-payment option. Tier 2 medications should be considered if it is determined that a Tier 2 medication is appropriate to treat a particular medical condition.

#### **Highest-Cost Option**

Tier 3 is the highest co-payment option. Very often there are alternatives available in Tier 1 or Tier 2 to Tier 3 medications. Compounded medications, those medications containing one or more ingredients that are prepared "on-site" by a pharmacist, are classified at the Tier 3 level, provided that the individual ingredients used in compounding are covered under the pharmacy benefit.

### **Under what conditions may drugs be removed from the PDL during the year?**

Medications may be removed from coverage under the pharmacy benefit if the Food & Drug Administration (FDA) at any point during the year designates a drug from the PDL as an over-the-counter drug or when a medication is taken off the market altogether by the FDA.

### **Who decides which medications get placed in which tier?**

The UHC Pharmacy and Therapeutics Committee makes tier placement decisions with recommendations from the UHC PDL Management Committee to help ensure access to a wide range of medications and control health care costs. UHC's Pharmacy and Therapeutics Committee, as well as the PDL Management Committee, is comprised of independent physicians, clinical pharmacists and business leaders.

### **How often may prescription medications change tiers?**

Generally, changes are made on January 1, May 1, and September 1 during the year. Medications are usually moved up a tier *only* on January 1; however, there may be exceptions that infrequently occur. For example, when a brand name medication loses its patent and becomes available as a generic, that brand name medication may move to a

higher tier and the generic will be available at the lowest tier. If a drug is up tiered (and no generic is available), covered individuals affected by the change will receive notification from UHC.

Medications can move down in tier on January 1 as well as on May 1 and September 1. When medications are down tiered during the year, you can obtain information from the NYPA Human Resources office.

**What is the difference between brand-name and generic medications?**

Generic medications contain the same active ingredients as brand-name medications, but they often cost less. Generic medications become available after the patent on the brand name medication expires. At that time, other companies are permitted to manufacture a chemically equivalent medication. Before a generic medication can be sold, the FDA must be satisfied that the medication contains the same active ingredients in the same strength as the brand name equivalent. It must also meet the same quality standards. Many companies that make brand name medications also produce and market generic medications that are equivalent to the branded products. When a brand name medication is prescribed, ask if a generic equivalent is available and if it might be appropriate. While there are exceptions, generic medications are usually the lowest cost option.

**When should I consider discussing “over-the-counter” or non-prescription medications with my doctors?**

An over-the-counter medication can be an appropriate treatment for many conditions. You should consult with your doctors about over-the-counter alternatives to treat your conditions. These medications are not covered under the pharmacy benefit, but they may cost less than the out-of-pocket expense for prescription medications.

**How do I access updated information about the pharmacy benefit?**

Since the PDL may change periodically, you are encouraged to call the Customer Care number on your ID cards for the most current information or to log into your account by visiting the [www.myuhc.com](http://www.myuhc.com) website. When visiting [www.myuhc.com](http://www.myuhc.com), follow the instructions for initial registration. Once registered, log in and click on the Prescriptions tab, then on Drug Pricing/Coverage, to have access to co-pay, pricing, and coverage information on most prescription medications.

Access to the following information is also available:

- Pharmacy benefit and coverage information
- Specific co-payment amounts for prescription medications
- Possible lower-cost medication alternatives
- A list of medications based on a specific medical condition
- Medication interactions, side effects, etc.

At [www.myuhc.com](http://www.myuhc.com), you will also be able to:

- Locate a participating retail pharmacy by zip code
- Review your prescription history

Mail order is included in the pharmacy benefit so you can also:

- Review your prescription history
- Access [www.myuhc.com](http://www.myuhc.com) to refill prescriptions
- Check the status of your order
- Set up e-mail reminders for refills
- Manage your account

**How do I log onto my UHC account?**

You may log into your UHC account by going to [www.myuhc.com](http://www.myuhc.com). Once you log in and establish a password, you can click on “prescriptions” at the top of the page (it is one of the tabs across the top). A new window will open with a menu of options. You should then click on the Pharmacy Benefits and you will be able to search for specific drugs by going to Drug Pricing or Pharmacy on-line. **Remember, you must log into your account to obtain information about the pharmacy benefits that are available to you.**

**How do I obtain a Prescription Drug List?**

A Prescription Drug List is available in the NYPA Human Resources Office. However, since the PDL may change periodically, you are strongly advised to log into your account by going to [www.myuhc.com](http://www.myuhc.com) for the most current information. In addition, for further information regarding the pharmacy benefit, you may contact the customer service number on the back of your ID card.

**What if I still have questions?**

Additional questions about the pharmacy benefit may be referred to the Customer Care number on your ID card. Representatives are available to assist you and your eligible dependents 24 hours a day, except Thanksgiving and Christmas.

**Key points to remember**

A doctor may be able to help you save money by prescribing medications in Tier 1 and Tier 2 of the PDL.

Prior to filling a prescription, you are encouraged to access the Prescription Drug List (PDL), which is a list of Food and Drug Administration (FDA)-approved brand name and generic prescription medications. You can call the Customer Care number on your ID card for the most current information or you can log into your account by visiting the [www.myuhc.com](http://www.myuhc.com) website.

**VI. HMO COSTS**

If the cost of an HMO is more expensive than the NYPA Medical Plan, you pay the difference. Effective January 1, 2009, HMO costs will be deducted over 26 pay periods on a pre-tax basis.

**VII. VISION CARE BENEFIT**

Effective January 1, 2009, the benefit is \$100 for lenses and frames or contact lenses but not for the cost of the eye examination (available to employees who are not eligible for prescription safety glasses).

**VIII. LEGAL COMPLIANCE**

**Coverage Changes**

**When Can Coverage/Enrollment Changes Be Made?**

You may not change your benefits during the calendar year unless you have a qualified "family status change" or relocate outside of your current HMO service area. Changes in family status that cause you, your spouse or a dependent to gain or lose eligibility for coverage as defined by the IRS are as follows:

- change in legal marital status (marriage, divorce, death of a spouse, legal separation or annulment)
- change in number of dependents (birth, adoption, death)
- employment status (of the employee, spouse or dependent)
- unmarried dependent's status (over the age of eligible coverage, gain or loss of student status)
- worksite location and change in work schedule (e.g., reduction in hours or during a strike or lockout)
- eligibility for Medicare or Medicaid

Under IRS regulations, you must file paperwork to add dependents (e.g., marriage, birth, adoption and change in employment status of spouse) within 30 days of the qualifying event. If you fail to notify Human Resources within the 30 days, you will have to wait until the next open enrollment period to select new options. Any changes in your benefits as a result of a qualifying event will be effective as of the date of the qualifying event.

There are certain family status changes that allow you 60 days to notify Human Resources: divorce, legal separation or a child's ceasing to be a covered dependent (e.g. dependent children between the ages of 19 and 25 who cease to be a full-time student).

Please note: An election may be revoked during the year and replaced with an election only when the coverage relative to that change is consistent with the "family status change." For example, if you marry, you may add a dependent, but you may not change your medical plan choice.

### **Medicare Part D**

#### **Does Medicare Part D Apply to Active Employees who are Medicare Eligible?**

Medicare prescription drug coverage (Medicare Part D) became available in 2006 to everyone with Medicare. If you are an active employee who is age 65 or older, or if you have a spouse or eligible dependent who is age 65 or older, or otherwise eligible for Medicare you should read NYPA's "Notice of Creditable Coverage for Persons with Medicare or Who are Eligible for Medicare and Who are Covered by The New York Power Authority Health Insurance Program." You can request a printed copy of the notice from your local Human Resources Office or the Benefits Office in White Plains.

The prescription drug benefits provided by NYPA, in most cases, provide you with better coverage than the coverage offered under Medicare Part D, which means that NYPA provides you with "creditable prescription drug coverage." Therefore, you should not sign up for any Medicare Part D plans being offered to you.

As a NYPA retiree, you should consider joining a Medicare prescription drug plan **ONLY** if you are eligible for extra help provided by the Medicare Part D Low Income Subsidy.

**Part III: Health Insurance Benefits**

UWUA pays \$65/month for the NYPA Plan.

If the employee enrolls in an HMO, the cost for the HMO is determined by: if the cost of the HMO is more than the NYPA Plan cost, then the employee will pay the difference. The difference is then added to the \$65/month and the UWUA pays that monthly cost.

The UWUA employee pays 5% for the NYPA Plan, employer pays 95%.

One of the HMO's is the same as the NYPA Plan, the other HMO is 9% for employee, employer pays 91%.

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