

WESTERN MONMOUTH UTIL AUTH OFFICE 2/1/96-1/31/99

#993

OFFICE CLERICAL EMPLOYEE'S

AGREEMENT

BY AND BETWEEN

WESTERN MONMOUTH UTILITIES AUTHORITY

AND

HIGHWAY AND LOCAL MOTOR FREIGHT DRIVERS,
DOCKMEN AND HELPERS, LOCAL UNION NO. 701

AFFILIATED WITH THE INTERNATIONAL
BROTHERHOOD OF TEAMSTERS.

EFFECTIVE FEBRUARY 1, 199⁶ THROUGH JANUARY 31, 1999

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ARTICLE 1 RECOGNITION OF RIGHTS

A. RECOGNITION OF UNION

1. In accordance with the "Certificate of Representative" of the Public Employment Relations Commission dated September 2, 1992 (Docket NO. RO 91-131), the Authority recognizes the Union as the exclusive collective bargaining agent in matters pertaining to wages, hours of work, and other terms and conditions of employment for all its employees in the Union.

2. The Authority will not negotiate with nor grant rights afforded under terms or provisions of this Agreement to any other employee organization in connection with the employees in the Union.

3. Included: All clerical employees employed by the Western Monmouth Utilities Authority.

Excluded: All managerial executives, confidential employees, supervisors within the meaning of the Act, professional employees, craft employees, all employees in other negotiating units and all other employees employed by the Western Monmouth Utilities Authority.

B. MANAGEMENT'S RIGHTS

1. Except as specifically modified, relinquished, or restricted herein, as long as such terms are in conformance with the Constitution and Laws of the State of New Jersey and of the United States, the Authority retains and shall possess and may exercise all rights, powers, functions, and privileges whether or not exercised, existing to it prior to the recognition of the Union and the execution of this Agreement, and same shall be retained by the Authority and remains exclusively in the discretion of the Authority.

2. Included in such rights, but not limited thereto, is the Authority's right to manage and operate its facility, to introduce new methods of operation and administration, to determine, establish or modify job standards, to introduce or change machinery, equipment and technical apparatus, to direct the working forces, to fix the number of shifts and adjust the same from time to time, to hire, classify promote, transfer, discharge, suspend, discipline, lay-off, and recall employees, and, generally, to control and direct the Authority in all of its operations and affairs.

ARTICLE 1 CONTINUED

3. Nothing contained herein shall be construed to deny or restrict the Authority in its exclusive right to administer the Authority and control the work of its personnel, nor to deny or restrict the Authority in any of its rights, responsibilities, duties, or authority under N.J.S.A.40-14B, the Sewerage Authority Law or any other national, state, county, or local law or ordinance.

ARTICLE 2. POLICY AGREEMENTS

A. NON DISCRIMINATION

The Authority and the Union agree there shall be no discrimination against any employee because of age, sex, marital status, color, religion, national origin, physical handicap, political affiliation, Union membership, or legal Union activity permitted herein.

B. DUES DEDUCTION

1. The Authority agrees to deduct from the wages or salaries of its employees, subject to this Agreement, dues for the Union. The amount of dues will be certified to the Authority by the Secretary-Treasurer of the Union, and such deductions shall be made in compliance with Chapter 310, Public Laws of 1967, N.J.S.A. 52:14-15.9 (e) as amended. Said monies together with records of any corrections shall be forwarded to the Union office in accordance with the monthly bill-paying cycle of the Authority.

2. If, during the life of this Agreement, there should be any change in the rate of membership dues, the Union shall furnish to the Authority written notice prior to the effective date of such change, and shall furnish to the Authority either a new authorization from each of its members showing the authorized deduction for each employee or an official notification on the letterhead of the Union and signed by the Secretary-Treasurer or President of the Union advising of such changed deduction.

ARTICLE 2. CONTINUED

3. The Union shall provide the necessary Authorization forms, secure the signature of its members on the forms, and deliver the signed forms to the Executive Director of the Authority. The Union shall indemnify, defend and save the Authority harmless against any and all claims, demands, suits or other forms of liability that should arise out of or by reason of action taken by the Authority in reliance upon wage or salary deduction authorization cards submitted by the Union to the Authority or in reliance upon the official notification on the letterhead of the Union and signed by the President and Secretary-Treasurer of the Union advising of such changed deduction.

4. If a full-time regular employee is not a member of the Union, said employee shall be required to pay a representation fee to the Union. The representation fee, in lieu of dues shall be in an amount equivalent to the regular membership dues, initiation fees, and assessments charged by the Union, less the cost of benefits financed through the dues, fees and assessments and available to or benefiting only its members, but in no event shall such fee exceed eighty-five per cent of the regular membership dues, fees, and assessments.

C. STRIKES-LOCKOUTS

1. It is agreed, subject to the laws of the State of New Jersey applicable thereto, that the Union, its officers and representatives, and the employees covered by this Agreement will not strike, slow down, picket, or engage in any job action that interferes with the Authority's operation of its facility during the term of this Agreement. Likewise, the Authority agrees there will be no lockout of employees during this Agreement.

2. Should there be a strike, picketing job action or interruption of or interference with the Authority's operations, or violations of this Article in any manner by the Union and/or the employees covered hereunder during the term of this Agreement, the Union by its officers, agents, and shop steward, shall immediately declare in writing the action so taken as illegal and unauthorized and order said employees to immediately cease the said activity and to resume their full job activities. The Union agrees further to cooperate with the Authority, to remedy any such situations by immediately giving written notice to the Authority and the employees involved, declaring the said activity unlawful and directing the employees to return to work.

ARTICLE 2. CONTINUED

3. The Authority shall have the right to take such disciplinary action which it deems necessary against any or all of the employees who participate in the aforementioned improper activity and such participation could constitute just cause for discharge.

4. These agreements are not intended to limit the freedom of speech or demonstration of the individual.

ARTICLE 3. AUTHORITY RULES

A. RESPONSIBILITY

It shall be the responsibility of the employee to be aware of the contents of this Agreement and any additions necessitated by its provisions.

B. LATENESS

Whenever an employee is delayed in reporting for a scheduled work shift, he/she should attempt to contact his/her supervisor in advance, if possible. An employee is late when he/she is not punched in and ready to work at his/her scheduled starting time.

C. REST AND MEAL BREAKS

An unpaid meal break shall be provided to all employees of one (1) hour.

1. On days when paychecks are distributed, the meal break shall be extended for fifteen minutes for the purpose of conducting any necessary banking transactions. This additional fifteen minutes shall be given without any loss of time or pay.

D. EXISTING RULES AND REGULATIONS

The Union recognizes the existence of all existing Rules and Regulations, terms of employment, and personnel notices issued by the Authority. A Joint Labor Management Committee has been formed and has met and consolidate, formulate and revise all work rules, employee's guide to conduct, and any other matters, to insure that only one set of rules exists with regard to discipline. Management will issue and distribute to each employee a copy of the work rules and regulations.

ARTICLE 3. CONTINUED

E. NEW RULES

The Authority may establish such Authority rules as it deems necessary or desirable, provided that such are not in conflict with the terms and provisions of this Agreement and further, provided that any controversy arising out of the establishment or exercise of any such rules is subject to the grievance procedure.

The Authority shall provide a list of all management personnel who can respond to grievances or issue rules.

ARTICLE 4. DISCIPLINE AND DISMISSAL

A. DEFINITION

Discipline of an employee shall be imposed only for just cause, and shall be defined as any written warning notice, suspension, demotion, or dismissal.

B. WARNING NOTICE

1. Any written warning notices issued by the Authority shall be given to the employee involved, and a copy of the same shall be given to the Union Steward and the Union.

2. A warning notice shall remain in effect only for a period of eight (8) months, provided, during the eight (8) month period, the employee does not receive an additional warning notice.

3. No warning letter or letter of suspension shall be considered valid unless issued by the Employer within ten (10) days, excluding Saturdays, Sundays and Holiday's from the date the Employer knew of or reasonably should have become aware of the specific grounds and circumstances upon which it is based.

C. SUSPENSION

An Employee shall not be suspended until the Local Union has been given two days notice by phone and/or in writing (Saturday, Sunday and holidays shall be excluded in determining the two-day period) unless the circumstances are such that the Authority or the employee would be better served by his/her not being at work.

ARTICLE 4. CONTINUED

D. DISMISSAL

The only causes for immediate dismissal prior to a hearing shall be for:

1. Theft of money, goods, or merchandise.
2. Being under the influence of alcohol while at work.
3. Being under the influence of drugs while at work.
4. Punching in or out another's time card without express permission by the Authority.
5. Possession of drugs, alcohol, or television sets on the premises.
6. Falsification of test results. Bona fide errors will not be deemed to be a falsification of test results.
7. Calling or engaging in an unauthorized slowdown, walkout, or strike.
8. Assault on an employer or his representative.
9. Falsification of Application for Employment.
10. Intentional Falsification or modification of time card.
11. Sleeping on the job.

ARTICLE 5. UNION RIGHTS AND REPRESENTATIVES

A. ACCESS TO PREMISES

Authorized representatives of the Union shall have access to the Authority's premises at a mutually convenient time for the purpose of adjusting disputes, investigating working conditions, collecting dues and ascertaining that the Agreement is being adhered to providing there is no interruption of the Authority's business therefrom.

B. INSPECTION OF PAYROLL RECORDS

An authorized representative of the Union shall have the right to inspect the Employer's pay records, time cards, welfare and pension fund records and/or other records of the employees at a mutually convenient time.

ARTICLE 5. CONTINUED

C. REPRESENTATION LISTS

1. The Union agrees to furnish the Authority with a complete list of Union representatives, including the Shop Steward.

2. The Authority shall provide to the Union a list of all management representatives who will respond to the grievance procedure or other designated functions or issue rules.

D. UNION STEWARD

1. The Authority recognizes the right of the Union to designate a Shop Steward, and to remove said Steward at any time for the good of the Union.

2. Said Steward shall handle such Union business as may from time to time be assigned to him/her by the Union.

3. Said Steward shall have no authority to take any action that will interrupt or interfere with the Authority's business or operation.

4. Said Steward shall have super seniority for lay-off purposes.

5. The Shop Steward or his/her designated alternate shall be permitted reasonable time to investigate, present and process grievances on the company property without loss of time or pay. Such time spent in handling grievances during the Shop Steward's or his/her designated alternate's working hours shall be considered working hours in computing daily and/or weekly overtime, provided that this does not interfere with the performance of his/her regular duties.

ARTICLE 6 GRIEVANCE, PROCEDURE, AND ARBITRATION

A. DEFINITION

The Authority and the Union shall recognize the concept of performing work under protest and filing a grievance after the fact. A grievance is a dispute arising over the interpretation or application of any of the terms and conditions of employment expressed within this Agreement or any policy or administrative decision which affects the terms and conditions of employment expressed within this Agreement

ARTICLE 6. CONTINUED

B. PROCEDURE

1. An employee having a grievance should present his/her grievance in writing to the Executive Director within seven working days of the date of occurrence of the matter or matters over which the grievance has arisen. The grievance should contain a definition of the nature of the grievance, the relief sought, and a statement of any previous discussions regarding this matter. The Executive Director shall communicate his or her written answer to the grievance within ten working days from the date of receipt of the written grievance.

2. If the grievance is not resolved at the above step, then the aggrieved employee may, no later than seven working days from the receipt of the Executive Director's answer, request a review of the decision by the members of the Western Monmouth Utilities Authority. The request for such a review should be submitted in writing through the Secretary of the Authority, and attached to said request shall be all papers related to the matter being grieved. The members of the Authority or a designated committee shall review the grievance and shall, if they deem necessary, hold a hearing with the employee, his representatives, and any relevant witnesses. A written answer or decision shall be rendered by the Authority within fifteen working days from the date of receipt of the request for review or within fifteen working days from the date of the hearing, if any is held.

3. If the grievance is still not resolved after the above step, the employee may request a review by a third party. To do so, the aggrieved employee must file a written request for such review within ten working days from receipt of the answer from the Authority to the Union, a copy of which should be sent at the same time to the Executive Director of the Authority.

4. Failure at any step of the procedure to communicate the decision on a grievance within the specified time limits shall permit the employee to proceed to the next step. Failure at any step of this procedure to appeal a grievance to the next step within the specified time limits shall be deemed to be acceptance of the decision rendered at that step.

ARTICLE 6. CONTINUED

C. ARBITRATION

1. If the Union determines that a grievance is meritorious and requires a review by a third party, it may file a request for arbitration with the New Jersey Mediation Service within fifteen working days from the date of receipt of the request from the aggrieved employee.

2. Selection of an arbitrator and the conduct of any arbitration shall be in accordance with the established rules and regulations of the American Arbitration Association.

3. In rendering a decision, the arbitrator shall be limited to the issues submitted as well as the definition of arbitration contained herein and shall consider nothing else. The arbitrator cannot add to or subtract from, change or modify, the Agreement between the parties.

4. The decision of the arbitrator shall be final and binding upon the parties for the duration of the Agreement.

5. The arbitrator's fee and his/her reasonable expenses shall be paid by the losing party. All other costs shall be borne by the party incurring such costs.

ARTICLE 7. SENIORITY AND PROBATIONARY EMPLOYEES

A. SENIORITY

1. Seniority shall be defined as the continuous length of employment with the Authority from the employee's date of last hire. At the expiration of the probationary period, the employee's seniority shall date from the date of his/her last hire.

2. Seniority, skill, and ability to perform the available work shall be considered in the matter of the selection of vacation, promotions, demotions, transfers, and permanent layoffs.

ARTICLE 7. CONTINUED

3. An employee shall lose his/her seniority rights for any of the following reasons:

- (a) If an employee resigns.
- (b) If an employee is discharged.
- (c) If an employee does not return to work within seventy-two hours when recalled from layoff, unless excused for illness or other valid reasons.
- (d) If an employee is absent for three or more consecutive days or shifts without notifying the Authority, unless the employee can establish that it was impossible to do so.
- (e) If an employee is laid off for at least twenty-four months.

4. The Authority shall provide an updated seniority list. The Employer shall post in a conspicuous place at the employer's facility, a list of employee's arranged according to their seniority.

5. (A) Any employee that has part time service prior to the Certification of Local 701 as the Representative, shall have seniority in accordance with pro-rated service for the time the employee worked as a part-timer. That pro-rated time shall be added to their full time seniority date. The Employer agrees to use these employees' first day of hire as a part-time employee for the accrual of sick and vacation time.

All employees hired after the Certification date of Local 701 as the Representative shall have their part-time service pro-rated for all entitlements.

(B) If new jobs, are created or if ANY vacancies occur after a thirty (30) day duration for a higher rate position, the Authority shall determine the qualifications required for such position. The Authority agrees to post a notice of any new job vacancy on the Union Bulletin board for a period of two (2) working days. Such notice shall contain a description of the job, the rate, hours of work, location, and when the job shall be available. The notice shall also contain qualifications necessary for the job, and preference will be granted on the basis of seniority provided that the employee meets the qualifications.

ARTICLE 7. CONTINUED

Employees who are interested, in order to be eligible for such job, must sign the notice. Any employee who fails to sign the notice shall not be eligible for the vacancy or position in question.

All employees are eligible to bid. Each employee shall be given a minimum opportunity of two (2) days to sign the notice.

C. Any employee filling such job shall be granted a training period of thirty (30) calendar days. At the discretion of management, this period can be extended to a maximum of 90 days. If it shall be determined that the employee is unqualified or unable to perform the duties to management satisfaction to which she/he is promoted, the Authority shall place the employee in his/her former position or a position equivalent thereto with no loss of seniority. If removed from the position, during or at the end of the training period, the employee in question shall then receive the rate of the position to which the employee is assigned following his/her removal. This rate shall not be lower than what the employee was receiving prior to the promotion.

D. In the event of a layoff, the employees with the most seniority will have preference. However, the employee determined to have the most seniority must also meet the requisite qualifications, skills and have the ability to perform the required work. This determination will be made by management.

E. (a) All permanent employees shall be given a least a twenty (20) working days written notice prior to layoffs.

(b) The Authority, if contemplating layoff of employees covered by this Agreement, should make every effort to determine what employment opportunities are available to its employees within the bargaining unit covered by this Agreement.

F. Layoffs should not be made until the Authority has exhausted every possibility for transfer, reassignment or demotion of the employees within the bargaining unit covered by this Agreement. The employee(s) involved should be offered any other employment available within the bargaining unit for which they may be qualified, based on their background and qualifications.

ARTICLE 7. CONTINUED

G. When an employee is recalled from layoff and reinstated, the employee is considered to have continuous service credit for computation of future earned benefits. The calculation of total period of continuous service, however does not included the length of the period of the employee's layoff.

H. The Authority shall draw up an initial seniority list within thirty (30) days after the signing of this Agreement and such list will be posted on the Union Bulletin board at that time. All employees covered by this Agreement who object to the said list shall inform the Authority of said objections within thirty (30) days after the posting of such list. At the end of the thirty (30) day period, the list shall be binding on all employees.

I. An employee in one job classification may be used in another job classification provided the employee performing the work of a higher rate of pay receives the higher rate. The employee must work in the out of title position for a minimum of thirty (30) consecutive days in order to receive the higher rate.

B. PROBATIONARY EMPLOYEES

1. All newly-hired employees shall be on probation for a period of sixty days following the calendar date of hire. The Authority shall have the right to increase the aforesaid probationary period for an additional period not to exceed thirty days, subject to Union Agreement. Such agreement is not to be unreasonably withheld by the Union. A leave of absence for any reason, including sickness, will extend the probationary period by the number of days of leave of absence taken.

2. During the probationary period, an employee may be discharged for any reason which need not be stated by the Authority, and, in which event, there is no recourse by the Union or the employee to the grievance procedure or arbitration in this Agreement.

3. Unless specifically provided otherwise in this Agreement, probationary employees will be entitled to receive no paid benefits other than wages. However, they will receive seniority credit toward paid benefits following the probationary period.

Vacations shall be treated on first-come, first-serve basis except that seniority shall determine who is to get a vacation day or dates if more than one (1) employee submits at the same time.

ARTICLE 8 HOURS OF WORK AND OVERTIME

A. HOURS OF WORK

Current hours of work are 35 hours per week. The Authority reserves the right to increase the 35 hour week to a 40 hour week. In that event, the employee will receive an additional 5 hours of pay, calculated at straight time by using the employees present weekly salary and dividing by 35. Overtime will be paid at time and one-half for any time over 40 hours. **THE AUTHORITY WILL PROVIDE THE UNIT MEMBERS WITH THIRTY (30) DAYS NOTICE OF AN INCREASE IN THE HOURS IN A WORK WEEK.**

B. OVERTIME

1. Time and one-half the employee's regular straight-time rate of pay will be paid to employees for all hours worked in excess of 40 hours per week.

2. Time and one-half the employee's regular straight-time rate of pay will be paid to employees for all work done on Saturday over 40 hours per week. Double time the employee's regular straight-time rate of pay will be paid to employees for all work done on Sunday if it is the seventh consecutive day worked. If it is not the seventh consecutive day worked, only time and one-half will be paid for work over 40 hours.

3. There shall be no pyramiding of overtime or premium rates.

4. Time and one-half the employee's regular straight-time rate of pay will be paid to employees for all work done on scheduled holidays.

5. Meals allowance shall be *\$5.00 and payable when an employee works four or more hours of unscheduled overtime.

ARTICLE 9 JOB POSTING AND ANNOUNCEMENTS

A. JOB POSTING

1. All job openings must be filled thirty (30) days from the date of posting.

ARTICLE 9. CONTINUED

B. ANNOUNCEMENTS

Announcements describing various work-related, medical, educational, etc., programs shall be prominently posted in order that interested employees may have an opportunity to be informed and apply for such programs.

ARTICLE 10. COMPENSATION PLAN AND PROGRAM

A. WAGE RATES HOURLY RATES ARE COMPUTED ON A THIRTY FIVE HOUR WORK WEEK.

	<u>FIS YR'95</u>	<u>2/1/96</u>	<u>2/1/97</u>	<u>2/1/98</u>
Purchase Order Clerk	17.1802	17.8302	18.4802	19.1302
Accountant	16.6984	17.3484	17.9984	18.6484
Clerk of the Auth/ Search Clerk.	14.7791	15.4291	16.0791	16.7291
Assistant Bookkeeper	13.6786	14.3286	14.9786	15.6286
Accounts Receivable Clerk	13.0577	13.7077	14.3577	15.0077
Receptionist/Oper- ator Clerk	12.3681	13.0181	13.6681	14.3181
Operation/Maint/ Clerk	12.1000	12.7500	13.4000	14.0500

B. PROMOTION INCREASES

Promotion increases shall be paid in accordance with Article 7 (c) Seniority.

ARTICLE 10. CONTINUED

An employee who is promoted to a different title shall receive the current contract rate for that position to which he/she is promoted, if said salary is greater than the salary earned in the prior title.

C. SALARY RANGES: There will be a new salary range for all titles as follows:

\$15,000-\$35,000.

D. NEW HIRES: Starting salary ranges shall be changed to a range of 85% to 100% of the current rate for the position. If a new position is created, the rate shall be negotiated by the Union and the Authority.

ARTICLE 11. HEALTH AND WELFARE

A. PENSION

Employees are enrolled as of their date of hire in the State of New Jersey Public Employees Retirement System.

B. HEALTH BENEFITS

All employees covered under this Contract shall be provided with Blue Cross/Blue Shield through the State of New Jersey Health Benefits Plan. Coverage shall be provided to the employee and his or her eligible dependents. Should the employee wish to enroll in some other type of medical coverage program, i.e., Health Maintenance Organization (HMO), or Preferred Provider Organization (PPO), the Authority shall pay for the cost of the alternative program up to the equivalent cost which would be the Authority's responsibility under the New Jersey Health Benefits Program.

The Authority shall have the right to change Insurance carriers for health benefits provided the benefits are equal to or better than the current plan.

2. BENEFITS CONTINUATION: Employees on extended sick leave will continue to receive paid health benefits up to one (1) year, but will be required to pay for dependent coverage after the first three months of that extended sick leave.

ARTICLE 11. CONTINUED

3. RETIREE HEALTH BENEFITS (TITLE 88): The Authority shall pay the premium or periodic charges for retiree health benefits in accordance with Chapter 88, P.C. 1974, as set forth in the Authority's August 18, 1994 ordinance which is annexed here to as Exhibit A.

The Authority shall pay the premium or periodic charges for the benefits provided to the surviving spouse of a retired employee and the employee's dependents covered under the program as provided in this Article.

C. DENTAL PLAN

The Authority shall provide to its employees and their dependents dental care under the provisions of the Delta Dental Plan or coverage that is equal to or better than the current plan. Eligible dependents include the lawful spouse, unmarried children up to the age of 19, or up to the age of 23 if enrolled as a full-time student in an accredited educational institution. The term "children" includes stepchildren, adopted children and foster children provided such children are dependent upon the employee for their support and maintenance.

D. DISABILITY

Disability insurance is provided through the State of New Jersey Disability Plan to which the employee contributes through payroll taxes.

2. SUPPLEMENTAL DISABILITY

The Authority shall provide to employees a Supplemental Disability Plan (annexed hereto as Exhibit B) which provides for a \$750.00 per month benefit, the cost of the premium to be paid by the Authority.

a. The Supplemental disability benefit for employees who have been on extended sick leave/disability for more than three (3) months shall be \$750.00 per month.

ARTICLE 11. CONTINUED

b. For the period of extended sick leave/disability from three (3) months to one (1) year, an employee shall be required to endorse his/her monthly disability check to the Authority. On the same day the check is presented to the Authority, the Authority shall provide the employee with a check payable to the employee in the amount of \$550.00.

c. For the period of extended sick leave/disability after one (1) year, an employee shall be entitled to the full \$750.00 monthly disability payment and shall not be required to endorse the check to the Authority.

d. The supplemental disability benefit will cover twenty-four (24) months.

e. If the State shall declare the "Benefits Continuation" language in Article 11, Paragraph B, regarding the one (1) year continuation of benefits invalid, the supplemental disability benefit of \$750.00 per month shall be retained fully by the employee after the employee has been on extended sick leave/disability in excess of three (3) months and the employee shall not be required to endorse the check to the Authority. After three (3) months on such leave, the employee has the option to continue benefits through COBRA, or to discontinue benefits. If the one (1) year provision is deemed invalid during a month where the employee has endorsed the \$750.00 benefit to the Authority and received only a \$550.00 benefit, the Authority shall reimburse the employee for the \$200.00 difference.

f. No later than the last day of a three (3) month extended sick leave/disability, as employee shall be required to execute a change of benefits form indicating that he/she will pay the premium for dependent coverage or that the employee elects not to have dependent coverage. If the employee refuses to execute a change of benefits form as required by this paragraph by the last day of each month following the third month or refuses to make payment for dependent coverage by the last day of each month following the third month, if applicable, the Authority may terminate the employee's and dependents' coverage. Payment to the Authority for the dependent coverage premium shall not be due until the employee receives his/her first supplemental disability check.

ARTICLE 11. CONTINUED

E. UNEMPLOYMENT INSURANCE

Unemployment insurance is provided through an employee contributory program.

F. COMPENSATION

* In the event that an employee files for worker's compensation and that employee promptly files his/her claim, the Authority will use its best efforts to insure that the employee promptly receives his/her compensation. Such efforts shall include telephone calls and letters to the Worker's Compensation Carrier.

G. RETIREMENT PLAN

Employees shall be entitled to participate in the Authority sponsored ICMA-457 Plan at the employee's expense.

ARTICLE 12 LEAVES OF ABSENCE

A. SICKNESS

1. All employees who have completed twelve months of continuous and uninterrupted service as of the execution of this Agreement are entitled to thirteen (13) days annual sick leave every year of this Agreement.

2. All other full-time and new full-time employees shall become eligible for the same sick leave on a proportionate basis to service upon completion of twelve months of continuous and uninterrupted service.

3. Employees in their first year of employment shall acquire one sick day per month to a maximum of twelve (12) per year. In the contract year following the first anniversary of hiring, each employee shall have *thirteen (13) days per year effective at the beginning of the contract year.

ARTICLE 12. CONTINUED

4. Unused sick leave shall be reimbursed at the rate of one hundred per cent pay at the end of the contract year. Effective February 1, 1993 sick days may be accumulated from one year to the next for a total of one hundred (100) days. The option of being reimbursed or allowing sick days to accumulate shall be that of the employee. The rate of reimbursement shall be at the salary level earned by the respective employee at the end of the contract year.

5. Accumulated Sick Leave

a. Accumulated sick days may be used for "catastrophic illness" of the employee or a family member, which shall be determined on a case-by-case basis. Normal pregnancy and childbirth (e.g., without complications) shall not be considered a "catastrophic illness."

b. The Authority, at its expense, may require an employee to be examined by a physician when requesting leave for his/her own illness under this paragraph. The Authority may require an employee to submit a physician's note when requesting leave under this paragraph to care for a "family member".

c. For the purposes of this section, the term "family member" shall be applied and interpreted in accord with the covered categories set forth in the New Jersey Family Leave Act, N.J.S.A. 34: 11-B-1, et seq., and the Federal Family and Medical Leave Act, 29 U.S.C. 2611, et seq. Unless either statute is amended to broaden the covered categories, "family member" shall include not less than an employee's spouse, father, mother, father-in-law, mother-in-law and child.

d. Requests to use accumulated sick leave for persons not listed herein shall be reviewed by the Authority and decided at the Authority's discretion.

6. When an employee is out of work because of illness for three (3) consecutive days, he may be required to see a physician at the expense of the Authority.

7. If an employee has reported to work at the beginning of a shift, he/she must report in person to management to report any sick leave.

ARTICLE 12. CONTINUED

8. If an employee desires sick leave in excess of what is provided, he/she may not return to work without a doctor's report for each instance.

9. If an employee wishes to use sick leave for personal use, he/she must request and receive approval for the leave the day before the requested leave. Except for an emergency, if an employee wishes to use sick leave for personal use, the employee shall give the employer 24 hours notice.

10. When employees exhaust their sick/personal benefits and require additional time off due to medical reasons, they must request, in advance, to utilize vacation benefits. At the time of severance, earned but unused sick time shall be compensated at full pay; in case of death on an employee who is eligible for sick time pay, the employee's estate shall be paid.

11. Employees who use sick time in excess of the allotted amount, may be subject to the progressive discipline in the employee Manual.

B. JURY AND WITNESS

1. An employee shall be granted necessary time off without loss of pay when he/she is summoned and performs jury duty as prescribed by applicable law, or when he/she is summoned to appear as a witness before a court, legislative committee, or judicial body.

2. Employees shall receive full pay for all time on jury or witness duty, plus the juror fee.

3. Employees called for jury or witness duty must notify the Authority at least one week prior to the date they are to report and must furnish a copy of the Summons.

ARTICLE 12. CONTINUED

C. BEREAVEMENT

When an employee loses time from work because of the death of his spouse, father, mother, sister, brother, child, current father-in-law or mother-in-law, *grandparents or relative living with the employee, he will be paid by the Authority his regular straight-time rate of pay multiplied by the average number of hours in the employee's normal straight-time workday for each day lost up to a maximum of five (5) days, with one of the days being the day of the funeral or memorial service. It is understood that such payment will be made only when the employee attends the funeral service and for days when the employee is scheduled for work and would have worked except for the death of such relative; likewise for the death of a sister-in-law and brother-in-law, except that one day shall be allowed. Vacation time may be used for bereavement leave for deaths other than those listed in the contract.

D. VACATION

1.

0 year to completion of 05 years	10 days
06 years to completion of 09 years	15 days
10 years	16 days
11 years	17 days
12 years	18 days
13 years	19 days
14 years to completion of 19 years	20 days
20 years	21 days
21 years	22 days
22 years	23 days
23 years	24 days
24 years	25 days

For the first five years, employees shall earn this vacation at a rate of 1/10th of the total amount to be received each month for the first ten (10) months. At five years, the vacation will be earned on the anniversary date.

2. In their first year of employment, employees shall receive one vacation day per month of service to a maximum of ten provided that in order to be eligible to take vacation time, an employee must have been employed for at least six months.

ARTICLE 12. CONTINUED

3. At the time of severance, unused vacation time shall be compensated at full pay except in the case of employees terminated for just cause.

4. The amount of vacation allowed for each employee shall be computed as of the employee's hiring date.

An employee who is on disability leave for more than three (3) consecutive months shall have his/her vacation and sick time prorated for each month of the disability in excess of three (3) month period.

The prorated sum will be calculated according to a formula based upon 1/12th of the allotted vacation and sick time in excess of the three (3) month period.

The three (3) month grace period shall not commence until after the employee uses all accumulated sick leave and, at the employee's option, any earned vacation.

The floating holiday benefit will be retained if an employee on disability leave returns to work before six (6) months has elapsed. In the event that an employee remains on disability for a period longer than six (6) months, the floating holiday benefit will not be granted.

5. *Vacation cannot be taken until earned.

6. Employees with three weeks vacation shall be required to take one vacation of five consecutive days. Employees with four weeks vacation will be required to take two vacations of five consecutive days.

7. The minimum vacation or personal time request shall be for a period of three and one half hours (3 ½) hours.

8. Employees may use vacation time or convert such time to be applied to their sick time bank. Employees must, however, take at least two (2) weeks of vacation (if they are eligible for this amount) each year.

ARTICLE 13. HOLIDAYS**A. HOLIDAYS**

The parties agree to the following thirteen holidays:

- | | |
|--------------------------------|-------------------------------|
| 1. New Year's Day | 8. Columbus Day or Yom Kippur |
| 2. Washington's Birthday | 9. Veteran's Day |
| 3. Martin Luther King Day | 10. Thanksgiving Day |
| 4. Good Friday or Rosh Hashana | 11. Day after Thanksgiving |
| 5. Memorial Day | 12. Christmas Day |
| 6. Independence Day | 13. Floating Holiday * |
| 7. Labor Day | |

* All new employees must work a minimum of six months during their first year of employment to receive the floating holiday.

B. DAYS OFF

Employees who are regularly scheduled Monday through Friday shall be off duty on the above holidays. Should the holiday fall on Saturday, it shall be celebrated on the preceding Friday; should the holiday fall on Sunday, it shall be celebrated on the succeeding Monday.

C. PAY

If an employee is required to work on a holiday, it shall be worked, and he/she shall receive time and one-half his/her straight rate of pay.

D. FLOATING HOLIDAY

An employee shall give the employer twenty-four hours notice when he seeks to use a floating holiday.

ARTICLE 14. SAFETY AND HEALTH**A. PRE-EMPLOYMENT PHYSICAL**

The Authority shall require and pay the entire cost for a pre-employment physical. The examination will be performed within ten days of the employee's hiring date.

ARTICLE 14. CONTINUED

B. PHYSICAL EXAMINATION

At anytime the Authority determines it is necessary to insure the maintenance of proper health and sanitary standards at the Authority's premises, the Authority shall have the right, at its expense, to have any employee undergo a physical examination by a physician of the employee's choice.

C. INOCULATIONS AND BOOSTERS

The Authority shall provide and pay for all tetanus and typhoid inoculations and boosters required of its employees.

D. SAFETY COMMITTEE

A safety advisory committee, consisting of *one designated from the Union and one designated from the Authority, shall be instituted for the purposes of discussing conditions at the Authority's facility and recommending measures to improve and maintain the health and safety of its employees. This committee should meet a least once a month. *Minutes of Safety Committee shall be posted on Union Bulletin Board in order to keep all employees informed of Committee discussions.

E. DRUG/ALCOHOL POLICY

The Authority reserves the right to conduct drug and alcohol testing where there is probable cause. The parties acknowledge that the language regarding procedure, methodology, rehab and follow-up testing is outlined in the Personnel Manual.

ARTICLE 15. COMPLETE AGREEMENT

This Agreement contains the full and complete understanding between the parties hereto and shall be binding upon all of the employees within the bargaining unit. The Authority agrees not to enter into any conflicts with the terms and provisions of this Agreement. The express terms of this Agreement may not be modified except by a written understanding signed by the Authority and the Union.

ARTICLE 16. TERM OF AGREEMENT

This Agreement shall become effective as of February 1, 1996, and shall continue in full force and effect until January 31, 1999, and from year to year thereafter unless notice to terminate the Agreement is sent by either party to the other not less than ninety (90) days prior to the expiration date, by registered mail. Whenever notice to terminate this Agreement is given, the parties mutually agree that a least sixty (60) days prior to this expiration date, they will jointly confer for the purpose of negotiating a successor Agreement.

IN WITNESS WHEREOF, the parties have affixed their signatures this Third day of March, 1998.

WESTERN MONMOUTH UTILITIES AUTHORITY:

BY: Russell E. Nesbitt

DATE: March 3, 1998

NAME AND TITLE

HIGHWAY AND LOCAL MOTOR FREIGHT DRIVERS,
DOCKMEN AND HELPERS, LOCAL UNION NO. 701

BY: Domenick Orlando

DATE: March 3, 1998

DOMENICK ORLANDO, RECORDING SECRETARY
LOCAL UNION NO. 701

**GROUP
BENEFIT
PLAN**

WESTERN MONMOUTH UTILITIES AUTHORITY



GROUP LONG TERM DISABILITY INSURANCE

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HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
Hartford, Connecticut
(Herein called The Hartford)

CERTIFICATE OF INSURANCE
Under
The Group Insurance Policy
as of the Effective Date
Issued by
THE HARTFORD
to
The Policyholder

This is to certify that The Hartford has issued and delivered the Group Insurance Policy to The Policyholder.

The Group Insurance Policy insures the employees of the Policyholder who:

- are eligible for the insurance;
- become insured; and
- continue to be insured;

according to the terms of the Policy.

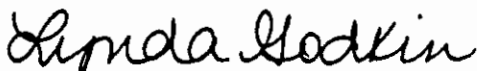
The terms of the Group Insurance Policy which affect an employee's insurance are contained in the following pages.

This Certificate of Insurance and the following pages will become your Booklet-certificate. The Booklet-certificate is a part of the Group Insurance Policy.

This Booklet-certificate replaces any other which The Hartford may have issued to the Policyholder to give to you under the Group Insurance Policy specified herein.

This certificate is governed by the laws of New Jersey.

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY



Lynda Godkin, *Secretary*



Lowndes A. Smith, *President*

SCHEDULE OF INSURANCE

Final interpretation of all provisions and coverages will be governed by the Group Insurance Policy on file with The Hartford at its home office.

Policyholder: WESTERN MONMOUTH UTILITIES AUTHORITY
Group Insurance Policy: GLT-043503
Plan Effective Date: June 15, 1997

This plan of Long Term Disability Insurance provides you with income protection if you become disabled from a covered accidental bodily injury, sickness or pregnancy.

You do not contribute towards the plan's cost.

Eligible Class(es): All Active Full-time Union Members and Plant Operators.
Full-time Employment: 30 hours weekly.
Maximum Monthly Benefit: \$750
The Minimum Monthly Benefit will be \$100.
Benefit Percentage: 60%

The Eligibility Waiting Period is the length of service during which you must be an Active Full-time Employee in a class eligible for insurance before you become eligible for coverage. It is as follows:

- (1) If you are working for the Employer on the Plan Effective Date - You will have completed the Eligibility Waiting Period on the day following 90 continuous days of service in an Eligible Class.
- (2) If you start working for the Employer after the Plan Effective Date - You will have completed the Eligibility Waiting Period on the day following 90 continuous days of service in an Eligible Class.

The Elimination Period is the period of time you must be Totally Disabled before benefits become payable. It is the last to be satisfied of the following:

- (1) the first 90 consecutive days of any one period of Total Disability; or
- (2) with the exception of benefits required by state law, the expiration of any Employer sponsored short term disability benefits or salary continuation program.

MAXIMUM DURATION OF BENEFITS TABLE

Age When Totally Disabled	Benefits Payable
prior to Age 66	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 and over	12 months

The above table shows the maximum duration for which benefits may be paid. All other limitations of the plan will apply.

DEFINITIONS

The terms listed will have these meanings.

Actively at Work

You will be considered to be actively at work with your Employer on a day which is one of your Employer's scheduled work days if you are performing, in the usual way, all of the regular duties of your job on a full time basis on that day. You will be deemed to be actively at work on a day which is not one of your Employer's scheduled work days only if you were actively at work on the preceding scheduled work day.

Active Full-time Employee means an employee who works for the Employer on a regular basis in the usual course of the Employer's business. The employee must work the number of hours in the Employer's normal work week. This must be at least the number of hours indicated in the Schedule of Insurance.

Current Monthly Earnings means the monthly earnings you receive from any employer or for any work, while Disabled and eligible for Partial Disability benefits under this plan.

Disabled or Disability means either Totally or Partially Disabled or Total or Partial Disability.

Employer means the Policyholder.

Indexed Pre-disability Earnings when used in this policy means your Pre-disability Earnings adjusted annually by adding the lesser of:

- (1) 10%; or
- (2) the percentage change in the Consumer Price Index (CPI-W).

The adjustment is made January 1st each year after you have been Disabled for 12 consecutive months, and if you are receiving benefits at the time the adjustment is made.

The term Consumer Price Index (CPI-W) means the index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. It measures on a periodic (usually monthly) basis the change in the cost of typical urban wage earners' and clerical workers' purchase of certain goods and services. If the index is discontinued or changed, we may use another nationally published index that is comparable to the CPI-W.

For the purposes of this benefit, the percentage change in the CPI-W means the difference between the current year's CPI-W as of July 31, and the prior year's CPI-W as of July 31, divided by the prior year's CPI-W.

Monthly Benefit means a monthly sum payable to you while you are Disabled, subject to the terms of the Group Insurance Policy.

Monthly Rate of Basic Earnings means your regular monthly pay, from the Employer, not counting:

- (1) commissions;
- (2) bonuses;
- (3) overtime pay; or
- (4) any other fringe benefit or extra compensation.

If you become Disabled, your Monthly Rate of Basic Earnings will be the rate in effect on your last day as an Active Full-time Employee before becoming Totally Disabled.

Other Income Benefits mean the amount of any benefit for loss of income, provided to you or to your family, as a result of the period of Disability for which you are claiming benefits under this plan. This includes any such benefits for which you or your family are eligible or that are paid to you, to your family, or to a third party on your behalf, pursuant to any:

- (1) temporary or permanent disability benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, or similar law;
- (2) governmental law or program that provides disability benefits as a result of your job with the Employer;
- (3) plan or arrangement of coverage, whether insured or not, as a result of employment by or association with the Employer, unless the cost of the coverage is paid solely by you;
- (4) individual insurance policy where the premium is wholly or partially paid by the Employer;
- (5) disability benefits under the United States Social Security Act, the Railroad Retirement Act, the Canada Pension Plan, the Quebec Pension Plan, or similar plan or act that you, your spouse and children that are dependent on you for financial support are eligible to receive because of your Disability;
- (6) portion of unemployment benefits provided by the Employer.

Other Income Benefits also mean any such payments that are made to you, your family, or to a third party on your behalf, pursuant to any:

- (1) disability benefit under the Employer's Retirement Plan in proportion to the Employer's contributions to the plan;
- (2) retirement benefit from a Retirement Plan that is wholly or partially funded by employer contributions, unless:
 - (a) you were receiving it prior to becoming Disabled; or
 - (b) you immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of a future retirement.

Other Income Benefits will not include the portion, if any, of such retirement benefit that was funded by your contributions;

- (3) retirement benefits under the United States Social Security Act, the Railroad Retirement Act, the Canada Pension Plan, the Quebec Pension Plan, or similar plan or act that you receive because of your retirement, unless you were receiving them prior to becoming Disabled.

If you are paid Other Income Benefits in a lump sum, we will pro-rate the lump sum:

- (1) over the period of time it would have been paid if not paid in a lump sum; or
- (2) if such period of time cannot be determined, on a monthly basis over your expected lifetime as determined by us.

The Hartford may make a retroactive allocation of any retroactive Other Income Benefit payments.

The amount of any increase in benefits paid under any federal or state law will not be included as Other Income Benefits if such increase:

- (1) takes effect after the date benefits become payable under this plan; and
- (2) is a general increase which:
 - (a) is required by law; and
 - (b) applies to all persons who are entitled to such benefits.

Partial Disability or Partially Disabled means:

- (1) you were Totally Disabled throughout the Elimination Period, and became entitled to receive benefits for Total Disability; and
- (2) are still prevented by the same disabling condition from performing essential duties of your occupation; but
- (3) you have recovered to the extent that you are:
 - (a) able to perform some, but not all, of the essential duties of your or any occupation; and
 - (b) as a result, your Current Monthly Earnings are at least 20%, but no more than 80% of your Indexed Pre-disability Earnings.

Physician means a practitioner of a healing art, which we are required by law to recognize, who is properly licensed, and practicing within the scope of that license.

Pre-disability Earnings means your Monthly Rate of Basic Earnings in effect on the day before you became Disabled.

Regular Care of a Physician means appropriate care and attendance by a Physician other than yourself, your spouse, father, mother, brother, sister, son or daughter.

Retirement Plan means a defined benefit or defined contribution plan that provides benefits for your retirement and which is not funded wholly by your contributions. It does not include:

- (1) a profit sharing plan;
- (2) thrift, savings or stock ownership plans;
- (3) a non-qualified deferred compensation plan; or
- (4) an individual retirement account (IRA), a tax sheltered annuity (TSA), Keogh Plan, 401(k) plan or 403(b) plan.

Total Disability or Totally Disabled means that:

- (1) during the Elimination Period; and
- (2) for the next 24 months, you are prevented by:
 - (a) accidental bodily injury;
 - (b) sickness;
 - (c) mental illness;
 - (d) substance abuse; or
 - (e) pregnancy,

from performing the essential duties of your occupation, and as a result you are earning less than 20% of your Pre-disability Earnings, unless engaged in a program of Rehabilitative Employment approved by us.

After that, you must be so prevented from performing the essential duties of any occupation for which you are qualified by education, training, or experience.

Your failure to pass a physical examination required to maintain a license to perform the duties of your occupation does not alone mean that you are Totally Disabled.

We/Us/Our means the Hartford Life and Accident Insurance Company.

You/Your/Insured Person means the Insured Person to whom this Booklet-certificate is issued.

ELIGIBILITY AND ENROLLMENT

Who are Eligible Persons?

All persons in the class or classes shown in the Schedule of Insurance will be considered Eligible Persons.

When will you become eligible?

You will become eligible for coverage on either:

- (1) the Plan Effective Date, if you have completed the Eligibility Waiting Period; or if not
- (2) the date on which you complete the Eligibility Waiting Period.

See the Schedule of Insurance for the Eligibility Waiting Period.

How do you enroll?

Eligible Persons will be enrolled automatically by the Employer.

WHEN COVERAGE STARTS

When does your coverage start?

If you are not required to contribute toward the plan's cost, your coverage will start on the date you become eligible.

DEFERRED EFFECTIVE DATE

When will coverage become effective if a disabling condition causes you to be absent from work on the date it is to start?

If you are absent from work due to:

- (1) accidental bodily injury;
- (2) sickness;
- (3) pregnancy;
- (4) mental illness; or
- (5) substance abuse,

on the date your insurance or increase in coverage would otherwise have become effective, your effective date will be deferred. Your insurance, or increase in coverage will not become effective until you are Actively at Work for one full day.

CHANGES IN COVERAGE

Do coverage amounts change if there is a change in your class or your rate of pay?

Your coverage may increase or decrease on the date there is a change in your class or Monthly Rate of Basic Earnings. However, no increase in coverage will be effective unless on that date you:

- (1) are an Active Full-time Employee; and
- (2) are not absent from work due to being Disabled.

If you were so absent from work, the effective date of such increase will be deferred until you are Actively at Work for one full day.

No change in your Rate of Basic Earnings will become effective until the date The Hartford receives notice of the change.

What happens if the Employer changes the Plan?

Any increase or decrease in coverage because of a change in the Schedule of Insurance will become effective on the date of the change, subject to the following limitations on an increase:

- (1) the Deferred Effective Date provision; and
- (2) Pre-existing Conditions Limitations.

EXCLUSIONS

What Disabilities are not covered?

The plan does not cover, and no benefit shall be paid for any Disability:

- (1) unless you are under the Regular Care of a Physician;
- (2) that is caused or contributed to by war or act of war (declared or not);
- (3) caused by your commission of or attempt to commit a felony, or to which a contributing cause was your being engaged in an illegal occupation; or
- (4) caused or contributed to by an intentionally self-inflicted injury.

PRE-EXISTING CONDITIONS LIMITATIONS

Are there any other limitations on coverage?

No benefit will be payable under the Plan for any Disability that is due to, contributed to by, or results from a Pre-existing Condition, unless such Disability begins:

- (1) after the last day of 90 consecutive days while insured during which you receive no medical care for the Pre-existing Condition; or
- (2) after the last day of 365 consecutive days during which you have been continuously insured under this Plan.

Pre-existing Condition means:

- (1) any accidental bodily injury, sickness, mental illness, pregnancy, or episode of substance abuse; or
- (2) any manifestations, symptoms, findings, or aggravations related to or resulting from such accidental bodily injury, sickness, mental illness, pregnancy, or substance abuse;

for which you received Medical Care during the 90 day period that ends the day before:

- (1) your effective date of coverage; or
- (2) the effective date of a Change in Coverage.

Medical Care is received when:

- (1) a Physician is consulted or medical advice is given; or
- (2) treatment is recommended, prescribed by, or received from a Physician.

Treatment includes but is not limited to:

- (1) Medical examinations, tests, attendance or observation;
- (2) use of drugs, medicines, medical services, supplies or equipment.

If immediately preceding your becoming insured under this plan:

- (1) you were covered under another plan, which provided Long Term Disability benefits, insured by us; and
- (2) we paid benefits to you for a Disability under the other plan,

the condition causing such Disability will not be considered a Pre-existing Condition under this plan.

TERMINATION

When does your coverage terminate?

You will cease to be covered on the earliest to occur of the following dates:

- (1) the date the Group Insurance Policy terminates;

- (2) the date the Group Insurance Policy no longer insures your class;
- (3) the date premium payment is due but not paid by the Employer;
- (4) the last day of the period for which you make any required premium contribution, if you fail to make any further required contribution;
- (5) the date you cease to be an Active Full-time Employee in an eligible class including:
 - (a) temporary layoff;
 - (b) leave of absence, including but not limited to leave for military service; or
 - (c) a general work stoppage (including a strike or lockout).

Does your coverage continue if your employment terminates because you are Disabled?

If you are Disabled and you cease to be an Active Full-time Employee, your insurance will be continued:

- (1) during the Elimination Period while you remain Disabled by the same Disability; and
- (2) after the Elimination Period for as long as you are entitled to benefits under the Policy.

Must premiums be paid during a Disability?

No premium will be due for you:

- (1) after the Elimination Period; and
- (2) for as long as benefits are payable.

Do benefits continue if the plan terminates?

If you are entitled to benefits while Disabled and the Group Insurance Policy terminates, benefits:

- (1) will continue as long as you remain Disabled by the same Disability; but
- (2) will not be provided beyond the date we would have ceased to pay benefits had the insurance remained in force.

Termination for any reason of the Group Insurance Policy will have no effect on The Hartford's liability under this provision.

DISABILITY BENEFITS

When do benefits become payable?

You will be paid a monthly benefit if:

- (1) you become Totally Disabled while insured under this plan;
- (2) you are Totally Disabled throughout the Elimination Period;
- (3) you remain Totally Disabled beyond the Elimination Period;
- (4) you are, and have been during the Elimination Period, under the Regular Care of a Physician;
and
- (5) you submit proof of loss satisfactory to The Hartford.

Benefits accrue as of the first day after the Elimination Period and are paid monthly.

When will benefit payments cease?

We will cease benefit payment on the first to occur of:

- (1) the date you are no longer Disabled;
- (2) the date you fail to furnish proof, when requested by us, that you continue to be Disabled;
- (3) the date you are no longer under the Regular Care of a Physician, or refuse to be examined by a Physician, if we require such an examination;
- (4) the date you die;

- (5) the date determined from the Maximum Duration of Benefits Table shown in the Schedule of Insurance; or
- (6) the date your Current Monthly Earnings exceed 80% of your Indexed Pre-disability Earnings.

MENTAL ILLNESS AND SUBSTANCE ABUSE BENEFITS

Are benefits limited for Mental Illness or substance abuse?

If you are Disabled because of:

- (1) Mental Illness that results from any cause;
- (2) any condition that may result from Mental Illness;
- (3) alcoholism; or
- (4) the non-medical use of narcotics, sedatives, stimulants, hallucinogens, or any other such substance,

then, subject to all other Policy provisions, benefits will be payable:

- (1) only for so long as you are confined in a hospital or other place licensed to provide medical care for the disabling condition; or
- (2) when you are not so confined, a total of 24 months for all such Disabilities during your lifetime.

Mental Illness means any psychological, behavioral or emotional disorder or ailment of the mind, including physical manifestations of psychological, behavioral or emotional disorders, but excluding demonstrable, structural brain damage.

RECURRENT DISABILITY

What happens if you return to work but become Disabled again?

Attempts to return to work as an Active Full-time Employee during the Elimination Period will not interrupt the Elimination Period, subject to the following limitations:

- (1) for an Elimination Period of 180 or more days, up to 30 such return-days are allowed;
- (2) for an Elimination Period of less than 180 days, up to 5 such return-days are allowed for each 30 days of Elimination Period.

Any day you were working will not count towards the Elimination Period.

After the Elimination Period, when a return to work as an Active Full-time Employee is followed by a recurrent Disability, and such Disability is:

- (1) due to the same cause; or
- (2) due to a related cause; and
- (3) within 6 month(s) of the return to work,

the Period of Disability prior to your return to work and the recurrent Disability will be considered one Period of Disability, provided the Group Insurance Policy remains in force.

If you return to work as an Active Full-time Employee for 6 month(s) or more, any recurrence of a Disability will be treated as a new Disability. A new Disability is subject to a new Elimination Period and a new Maximum Duration of Benefits.

The term "Period of Disability" as used in this provision means a continuous length of time during which you are Disabled under this plan.

The Elimination Period and Maximum Duration of Benefits Table are in the Schedule of Insurance.

CALCULATION OF MONTHLY BENEFIT

How are benefits calculated for Total Disability?

If you are Disabled after the Elimination Period, your Monthly Benefits will be calculated as follows:

- (1) Multiply your Monthly Rate of Basic Earnings by the Benefit Percentage shown in the Schedule of Insurance;
- (2) Identify the Maximum Benefit shown in the Schedule of Insurance;
- (3) Compare the amounts determined in items (1) and (2) above and from the lesser amount subtract all Other Income Benefits.

The result is your Monthly Benefit. Your Monthly Benefit, however, will not be less than the Minimum Monthly Benefit shown in the Schedule of Insurance.

How is the benefit calculated for a period of less than a month?

If a Monthly Benefit is payable for less than a month, The Hartford will pay 1/30 of the Monthly Benefit for each day you were Disabled.

RETURN TO WORK INCENTIVE

Does the benefit calculation change if you return to limited duties after receiving benefits for Total Disability?

For Partial Disability, your Monthly Benefit for the 12 month period following the end of the Elimination Period will be calculated as follows:

- (1) determine the Monthly Benefit that would be paid if Totally Disabled and add to it the amount of any Current Monthly Earnings;
- (2) if the sum from above exceeds your level of Pre-disability Earnings, determine the amount of the excess by subtracting your Pre-disability Earnings from the sum; and
- (3) your Monthly Benefit will be the Monthly Benefit that would be paid if Totally Disabled minus the amount of the excess determined in item (2) above.

During this 12 month period, the sum of your Monthly Benefit and your Current Monthly Earnings may provide an amount up to 100% of your Pre-disability Earnings.

How are benefits calculated after the 12th Monthly Benefit has been paid?

After you have received a Monthly Benefit for a 12 month period, and you continue to be Partially Disabled, the following calculation is used to determine your Monthly Benefit:

$$\text{Monthly Benefit} = ((A - B) / A) \times C$$

Where

A = Your Indexed Pre-disability Earnings.

B = Your Current Monthly Earnings.

C = The Monthly Benefit payable if you were Totally Disabled.

Your Monthly Benefit, however, will not be less than the Minimum Monthly Benefit shown in the Schedule of Insurance.

VOCATIONAL REHABILITATION/ REHABILITATIVE EMPLOYMENT

What Vocational Rehabilitative services are available?

Vocational Rehabilitation means employment or services that prepare you, if Disabled, to resume gainful work. If you are Disabled, our Vocational Rehabilitative Services may help prepare you to resume gainful work.

Our Vocational Rehabilitative Services include, when appropriate, any necessary and feasible:

- (1) vocational testing;
- (2) vocational training;
- (3) work-place modification, to the extent not otherwise provided;
- (4) prosthesis; or
- (5) job placement.

Rehabilitative Employment means employment that is part of a program of Vocational Rehabilitation. Any program of Rehabilitative Employment must be approved, in writing, by us.

Do earnings from Rehabilitative Employment affect the Monthly Benefit?

If you are Disabled and are engaged in an approved program of Rehabilitative Employment, your Monthly Benefit will be:

- (1) the amount calculated for Total Disability; but
- (2) reduced by 50% of the income received from each month of such Rehabilitative Employment.

The sum of the resulting net Monthly Benefit and your total income received under Rehabilitative Employment may not exceed 100% of your Indexed Pre-disability Earnings. If it does, the Monthly Benefit will be reduced by the amount of excess.

GENERAL PROVISIONS

What happens if facts are misstated?

If material facts about you were not stated accurately:

- (1) your premium may be adjusted; and
- (2) the true facts will be used to determine if, and for what amount, coverage should have been in force.

No statement made by you relating to your insurability will be used to contest the insurance for which the statement was made after the insurance has been in force for two years during your lifetime. In order to be used, the statement must be in writing and signed by you.

When should we be notified of a claim?

You must give us written notice of a claim within 30 days after Disability starts. If notice cannot be given within that time, it must be given as soon as reasonably possible. Such notice must include your name, your address and the Group Insurance Policy number.

Are special forms required to file a claim?

When The Hartford receives a Notice of Claim, you will be sent forms for providing us with Proof of Loss. We will send these forms within 15 days after receiving a Notice of Claim. If we do not send the forms within 15 days, you may submit any other written proof which fully describes the nature and extent of your claim.

When must proof of a Disability be given?

Written proof of loss must be sent to The Hartford within 30 days after the start of the period for which The Hartford owes payment. After that, we may require further written proof that you are still Disabled. If proof is not given by the time it is due, it will not affect the claim if:

- (1) it was not possible to give proof within the required time; and
- (2) proof is given as soon as reasonably possible.

The Hartford has the right to require, as part of the proof of loss, your signed statement identifying all Other Income Benefits.

After submitting proof of loss, you will be required to apply for:

- (1) all Other Income Benefits for which you are eligible; and
- (2) Social Security disability benefits when the duration of your Disability meets the minimum duration required to qualify for such benefits. If the Social Security Administration denies your eligibility for any such benefits, you will be required to follow the process established by the Social Security Administration to reconsider the denial and, if denied again, and we agree to pay costs, to request a hearing before an Administrative Law Judge of the Office of Hearing and Appeals.

We reserve the right to determine if your proof of loss is satisfactory.

You will not be required to claim any disability or retirement benefits if doing so will cause your retirement benefits to be reduced.

What additional proof of Disability is The Hartford entitled to?

The Hartford may have you examined to determine if you are Disabled. Any such examination will be:

- (1) at The Hartford's expense; and
- (2) as reasonably required by The Hartford.

Who gets the benefit payments?

All payments are payable to you. Any payments owed at your death may be paid to your estate. If any payment is owed to your estate, a person who is a minor or a person who is not legally competent, then The Hartford may pay up to \$1,000 to any of your relatives who is entitled to it in the opinion of The Hartford. Any such payment shall fulfill The Hartford's responsibility for the amount paid.

When are payment checks issued?

If written Proof of Loss is furnished, accrued benefits will be paid at the end of each month that you are Disabled. If payment for a part of a month is due at the end of the claim, it will be paid as soon as written Proof of Loss is received.

What notification will you receive if your claim is denied?

If a claim for benefits is wholly or partly denied, you will be furnished with written notification of the decision. This written decision will:

- (1) give the specific reason(s) for the denial;
- (2) make specific reference to the Policy provisions on which the denial is based;

- (3) provide a description of any additional information necessary to prepare a claim and an explanation of why it is necessary; and
- (4) provide an explanation of the review procedure.

This written decision will be given to you within 45 days of our receipt of your proof of loss.

What recourse do you have if your claim is denied?

On any denied claim, you or your representative may appeal to The Hartford for a full and fair review. You may:

- (1) request a review upon written application within 60 days of the claim denial;
- (2) review pertinent documents; and
- (3) submit issues and documents in writing.

A decision will be made by The Hartford no more than 60 days after the receipt of the request, except in special circumstances (such as the need to hold a hearing), but in no case more than 90 days after the request for review is received. The written decision will include specific references to the Policy provisions on which the decision is based.

When can legal action be started?

Legal action cannot be taken against The Hartford:

- (1) sooner than 60 days after due Proof of Loss has been furnished; or
- (2) 3 years after the time written Proof of Loss is required to be furnished according to the terms of the Policy (5 years in Kansas; 6 years in South Carolina).

What happens if benefits are overpaid?

We have the right to recover from you any amount that is determined to be an overpayment of benefits under this plan. Repayment to us must be made within 60 days of your receipt of our notice of the amount of the overpayment. If you do not repay the overpayment within the 60 day period, we may, without forfeiting our right to collect an overpayment through any means legally available to us, recover all or any portion of the overpayment by reducing or withholding future benefit payments, including, if applicable, the Minimum Monthly Benefit.