

MEMORANDUM OF AGREEMENT

THE STATE OF NEW JERSEY

AND

POLICEMEN'S BENEVOLENT ASSOCIATION LOCAL 105

STATE OF NEW JERSEY ("State" or "Employer") and the POLICEMEN'S BENEVOLENT ASSOCIATION, LOCAL 105 ("Association"), having engaged in negotiations for an agreement to succeed the current Collective Negotiations Agreement ("Agreement") between the State and the Association that expired on June 30, 2019, hereby agree to the following amendments to the Agreement as set forth below.

This Memorandum of Agreement ("MOA") represents a complete package, and no individual element of this MOA is acceptable to the parties absent an agreement to the complete package set forth herein. Therefore, the parties hereby agree to amend the Agreement as follows:

1. Term of Agreement: July 1, 2019 through June 30, 2023 (4-year Agreement)
2. Salary Increases: Across-the-board salary increases to all employees employed by the State as of the date of ratification:
 - a. Effective retroactive to first pay period following October 1, 2019: 2.00%
 - b. Effective first pay period following July 1, 2021: 2.00%
 - c. Effective first pay period following December 1, 2021: 2.00%
 - d. Effective first pay period following July 1, 2022: 2.00%
3. Salary Increments: Normal increments shall be paid to all employees eligible for such increments on their anniversary date in accordance with the State Compensation Plan. Increments shall continue to be paid to eligible employees on their anniversary dates after expiration of the Agreement.

4. Article XXXVII, Health Benefits: Delete current Article and Replace with revised Article XXXVII as set forth in Attachment 1.
5. Article XXXVIII, Uniform Allowance: Delete current Article and Replace with revised Article XXXVIII as set forth in Attachment 2.
6. Tentative Agreements: The parties have reached tentative agreements on the following subjects, all of which shall be deemed part of this MOA, and copies of which are attached hereto:
 - a. Article V: Non-Discrimination
 - b. Article VI, Section A: No Strike Clause
 - c. Article VII, Section A: Dues Deduction
 - d. Article IX: Access to personnel Folders and Evaluations
 - e. Article X, Section 1: Personnel Practices
 - f. Article XI: Grievance Procedure
 - g. Article XI, Section H: Arbitration
 - h. Article XII: Discipline
 - i. Article XV, Section B: Vacation
 - j. Article XVII: Administrative Leave
 - k. Article XX, Section D: Compensatory Time Off
 - l. Article XXIV: Leave of Absence Without Pay
 - m. Article XXV: Leave for PBA Local 105 Activity
 - n. Appendix II: SID Guidelines
 - o. Side Letter of Agreement: Reciprocal Procedure
7. Ratification by Union: This Memorandum of Agreement is subject to ratification by the employee members of the Association and shall not be effective absent ratification. Until such ratification, the terms and conditions of employment of members of this unit shall be governed by the prior collective negotiations agreement.
8. Recommendation: The PBA Executive Board agrees that it will recommend ratification in accordance with the terms specified herein to its members of the Bargaining Unit.

9. Preparation of Agreement: The State of New Jersey, upon ratification, will commence the process of preparing a successor collective negotiations agreement setting forth the terms and conditions of employment for the applicable term.
10. Complete Agreement: This Memorandum of Agreement represents the entire understanding of the parties. Any proposal or counter-proposal, whether written or oral, not contained herein is deemed waived and withdrawn.
11. Binding Agreement: The State of New Jersey, through the Governor's Office of Employee Relations, represents that the foregoing has been approved by the State of New Jersey and that upon ratification, the parties will have entered into a binding collective negotiations agreement for the term set forth herein.
12. Separation and Severability: If any provision of this agreement is deemed unenforceable as a matter of law, the parties agree that the remainder of the agreement shall be deemed binding and enforceable. With respect to any provision deemed unenforceable, the parties will continue negotiations to bring said provision in compliance with applicable law.

This Memorandum of Agreement is hereby executed this 20 day of April 2021, by duly authorized representatives of the State of New Jersey and the Association.

For the State:

Kristina Chubenko
Director, Governor's Office
Of Employee Relations

For the Association:



William Sullivan
President, PBA

ATTACHMENT 1

ARTICLE XXXVII – HEALTH BENEFITS

Fringe Benefits

A. State Health Benefits Program

As with any provisions of this Agreement that reflect statutory or regulatory mandates, the provisions of paragraphs (A)(B)(C) and (G) of this Article, are for informational purposes only and provide an explanation which is subject to change due to legislative action.

1. The State Health Benefits Program is applicable to employees covered by this Contract. It is agreed that, as part of that program, the State shall continue the Prescription Drug Benefit Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. The State Health Benefits Plan Design Committee shall provide to employees the option to select one of at least three levels of coverage each for family, individual, individual and spouse and individual and dependent, or equivalent categories, for each plan offered by the program differentiated by out of pocket costs to employees including co-payments and deductibles. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has the sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participants' costs for all plans in the program and has the sole discretion to determine the plan offering and coverage levels under the program.
2. Effective July 1, 2003, the Traditional Plan shall be closed as to all current and future members of this bargaining unit, including unit members retiring after said date. The Traditional Plan and the NJ Plus POS Plan have been abolished. Effective immediately, no new hires shall be enrolled in the Traditional Plan.
3. Medicare Reimbursement – Effective January 1, 1996, consistent with law, the State will no longer reimburse active employees or their spouses for Medicare Part B premium payments.
4. As soon as practical after ratification, the new NJ Direct plan (available to employees hired prior to July 1, 2019) and NJ Direct 2019 plan (available employees hired on or after July 1, 2019) will be the only PPO Plan available to active negotiations unit members.

B. Contributions Towards Health and Prescription Benefits

1. Employees shall contribute, through the withholding of the contribution from the pay, salary, or other compensation, toward the cost of the health care benefits coverage for the employee and any dependent provided under NJ Direct and NJ Direct 2019 through the State Health Benefits Program in an amount that is a percent of salary to the cost of the premium.
 - Active members participating in an HMO plan or High Deductible Plan (HDHP) will contribute a percentage of premium.
 - Active members participating in a Tiered Network plan shall contribute at a rate that is equal to 75% of the new PPO plan contribution rate.
 - The contribution rates for available plans may be found on the Division of Pension and Benefits website.
2. Effective for benefits plan year starting January 1, 2021, the employee contribution amounts are subject to the agreed upon reopener provisions as set forth in Appendix IV. The parties recognize that any agreements by the parties reached during the reopener discussions regarding plan design are subject to the approval of an implementation by the Plan Design Committee.
3. The amount payable by any employee, pursuant to N.J.S.A. 52:14-17.28(c)(2) (added by L. 2010, c.2) shall not under any circumstance be less than the 1.5 percent of the base salary. No employee shall contribute more than the employee would have contributed under section 39 of P.L. 2011 c. 78 (C. 52:14-17.28c)
4. The parties agree that should an employee voluntarily waive all coverage under the State Health Benefits Plan and provide a certification to the State that he/she has other health insurance coverage, the State will waive the contribution for the employee.
5. An employee on leave without pay who receives health and prescription drug benefits provided by the State Health Benefits Program shall be required to pay the above-outlined contributions and shall be billed by the State for these contributions. Health and prescription benefit coverage will cease if the employee fails to make timely payment of these contributions.
6. Active employees will be able to use pre-tax dollars to pay contributions to health benefits under a Section 125 premium conversion option. All contributions will be by deductions from pay.
7. Eligible negotiations unit employees and their spouses who complete the NJ Well Program shall each receive a \$350 incentive payment.

C. Dental Care Program

1. It is agreed that the State shall continue the Dental Care Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. Through December 31, 2011, active eligible employees are able to participate in the Dental Care Program as described in the parties' July 1, 2007 – June 30, 2011 collective negotiations agreement. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participant costs for all plans in the program and has the sole discretion to determine the plan design, plan offering and coverage levels under the program.
2. Participation in the Program shall be voluntary with a condition of participation being that each participating employee authorize a bi-weekly salary deduction not to exceed fifty percent (50%) of the cost of the type of coverage elected, e.g. individual employee only, husband and wife, parent and child or family coverage.
3. Each employee shall be provided with a brochure describing the details of the Program, enrollment information and the required forms.
4. Participating employees shall be provided with an identification card to be utilized when covered dental care is required.

The provisions of Sections (A), (B) and (C) of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

D. Eye Care Program

1. Full-time employees and eligible dependents shall be eligible for the State-administered Eye Care Program. The Program shall provide for each eligible employee and dependent to receive a \$40 payment for prescription eyeglasses with regular lenses and a \$45 payment for such glasses with bi-focal lenses. Each eligible employee and dependent may receive only one (1) payment during the two (2) year period ending June 30, 2021 and only 1 payment during the two (2) year period commencing July 1, 2021. The extension of benefits to dependents shall be effective only after the employee has been continuously employed for a minimum of sixty (60) days.
2. Eligible dependents of full-time employees shall be eligible for a maximum payment of \$35 or the non-reimbursed cost whichever is less, of an eye examination by an Ophthalmologist or Optometrist, during the two (2) year period ending June 30, 2021 and only one payment during the two (2) year period commencing July 1, 2021.
3. Proper affidavits or forms and submissions of receipts are required of the member in order to receive payment.

E. Insurance Savings Program

Subject to any condition imposed by the insurer, all employees shall have the opportunity to voluntarily purchase various insurance policies on a group participation basis. The policy costs are to be borne entirely by the employee selecting insurance coverage provided in the program. The State will provide a payroll deduction procedure whereby authorized monies may be withheld from the earned salary of such employees and remitted to the insurance company. The insurance company will provide information concerning risk covered, service offered, and all other aspects of the program to each interests employee.

F. Health Insurance For Retirees

Those employees who have 20 or more years of creditable service on the effective date of P.L. 2011, c. 78 who accrue 25 years of pension credit or retire on a disability retirement on or after July 1, 2011 will contribute 1.5% of the monthly retirement allowance toward the cost of post-retirement medical benefits as is required under law. In accordance with P.L. 2011, c. 78 the Retiree Wellness Program no longer applies.

Upon retirement, an active employee who is not Medicare eligible and who retires with 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article shall be offered the option to enroll in the NJ Direct/NJ Direct 2019 plan at the time of retirement.

a. Current retirees and active employees who have accrued 25 years of pensionable service prior to the enrollment date established in accordance with Section A4 of this Article shall be offered the same plans in retirement as available at the time s/he acquired 25 years of pensionable service, as required by law and shall also be offered the option to enroll in the NJ Direct/NJ Direct 19 PPO plan based on the contribution rate required at the time s/he reached 25 years of service.

b. If an employee acquires 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article, that employee shall contribute to the cost of health benefits in retirement based on the contribution rates of active employees, as established by this agreement, at the time of the retirement. Such employee shall have access to the plans available at the time s/he acquired 25 years of pensionable service.

The provisions of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

APPENDIX - Health Care Reopener

1. The actual premium cost for the new PPO plans, inclusive of medical and prescription costs, will be tracked each plan year following the plan's initial offering in plan year 2019.
2. In addition, the new PPO premium cost increases will be monitored and compared to the national, regional and state trending of healthcare costs.
3. Calculations:
 - a. If the projected blended premium for the new PPO in a plan year exceeds the "Baseline Premium", the Union and the State shall enter into negotiations to lower the premium and/or reduce the rate of premium increases. Such negotiations will commence upon receipt of the SHBP actuary's rate renewal recommendation premium for the upcoming plan year, in or about the preceding July.
 - b. The Union and the State shall also calculate the "Adjusted Premium Increase" ("API"). The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, not compounded, from (b) the percent by which the 2019 PPO premium exceeds the Preliminary Baseline Premium.
 - c. Commencing in Plan Year 2019, the preliminary baseline premium rates shall be the following blended premiums – Single coverage - \$9570; Parent/Child coverage - \$19,140; Employee/Spouse - \$17,800; and Family \$27,370 – plus 3% ("Preliminary Baseline Premium").

Plan Year 2021:

- a. If the projected blended premium for the new PPO plans in plan year **2021** exceeds the Preliminary Baseline Premium from plan year 2019, the Union and the State shall enter into negotiations to address such premium increases.
- b. The API for Plan Year 2021 shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, between July 1, 2019 and December 31, **2020**, not compounded, from (b) the percent by which the new PPO premium exceeds the Preliminary Baseline Premium. For example, if the **2021** PPO premium is 8% more than the Preliminary Baseline Premium and if employees have received an aggregate of 6%, non-compounded, across-the-board salary increases since July 1, 2019, the API is 2%.
- c. If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the **2021** plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to

employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. For example, if the API is 2%, then the Escalator is also 2%, which is applied to the employee's contribution rate. If an employee's contribution rate is 5% of base salary, then by applying the Escalator, the contribution rate will increase to 5.1% of base salary. Any increase in employee contributions will be effective the first pay period of the **2021** plan year.

- d. If the 2021 premium is below the Preliminary Baseline Premium by 6% or more, the Union and the State shall discuss options to share the savings in reduced costs or to improve the quality of the new PPO plans through design changes or other measures. If the Union and the State do not agree to either reduce costs or improve the quality of the new PPO plans or agree upon a reduction in the employee contribution rates by September 1 preceding the start of the plan year then contribution rates shall be reduced by the application of a De-escalator. The De-escalator shall be the amount of the decrease in the new PPO 2020 premium below 6% of the Preliminary Baseline Premium. For example, if the 2021 premium is 6.5% below the Preliminary Baseline Premium, employee contribution rates shall be reduced by 0.5%. If an employee's contribution rate is 5% of base salary, then by applying the De-escalator the employee's new contribution rate shall be 4.975%. Any decrease in employee contributions will be effective the first pay period of the 2021 plan year.

Plan Year 2022

- a. **The Baseline Premium for 2022 plan year shall be the baseline premium is the PPO Plan's premium cost in plan year 2021 plus 1%.**
- b. If the projected blended premium for the PPO in plan year **2022** exceeds the new Baseline Premium, the Union and the State shall enter into negotiations to address such premium increases.
- c. The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, **between July 1, 2021 and December 31, 2021**, not compounded, from (b) the percent by which the PPO premium exceeds the 2022 Baseline Premium.
- d. If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the **2022** plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. Any increase in employee contributions will be effective the first pay period of the **2022** plan year.
- e. Each subsequent plan year's PPO Plan's premium cost will be compared with previous year's PPO Plan's premium cost which will become the new Baseline Premium. The same process and methodology shall be used to review, and if necessary adjust, employee contributions rates, every year thereafter.

ATTACHMENT 2

ARTICLE XXXVIII – UNIFORM ALLOWANCE

The State agrees to continue its practice of making initial issue of uniforms to all employees in this unit.

Parole: No allowance will be paid to employees who are not required to purchase a uniform and wear it for work. Accordingly, as of ratification of this Agreement, unit members working in Parole are not eligible for a uniform allowance. In the event Parole employees are required to wear uniforms for work during any portion of any year for the term of this Agreement, the State agrees to a uniform maintenance allowance for the affected employees as follows:

- Should employees be required to wear a uniform anytime between January 1, 2021 and June 30, 2021, each employee shall receive \$850.00 in July 2021. Only those employees with at least one (1) year of service as of June 30, 2021 shall be entitled to this payment;
- Should employees be required to wear a uniform anytime between July 1, 2021 and December 31, 2021 each employee shall receive \$850.00 in January 2022. Only those employees with at least one (1) year of service as of December 31, 2021 shall be entitled to this payment;
- Should employees be required to wear a uniform anytime between January 1, 2022 and June 30, 2022 each employee shall receive \$920.00 in July 2022. Only those employees with at least one (1) year of service as of June 30, 2022 shall be entitled to this payment;
- Should employees be required to wear a uniform anytime between July 1, 2022 and December 30, 2022 each employee shall receive \$920.00 in January 2023. Only those employees with at least one (1) year of service as of December 30, 2022 shall be entitled to this payment;

Subsequent to a Uniform Policy being put in place that requires payment of a uniform allowance, should the State Parole Board in its sole discretion determine that it will no longer require State Parole Board employees to wear a uniform, then the obligation to pay the above uniform allowance shall cease.

Corrections: Employees who are required to wear or own a uniform for work and who are serving in the titles of Correctional Police Officer Recruit, Senior Correctional Police Officer, Correctional Police Officer Recruit, Juvenile Justice, Senior Correctional Police Officer, Juvenile Justice, and Senior Interstate Escort Officer will be granted, in lieu of any uniform allowances other than the initial issues, the following payments:

- \$917.50 in July 2019 to those employees with at least one (1) year of service as of June 30, 2019;

- \$1,100.00 in January 2020 to those employees with at least one (1) year of service as of December 31, 2019;
- \$1,100.00 in July 2020 to those employees with at least one (1) year of service as of June 30, 2020;
- \$1,100.00 in January 2021 to those employees with at least one (1) year of service as of December 31, 2020;
- \$1,100.00 in July 2021 to those employees with at least one (1) year of service as of June 30, 2021;
- \$1,100.00 in January 2022 to those employees with at least one (1) year of service as of December 31, 2021;
- \$1,100.00 in July 2022 to those employees with at least one (1) year of service as of June 30, 2022; and
- \$1,100.00 in January 2023 to those employees with at least one (1) year of service as of December 31, 2022.

Effective for the Uniform Allowance payable in January 2022 and each January thereafter, employees (Corrections and Parole) that did not report to work for more than six full pay periods during the first thirteen pay periods of the Fiscal Year shall not receive a Uniform Allowance payment in January. Effective for the Uniform Allowance payable in July 2021 and each July thereafter, employees who did not report to work for more than six full pay periods during the second thirteen pay periods of the Fiscal Year shall not receive a Uniform Allowance payment in July. Notwithstanding the foregoing, for any full pay period during which an employee was unable to report to work due to: (a) having tested positive for COVID-19, (b) due to the need to quarantine because of having close contact with someone that tested positive for COVID-19, or (c) being on a leave of absence while receiving Workers Compensation benefits due to a work-related injury or illness, said time away from work shall not count against the employee for purposes of determining eligibility for the Uniform Allowance set forth above. Instead, the employee will be deemed to have reported to work during that pay period.

The State shall make retroactive payments to those eligible for the uniform allowance payable for July 2019, January 2020, July 2020, and January 2021 in accordance with N.J.A.C. 4A:3-4.20. The remaining uniform allowance payments for July 2021, January 2022, July 2022, and January 2023 shall be made on the dates indicated.

It is understood that the above payments are to be used for items of uniform or their maintenance and that all employees in the unit are expected to meet prescribed standards and regulations concerning individual items of uniform which are required and the reasonable standards of maintenance of such uniforms.

All employees are expected to meet the prescribed standards and regulations concerning individual items of uniform which are required and the reasonable standards of maintenance of such uniforms.