

May 15, 2013
UMMMC's Last, Best and Final Offer

**MEMORANDUM OF AGREEMENT
BETWEEN
UMASS MEMORIAL MEDICAL CENTER - UNIVERSITY CAMPUS AND THE
MASSACHUSETTS NURSES ASSOCIATION**

Except for changes indicated below, all provisions of the parties' collective bargaining agreement of April 5, 2009 – April 5, 2012 remain unchanged. All proposals which are not included as changes below are withdrawn without prejudice.

Subject to ratification by the bargaining unit and approval by the Medical Center, the parties have agreed to amend their 2009 – 2012 collective bargaining agreement as follows:

1. **MNA No. 38 – Wages:**¹

UMMMC Counter proposal:

- A 1% across the board increase, applies to all steps and will be effective the first full shift beginning on or after 11:00 p.m. on 4/7/12.
- A 1.5% across the board increase applies to all steps and will be effective the first full shift beginning on or after 11:00 p.m. on 4/6/13.
- A 2% across the board increase applies to all steps and will be effective the first full shift beginning on or after 11:00 p.m. on 4/5/14.

2. **UMMMC No. 24 – Duration:** Revise Article XXXIII as follows:

This Agreement shall be for the period from April 6, 2012 through 10:59 p.m., on the date two (2) years after the date of ratification, except as otherwise indicated.

Should a successor agreement not be executed by 11:00 p.m. on the date two (2) years after the date of ratification, this Agreement shall remain in full force and effect until a successor Agreement is executed or an impasse in negotiations is reached. At the written request of either party, negotiations for a subsequent Agreement will be commenced on or after April 1, 2015. Negotiations may commence earlier in time, provided an earlier time is mutually agreed upon by both parties.

¹ As a result of changed circumstances, *i.e.*, incurring costs associated with securing replacement nurses, on Friday May 17, 2013 at 12:00 p.m., this “Wages” proposal will be modified to a 1% ATB increase effective 4/7/12; a 1% ATB increase effective 4/6/13; and a 1% ATB increase effective 4/5/14.

3. **UMMMC No. 12 – Retirement Benefits:**²

Add the following language:

The current plan design for the defined benefit plan and the 401(k) plan shall remain in effect through December 31, 2016.

Effective January 1, 2017, the defined benefit pension plan will be AMENDED as follows:

DEFINED BENEFIT PENSION PLAN

Monthly pension at age 65 earned after December 31, 2016

- 1.25% of each year's pay divided by 12, not subject to any cap on years of credited service
- Pensionable earnings include base rate of pay plus shift differentials for actual hours paid in the plan year.
- 3 year vesting for all RNs

The change in the benefit formula is more fully set forth in Exhibit A hereto. To the extent this provision differs from the terms set forth in the Plan's Summary Plan Description ("SPD"), the SPD controls.

Also effective January 1, 2017:

401(k) PLAN

401(k) match is increased from 25% to 50% on every dollar contributed up to 4% of compensation.

Delete the following language from Section 12.01 C and D:

"The above paragraph also applies to maintain the current pension plan including the 401K plan."

² As a result of changed circumstances, *i.e.*, incurring costs associated with securing replacement nurses, on Friday May 17, 2013 at 12:00 p.m., this "Retirement Benefits" proposal will revert to the language contained in UMMC's May 3, 2013 proposal.

4. **UMMMC No. 13 – Vacation Accruals:**

Section 9.02: Add new the following language to subsection (a):

For only nurses hired after the date of ratification, vacation leave with pay shall accrue to full-time bargaining unit RNs at the end of each full month of employment, as follows:

<u>Length of continuous full-time “creditable service” as of the end of each applicable month</u>	<u>Vacation Leave Accrued</u>
Less than 55 months (4½ years).	7/12 day per month (total of 7 days per year.)
55 months, (4½ years) but less than 115 (9½ years).	1 days per month (total of 12 days per year.)
115 months, (9½ years) but less than 235 months (19½ years).	1 5/12 days per month (total of 17 days per year).
235 months or more (19½ years).	1 5/6 days per month (total of 22 days per year).

5. **UMMMC Nos. 18 and 19 – Health Insurance:**

- Continue health insurance side letter for term of this agreement. Attached hereto as Exhibit B.
- Health insurance premium sharing for *only nurses hired after the date of ratification* will be modified as follows:

Full-time – No change in premium sharing

Part-time – 77%/23% (excluding PPO rates which shall remain the same)

6. **MNA No. 3 – Subcontracting:**

UMMMC counterproposal:

The Hospital will not contract out bargaining unit work in core service areas. For the purposes of this Section, core service areas are defined as inpatient units, OR, PACU and the Emergency Department. Nothing herein shall limit the Hospital's right to use travelers, temporary/casual, agency and/or leased nurses. This Section sunsets and automatically terminates at the expiration of this 2012-2015 Agreement.

7. MNA No. 4 – Resource Nurse Assignment:

UMMMC Counter-Proposal:

Article V. Resource Nurse Section 5.07

Add the following language:

The employer is committed to a decreased patient assignment for the Charge RN. To that end, the budgeted FTEs in all areas shall be reviewed annually based upon 1) census data, 2) new programs, 3) changes in acuity, and 4) changes in the model of delivery of care. This review process is to ensure appropriate staffing levels to accommodate the ability to provide a reduced assignment for the charge RN. Other information identified in determining the reduced patient assignment will include additional resources, such as 1) currently performed charge tasks and responsibilities, 2) specialty areas considerations, 3) clinical assignments. This information will facilitate recommendations for the role of the charge nurse for individual units(s) and specific shift(s), if necessary. The above information shall be reviewed at the Staffing Advisory Committee for analysis and recommendations. Representatives from the Staffing Advisory Committee will work with individual managers to reach the goal of a reduced charge nurse assignment. Reasonable attempts will be made for resource nurse to enter shift with the assignment noted below.

Resource Nurse Assignment

Emergency Department	No assignment.
Pedi ED	Reduced assignment.
OR	No assignment.
PACU/SACU	No assignment unless the Charge Nurse decides to take a patient assignment.
Cath Labs	No assignment.
ICU's (Lakeside2ICU, Lakeside3ICU, 3ICU, 6ICU, 7ICU, PICU)	Start shift with no assignment, and ultimately no more than 1 patient.
BMT	Reduced assignment.
Pediatrics	<u>Days and Evenings:</u> Charge Nurse will have no more than 2 patients. <u>Nights:</u> Reduced assignment at discretion of Charge Nurse.
Psychiatry (8E, EMH, PTC)	Reduced assignment.
3 Lakeside Stepdown	No more than 1 patient.
Med/Surg. (excluding 8W)	<u>Days and Evenings:</u> Charge Nurse will have no more than 2 patients. <u>Nights:</u> Charge Nurse will have no more than 3 patients.
4 Admissions	Reduced assignment.
Dialysis	Days and evenings by acuity.
Endoscopy	No assignment.

8. **MNA No. 44 Staffing:**

UMMMC counterproposal:

- No more than 5:1 assignments on the day shift in inpatient areas, excluding dedicated observation units and inpatient psychiatric units, within twelve (12) weeks of ratification.
- An average of 5:1 patient assignments but no more than a 6:1 assignment on the evening shift in inpatient areas, excluding dedicated observation units and inpatient psychiatric units, within twelve (12) weeks of ratification.
- No more than 6:1 assignments on the night shift in inpatient areas, excluding dedicated observation units and inpatient psychiatric units, within twelve (12) weeks of ratification.
- Stat RN: Within six months after ratification, add one critical care stat RN (11 a.m. to 7 p.m., 7 days per week), to assist with ED and ICUs.
- ED: Within six months after ratification, add the following to the ED core staffing:
 - two RNs (days and evenings, 7 days per week)
 - one RN (nights, 7 days per week)

9. **Tentative Agreements.** All tentative agreements to date, attached hereto as Exhibit C.

-MNA Proposal No. 1

-MNA Proposal No. 7

-MNA Proposal No. 18

-MNA Proposal No. 20

-MNA Proposal No. 22

-MNA Proposal No. 25

-MNA Proposal No. 28

-MNA Proposal No. 29

-MNA Proposal No. 31

-MNA Proposal No. 39

EXHIBIT A

TERMS YOU NEED TO KNOW

To fully understand how the Plan works, you will need to become familiar with the following terms:

Average annual earnings. Your average annual earnings is the average of your total earnings for the five consecutive calendar years (January 1 to December 31) when your pay was highest, or, if greater, the last 60 months of your employment with UMMHC. Average annual earnings does not include amounts earned in 2017 and later years.

Pensionable earnings. Generally, for periods of employment prior to January 1, 2017, your pensionable earnings include all compensation paid to you during the year, including amounts that you deferred into the 401(k) Plan, the Tax Sheltered 403(b) Plan, or that you elected as pre-tax employee contributions to other benefit plans. For periods of employment after December 31, 2016, your Pensionable Earnings equal your base rate of pay plus evening and night shift differentials for actual hours paid during the year. Pensionable earnings will not include any severance pay in excess of 8 weeks, termination pay, unused vacation pay, or deferred compensation or pay earned during a time when you are not an eligible employee. According to IRS regulations, the maximum compensation that can be taken into account for Plan purposes is \$245,000 for 2010. This amount is subject to change with inflation. Please contact Human Resources for additional information.

PLAN PAYMENT OPTIONS

Your normal retirement benefit under the Pension Plan is determined based on your average annual earnings, pensionable earnings after 2016, and your benefit service with UMMHC. The standard form of payment is a lifetime annuity. However, you may choose instead to receive your benefit in the form of a lump-sum payment.

Under federal pension law, your Pension Plan benefit will automatically be paid as a lifetime annuity instead of a lump sum unless you elect otherwise. If you are married, your annuity will be paid as a reduced 50% joint and survivor annuity under which, after your death, half of your reduced benefit will continue to your spouse for the rest of his/her life.

To elect a payment option other than the normal annuity form of payment, simply complete an election form at the time you want to receive payment. If you are married and you wish to elect the lump-sum payment or one of the other annuity options, your spouse must consent in writing to this election, as witnessed by a Plan representative or a notary public. Payment election forms are available in Human Resources.

LUMP SUM OPTION	LIFETIME ANNUITY OPTION
<p>With the lump sum option, your Plan benefit is available to you for reinvestment or other use.</p>	<p>With the lifetime annuity option, you receive monthly payments for a certain period of time, depending on the annuity option you choose.</p>
<p><i>The formula for calculating a lump-sum benefit at normal retirement is:</i></p> <p><i>For employment prior to January 1, 2017</i></p> <p style="text-align: center;">\$380 plus 11% of your average annual earnings in excess of \$6,600 times Your years of benefit service as of December 31, 2016 (up to 30 years)</p> <p style="text-align: center;">Plus</p> <p><i>For each calendar year of employment after December 31, 2016 during which you earn a year of benefit service</i></p> <p><i>11% of your pensionable earnings for that calendar year</i></p>	<p><i>The formula for calculating a lifetime annual annuity at normal retirement is:</i></p> <p><i>For employment prior to January 1, 2017</i></p> <p style="text-align: center;">\$43.20 plus 1.25% of your average annual earnings in excess of \$6,600 times Your years of benefit service as of December 31, 2016 (up to 30 years)</p> <p style="text-align: center;">Plus</p> <p><i>For each calendar year of employment after December 31, 2016 during which you earn a year of benefit service</i></p> <p><i>1.25% of your pensionable earnings for that calendar year</i></p>

EXAMPLE

For example, let's assume that:

- you retire at the end of 2019
- you receive your benefit at age 65
- you have 30 years of benefit service as of December 31, 2016
- your average annual earnings on December 31, 2016 equal \$135,000
- your pensionable earnings for 2017, 2018 and 2019 are \$127,500, \$128,200 and \$130,000 respectively

LUMP SUM OPTION	LIFE ANNUITY OPTION																																				
Your lump-sum payment would equal \$477,547, determined as follows:	Your lifetime annuity benefit (paid monthly) would equal \$1,147.38, determined as follows:																																				
<p>For employment prior to January 1, 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">\$380</td> <td style="text-align: right;">\$380</td> </tr> <tr> <td>Plus 11% times \$128,400</td> <td style="text-align: right;"><u>+14,124</u></td> </tr> <tr> <td>Equals</td> <td style="text-align: right;">\$14,504</td> </tr> <tr> <td>Times 30 years of benefit service</td> <td style="text-align: right;"><u>x 30</u></td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;">\$435,120</td> </tr> </table> <p>For employment after December 31, 2016</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">2017: 11% times \$127,500</td> <td style="text-align: right;">\$14,025</td> </tr> <tr> <td>2018: 11% times \$128,200</td> <td style="text-align: right;">14,102</td> </tr> <tr> <td>2019: 11% times \$130,000</td> <td style="text-align: right;"><u>+14,300</u></td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;">\$42,427</td> </tr> </table> <p>Total lump sum \$477,547</p>	\$380	\$380	Plus 11% times \$128,400	<u>+14,124</u>	Equals	\$14,504	Times 30 years of benefit service	<u>x 30</u>	Subtotal	\$435,120	2017: 11% times \$127,500	\$14,025	2018: 11% times \$128,200	14,102	2019: 11% times \$130,000	<u>+14,300</u>	Subtotal	\$42,427	<p>For employment prior to January 1, 2017</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">\$43.20</td> <td style="text-align: right;">\$43.20 Plus 1.25% times \$128,400</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>+1,605.00</u></td> </tr> <tr> <td>Equals</td> <td style="text-align: right;">\$1,648.20</td> </tr> <tr> <td>Times 30 years of benefit service</td> <td style="text-align: right;"><u>x 30</u></td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;">\$49,446.00</td> </tr> </table> <p>For employment after December 31, 2016</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">2017: 1.25% times \$127,500</td> <td style="text-align: right;">\$1,593.75</td> </tr> <tr> <td>2018: 1.25% times \$128,200</td> <td style="text-align: right;">\$1,602.50</td> </tr> <tr> <td>2019: 1.25% times \$39,200</td> <td style="text-align: right;">+1,625.00</td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;">\$4,821.25</td> </tr> </table> <p>Total lifetime annual annuity \$54,267.25</p> <p>Divided by 12 months <u>÷12</u></p> <p>Total lifetime monthly annuity \$4,522.27</p>	\$43.20	\$43.20 Plus 1.25% times \$128,400		<u>+1,605.00</u>	Equals	\$1,648.20	Times 30 years of benefit service	<u>x 30</u>	Subtotal	\$49,446.00	2017: 1.25% times \$127,500	\$1,593.75	2018: 1.25% times \$128,200	\$1,602.50	2019: 1.25% times \$39,200	+1,625.00	Subtotal	\$4,821.25
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Of course, your normal retirement benefit will depend on your average annual earnings, pensionable earnings after 2016 and benefit service at the time you retire. In addition, your benefit will be reduced if you decide to receive benefits before age 65.

EXHIBIT B

SIDE LETTER

Effective January 1, 2012 through December 31, 2013 all employees of the Hospital who are represented by MNAU will be eligible to enroll in a health care plan offered to MNAU members provided they:

1. Occupy a budgeted position of 20 or more hours;
2. Are eligible to enroll in health care coverage, in accordance with the terms of the plan;
3. For all employees with a date of hire on or after 01/01/2012 who elect to enroll in a health care plan through the hospital, and has a spouse or spousal equivalent, and the spouse or spousal equivalent has access to a health insurance plan through his/her employer*, then the employee can either;
 - a. Purchase an individual primary care coverage plan from the Hospital, and the employee's spouse or spousal equivalent would be required to purchase an individual primary care coverage plan from his/her employer, or
 - b. Purchase a family primary care coverage plan from the Hospital, and the employee's spouse or spousal equivalent would be required to purchase an individual primary care coverage plan from his/her employer. Other dependents covered on the employee's family plan will not be affected.
4. The spouse's or spousal equivalent's primary care coverage would be through his/her employer's health care plan. The Hospital will reduce the employee contribution in an amount equal to the cost of the spouse's or spousal equivalent's contribution toward his/her insurance premium for coverage under his/her employer's plan, up to the amount of premium contribution paid by an employee who elects family coverage under the Hospital plan.
5. The Spouse's or spousal equivalent's benefits will be subject to coordination of benefits by the Hospital to ensure that coverage is equal to the coverage that is offered to employees under the Hospital's health plan. In no case will additional costs that would have been covered had the spouse/spousal equivalent remained solely on the Hospital's plan be the responsibility of the employee, the spouse or spousal equivalent.
6. The Spouse's or spousal equivalent's contribution toward his/her premium expenses for coverage under his/her employer's plan will be reviewed annually.
7. Employees will not be required to comply with the requirements of this Health Insurance Spousal Coordination plan if it is documented that the spouse or spousal equivalent does not have access to a health insurance plan through his/her employer. They may also opt out of the plan if it is documented that the weekly premium cost of their spouse or spousal equivalent's individual plan would exceed the amount of premium contribution paid by an employee who elects family coverage under the hospital plan.

*his/her employer for purposes of this agreement is an employer other than UMMC.

May 15, 2013
UMMMC's Last, Best and Final Offer

EXHIBIT C

See attached.