

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into by and between the Village of Orland Park (the "Village") and IBEW Local 134 (the "Union").

WHEREAS, the Village and the Union are currently parties to a collective bargaining agreement which is effective from May 1, 2011 through April 30, 2015 (the "Contract"); and

WHEREAS, the Village and the Union have met and discussed certain proposed changes to the Contract, and have agreed that those changes should be made; and

WHEREAS, the Village and the Union wish to revise Article XVIII of the Contract in accordance with EXHIBIT A, attached hereto and made a part hereof;

NOW THEREFORE, in consideration of the mutual promises and benefits exchanged herein, the sufficiency of which is acknowledged, the Village and the Union agree as follows:

1. That Article XVIII of the Contract is hereby revised to read as set forth in EXHIBIT A, attached hereto and made a part hereof, and said Article XVIII as revised shall be effective as revised through April 30, 2015.
2. The revisions to Article XVIII of the Contract are not retroactive.
3. All other provisions of the Contract shall remain in full force and effect and shall not be affected by this Memorandum of Agreement.

VILLAGE OF ORLAND PARK

IBEW LOCAL 134

By: _____

By: _____

Date: _____

Date: _____

ARTICLE XVIII

INSURANCE

Section 18.1. Coverage and Costs. The Village agrees to make available to those full time employees regularly working forty (40) hours per week or more, group hospitalization, major medical, dental and vision care insurance.

Section 18.1.A. Cost Containment. The Village reserves the right to maintain or institute cost containment measures relative to insurance coverage as long as the basic level of coverage remains substantially the same. Such changes may include, but are not limited to, mandatory second opinions for elective surgery, pre-admission and continuing admission review, prohibition on weekend admissions except in emergency situations, bounty clause, and mandatory out-patient elective surgery for designated surgical procedures. This Section shall not, however, be construed to entitle the Village to unilaterally increase the dollar levels of deductible amounts which must be paid by an employee under insurance plans or programs in effect during the term of this Agreement.

Section 18.1.B. Insurance Premium Cost Sharing. Plan participants providing for individual and/or family coverage shall contribute toward monthly premium costs through payroll deductions in amounts not to exceed the following:

Effective January 1st, for years 2012, 2013, 2014, and 2015 Employee health insurance premium contributions will represent the following percentage of the overall premiums and will include a four tier contribution model as follows:

<u>Plan</u>	<u>Employee Contribution</u>
HDHP/HSA Plan	3%
Select Plan	10%
PPO Silver Plan	10%
PPO Gold	10% plus the difference between the cost to the Village of the PPO Silver Plan and the PPO Gold Plan. (For example in 2011, using this model, the difference equated to approximately 24.5% employee premium contribution for the PPO Gold.)

Beginning plan year 2012 emergency room co-pay of \$150.00 will be applied to the Select and Gold plans.

Four Tier Contribution Model:
Employee Only

Employee + Spouse
Employee + Child(ren)
Family

Section 18.1.C. HDHP/HSA Annual Deductible: For plan years 2012, ~~and 2013~~, and 2014 the annual deductibles for the HDHP/HSA plans will be:

EE:	\$2,500 per annum
EE + Spouse	\$5,000 per annum
EE + Child(ren)	\$5,000 per annum
Family	\$5,000 per annum

For plan years ~~2014 and~~ 2015, the annual deductibles for the HDHP/HSA plans will be:

EE:	\$3,500 per annum
EE + Spouse:	\$7,000 per annum
EE + Child(ren):	\$7,000 per annum
Family	\$7,000 per annum

HDHP/HSA Plans

Employer contribution to HSA:

~~For those employees enrolled in the HDHP/HSA Plan, the Village will contribute an amount equal to \$1,000 for single participants or \$2,000 for family participants associated with the employee's plan election in the employee's HSA for plan years 2012 and 2013, and \$1,200 (single participants) and \$2,400 (family participants) for plan years 2014 and 2015. For plan years 2012 and 2013, the Village will make annual deposits no later than the second pay period in January of the respective plan year. For plan years 2014 and 2015, the Village may make one fourth of the annual employer contribution in quarterly deposits. For those employees enrolled in the HDHP/HSA Plan, the Village will contribute an amount equal to 40% of the deductible associated with the employee's plan election in the employee's HSA for plan years 2012, 2013, 2014, and 2015. For plan years 2012, 2013, 2014, and 2015 the Village will make annual deposits no later than the second pay period in January of the respective plan year.~~

Prescription Drugs / Emergency Room Co-pays:

For plan years 2011, 2012, and 2013, the prescription drug benefit and emergency room costs will be subject to the annual deductible. Once the deductible is reached, prescription drugs and emergency room visits are paid at 100% by the Village health

plan. For plan years 2014 and 2015, the prescription drug benefit will again be subject to the annual deductible; however, once the deductible is satisfied prescriptions will be subject to a co-pay of ~~\$10/\$40/\$60~~\$0/\$40/\$60 or a model similar, as offered by the administrator at that time. Emergency room costs will be subject to a \$150 co-pay after the deductible is satisfied. All co-pays and deductibles will be subject to a maximum annual out-of-pocket limit in the amount of \$5,950 per single coverage and \$11,900 per family coverage. *This limit does not apply to deductible and expenses for out-of-network services if the plan uses a network of providers. Instead only deductibles and out-of-pocket expenses for services within the network should be used to figure whether the limit applies.

Section 18.1.D. Wellness Incentive (All Plans) The Village will conduct on-site health screenings scheduled by the Village on predetermined dates each calendar year. The Village will pay for the cost of the health screening for full-time employees and their spouses. For those employees and their spouses who choose not to participate in the employee health screening, the employee's monthly health insurance premium share will be increased by 10% of the employee only premium cost to the Village or the employee + spouse premium cost to the Village of the plan in which they participate.

If an employee and their spouse are unable to participate in the health screening when they are held onsite, the employee and spouse will have until the 15th of the month directly following the scheduled on-site screenings to obtain a health screening at one of the screening company's alternate locations. Failure to obtain a screening by that date will result in the increased premium cost. Both member and spouse, if applicable, must participate in the wellness screening to avoid the 10% increase to the employee + spouse premium cost.

Employee deductibles, co-insurances, co-pays for services and prescriptions are outlined in the individual plan summaries. Parties agree that should any governmental regulation impose obligations on either party regarding provisions of insurance benefits, that parties will meet and confer for purposes of discussing the impact of such legislation.

Section 18.1 E. Healthcare Cash Equalizer IBEW employees shall be paid a one time taxable payment of \$750 "healthcare cash equalizer" payable during the first pay period in January 2012.

During the term of the Agreement, if a "healthcare cash equalizer" is paid to non-union employees for years 2013, 2014 and through April 30, 2015 of the Agreement, the same taxable payment amount shall be paid to IBEW members.

Section 18.2. Vision Care Plan. This managed eye care program covers eligible employees and their eligible dependents. Essentially, the plan provides payment of fees to participating doctors or opticians. Details of the Plan Benefits Administration are detailed in the vision care brochure.

Section 18.3. Life Insurance. The Employer shall provide, at no cost to the full-time employee, life insurance coverage equal to two times one (1) year's current annual base salary of an employee with a maximum coverage of \$150,000.00. The coverage limitation for an employee's spouse is \$2,000.00. The coverage limitation for an employee's child is \$1,000.00. Part-time employees regularly employed for fewer than forty hours per week are not eligible for such insurance.

Section 18.4. Conversion. Upon resigning or retiring from employment, an employee may, subject to applicable law and the terms of any insurance policy, choose to continue participation in a health insurance plan. Said participation would be based upon a conversion of the employee's group plan to an individual plan. All premiums required as a result of any conversion shall be entirely at the employee's sole expense.

Section 18.5. Terms of Insurance Policies to Govern. The extent of coverage under any insurance policies and/or benefit plan descriptions referred to in this Agreement shall be governed by the terms and conditions set forth in said policies and/or benefit plan descriptions. Any questions or disputes concerning said insurance policies and/or benefit plan descriptions or benefits therein shall be resolved in accordance with the terms and conditions set forth in said policies and/or benefit plan descriptions and shall not be subject to the grievance and arbitration procedure set forth in this Agreement. The failure of any insurance carrier(s) to provide any benefit for which it has contracted or is obligated shall result in no liability to the Village, nor shall such failure be considered a breach by the Village of any obligation undertaken under this or any other Agreement. However, nothing in this Agreement shall be construed to relieve any insurance carrier(s) from any liability it may have to the Village, employee or beneficiary of any Village employee, by reason of said insurance policy.

Section 18.6. Right to Change Insurance Carriers. The Village retains the right to select and change insurance carriers for employee insurance or otherwise provide for coverage so long as the level of benefits remains substantially the same.