

STATE OF MINNESOTA

LEGISLATIVE COORDINATING COMMISSION

LEGISLATIVE PLAN

FOR

EMPLOYEE BENEFITS

AND POLICIES

Calendar years 1998 and 1999
as adopted by the LCC
on December 18, 1997

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APPLICABILITY

The Legislative Plan for Employee Benefits (Plan) governs unclassified employees in the following offices:

Great Lakes Commission	Legislative Audit Commission
Legislative Commission on Minnesota Resources	Legislative Commission on the Economic Status of Women
Legislative Coordinating Commission	Legislative Commission on Long-Term Health Care
Legislative Reference Library	Legislative Commission on Pensions and Retirement
Office of the Revisor of Statutes	Legislative Commission on Planning and Fiscal Policy
	Mississippi River Parkway Commission

The Plan governs the employees of any legislative committee, commission, task force, or board created after its adoption or contained in statutes.

All employees covered under **APPLICABILITY** serve at the pleasure of their employer in the state unclassified service. The term "Permanent Employee" refers to eligibility for benefits and does not constitute a promise of permanent employment. The Plan also covers employees of the House of Representatives and the Senate when approved by their respective Appointing Authorities.

Provisions of the Plan relating to sick leave, annual leave, severance pay and insurance benefits apply to unclassified employees of the Senate and House of Representatives. Provisions of the Plan relating to insurance benefits apply to members of the legislature.

As a legislative employee, will I be required to file a statement of economic interest?

The Minnesota Public Disclosure Law affects certain legislative employees. The term "public official" in the law includes the following legislative staff positions: Chief Clerk of the House, Legislative Auditor, House Research researchers and attorneys, Revisor of Statutes, Secretary of the Senate, Senate Counsel and Research legislative analysts and attorneys. Further information on the Minnesota Public Disclosure Law may be obtained from the:

**Minnesota Campaign and Finance Disclosure Board
1st Floor South
Centennial Office Building
658 Cedar Street
St. Paul, MN 55155**

APPOINTING AUTHORITY: DEFINITION

For purposes of this Plan, appointing authority means the House Rules and Legislative Administration Committee for employees of the House of Representatives, the Senate Rules and Administration Committee for employees of the Senate, and the Legislative Coordinating Commission for the unclassified employees of joint commissions and offices. The appointing authority may delegate certain authorities and responsibilities of this Plan to appropriate staff.

EFFECTIVE DATE AND DURATION

Except as otherwise specifically provided, this Plan is effective on the date specified by the appropriate appointing authority. The insurance section is effective January 1, 1998. The Sick Leave Use provisions are effective December 18, 1997. The remainder of the Plan is effective for LCC employees on the date specified by the LCC, and for Senate and House employees on the date specified by their respective Rules committees. It remains in effect until amended or repealed by the Legislative Coordinating Commission or until superseded by law.

LEGISLATIVE POLICIES

Immigration Reform and Control Act

Under the Immigration Reform and Control Act enacted on November 6, 1986, employers are required to verify that all new employees are either United States citizens or aliens authorized to work in the United States. Consistent with this law, employment in the Minnesota Legislature will be contingent upon completion of an I-9 form and the ability to provide the necessary documents of citizenship and work authorization. Employees are required to complete the recertification section whenever their legal name changes. Employees should contact their Human Resources or Payroll representative for this form.

Since I was born in this country, why would I have to sign an I-9 form under the Immigration and Control Act?

The federal law allows for no exemptions—all new employees hired after November 6, 1986 fill out an I-9 form. Employees should see their respective personnel officer.

LEGISLATIVE POLICIES (continued)

Sexual Harassment

The Minnesota Legislature is committed to creating and maintaining a work environment in which all members and employees are treated with respect and are free from sexual harassment. To this end, sexual harassment by a member or employee of the Senate, the House of Representatives, or the Legislative Coordinating Commission is prohibited.

The goal of this policy is to ensure that all complaints of sexual harassment will be promptly, thoroughly, and respectfully handled.

- Reporting and investigating procedures are designed to encourage members and employees to report what they believe to be sexual harassment.
- Complaints, investigations, and resolutions will be handled as discreetly as possible, with information being shared only with those who have a need to know and as may be required by the Legislature's obligation to comply with the law.
- Retaliation will not be tolerated against any person who complains, reports, or testifies about sexual harassment, or participates in an investigation of a sexual harassment complaint.

If I believe I have experienced sexual harassment or sexually offensive behavior, what should I do?

You should feel free to complain to the offending person about his/her behavior, to tell him/her what comment, joke or action disturbed you, and that you want the behavior to stop. If you do not feel comfortable in voicing your complaint directly, if you have complained to the offender and the offensive behavior has not stopped, or if you believe your complaint has resulted in retaliation towards you, report your complaint of sexual harassment or of retaliation as follows:

- *If you are a SENATE employee or member, report to any Senate supervisor, the Senate Majority Leader, Minority Leader, or the Director of Human Resources.*
- *If you are a HOUSE employee or member, report to any House supervisor, the Speaker, Majority Leader, Minority Leader, or Affirmative Action Officer.*
- *If you are an employee under the jurisdiction of the LCC, report to any LCC supervisor, the LCC Chair, or LCC Director.*

Copies of the complete sexual harassment policy may be obtained from the appropriate House, Senate, Revisor, or LCC administrative/personnel office.

LEGISLATIVE POLICIES (continued)

Sexual Harassment (continued)

- Appropriate disciplinary action will follow when appropriate.

All those involved in the legislative process have a responsibility to contribute to a respectful work environment. The Minnesota Legislature encourages, expects, and appreciates cooperation in implementing this policy.

Statement of Zero Tolerance of Violence

Consistent with M.S. 15.86, the legislature endorses a policy of zero tolerance of violence.

Equal Employment Opportunity

The Minnesota Legislature is an equal opportunity employer and is committed to conducting its personnel activities without regard to race, color, creed, religion, national origin, sex, age, disability, marital status, status with regard to public assistance, or sexual orientation. Further information regarding equal employment opportunities and specific procedures governing incidents of sexual harassment may be obtained from the appropriate House, Senate, Revisor, or LCC administrative personnel office.

Americans With Disabilities Act (ADA)

The Minnesota Legislature is committed to complying with the provisions of the ADA and supports the goal that individuals with disabilities shall not be excluded from participating in or be denied the benefits of any program, service or activity offered by the Legislature.

Discrimination on the basis of disability is also prohibited by the Minnesota Human Rights Act. It is the responsibility of legislators and legislative employees to support the goals, objectives and concept of the ADA and the Minnesota Human Rights Act in their dealings with the public, prospective employees, and co-workers.

LEGISLATIVE POLICIES (continued)

Employee Assistance Program

The Employee Assistance Program (EAP) is a confidential counseling service designed to help state employees with problems, either in or out of the workplace. If you have a personal or work-related problem which you do not care to discuss with anyone associated with the legislature, contact the Employee Assistance Program at (612) 296-0765.

Emergencies

NON-MEDICAL EMERGENCY: Call Capitol Security at (612) 296-2100.

MEDICAL EMERGENCY: Call 911, or go to the nearest emergency facility. Report the injury to your supervisor as soon as possible.

INJURY IS NOT AN EMERGENCY: Call the WorkerCare Nurseline at 1-800-854-6780 to report the injury, receive first aid instructions, and get a referral to a doctor (network provider) who will see you promptly. Report the injury to your supervisor, who will work with your personnel office to complete a "First Report of Injury." The Nurseline number is available 24 hours a day, 365 days a year.

In certain situations, you are allowed to see a non-network provider. For further information on WorkerCare contact your payroll/personnel office.

Is there any medical assistance located in the capitol area?

A nurse is located in G-25, Transportation building (296-2335).

If I am working late and feel uneasy about walking to my car, what should I do?

Call Capitol Security at 296-6741, and a security escort will walk you to your car.

WORKING HOURS AND COMPENSATION

Working Hours

The working hours of employees shall be set by the appointing authority as necessary to accomplish all assigned work. Appointing authorities schedule employee's work days, establish shifts, and use other devices to complete work. All employees are paid a salary to accomplish all available work and not for a set number of working hours each day, week, month, or year. Working hours in excess of a 40-hour week are to be expected; however, each appointing authority may establish a reasonable compensatory time policy for its employees. As required by the federal Fair Labor Standards Act Amendments of 1985, certain employees of the Legislative Reference Library are allowed additional compensation or compensatory time off.

I understand that I get paid 365 days per year. How does that work?

With the exception of certain employees of the Legislative Reference Library, all annualized salaries are divided to arrive at a daily rate. If you are required to work on a Saturday or Sunday, your salary has already been computed to cover that time.

Public Service Outside the Legislature

Employees who hold appointed or elected public positions outside the legislature are nevertheless expected to accomplish all assigned work and may not receive compensation from any political subdivision of the state or any administrative board, commission, council, committee or task force if their activities occur during normal working hours for which they are also compensated by the legislature.

Prorated Compensation for Nine-Month Employees

Permanent employees may be hired to work for nine months and have their compensation prorated and paid over 12 months, provided an employee hired in this status works nine months before the three-month period of leave.

WORKING HOURS AND COMPENSATION (continued)

Deferred Compensation

Employees may participate in the State of Minnesota Deferred Compensation Plan. The plan is voluntary and allows employees to place a portion of their earnings into a pre-tax deferred investment program. Taxes on money set aside and earnings are deferred until the time of withdrawal. This allows employees to defer present income for long-term savings to supplement retirement and other benefits.

I am interested in deferred compensation. Whom shall I contact?

Contact the Ochs Agency at (612) 223-4300.

How can I find out what my pension benefits are?

Most legislative employees are part of the Minnesota State Retirement System (MSRS). The office is located at MN. State Bank Building-Suite 300, 175 W. Lafayette Frontage Road, St. Paul, MN 55107-1425.

Service Award Program

The legislature shall formally recognize the service of its employees at five year intervals beginning with the tenth year of service. Employees shall be given credit for their previous legislative or state service under the same guidelines as for vacation accrual.

HOLIDAYS

Observed Holidays. The following days are observed as paid holidays for all eligible employees assigned to a Monday through Friday five-day operation:

1998	1999
Thursday, January 1, 1998 - New Year's	Friday, January 1, 1999 - New Year's
Monday, January 19, 1998 - Martin Luther King Day	Monday, January 18, 1999 - Martin Luther King Day
Monday, May 25, 1998 - Memorial Day	Monday, May 31, 1999 - Memorial Day
Friday, July 3, 1998 - Independence Day	Monday, July 5, 1999 - Independence Day
Monday, September 7, 1998 - Labor Day	Monday, September 6, 1999 - Labor Day
Wednesday, November 11, 1998 - Veterans Day	Thursday, November 11, 1999 - Veterans Day
Thursday, November 26, 1998 - Thanksgiving Day	Thursday, November 25, 1999 - Thanksgiving Day
Friday, November 27, 1998 - Day after Thanksgiving	Friday, November 26, 1999 - Day after Thanksgiving
Friday, December 25, 1998 - Christmas	Friday, December 24, 1999 - Christmas

Any holiday falling on a Saturday will be observed on the prior Friday. Any holiday falling on a Sunday will be observed on the succeeding Monday.

The appointing authority may have a procedure for allowing additional periods of time as paid holiday time for the employees serving under its jurisdiction.

Floating Holidays. Eligible employees shall also receive two floating holidays each calendar year. If an employee works any part of the six-month period beginning January 1, then that employee accrues one floating holiday. If an employee works any part of the six-month period beginning July 1, then that employee accrues one floating holiday. Floating holidays may be accumulated, but any floating holiday not used by December 31 of each year is lost. The appointing authority may limit the number of employees who may be absent on any given day because of operational needs.

Holiday Pay. Full-time employees will be paid for observed holidays if they are on a paid status the day before and the day after the holiday. Employees who are taking time off without pay in accordance with an approved salary savings plan are also eligible for holiday pay and will be paid in accordance with the provisions of the plan.

HOLIDAYS (continued)

Employees who work less than full-time will be paid for observed holidays if they are on a paid status the scheduled day before and the scheduled day after the holiday. An employee who normally works less than full-time is paid for a holiday in accordance with the appointing authority's policy.

The number of hours paid for any observed holiday shall not exceed eight hours per day. If an employee is required to work on an observed holiday the employee shall receive time off equal to that worked, not to exceed eight hours per day. In the event that an employee dies or is mandatorily retired on a holiday or holiday weekend, the employee shall be entitled to be paid for the holiday(s).

Do I have to take my floating holiday in the six-month period in which it was earned?

The floating holiday earned in the first six months of the calendar year may be taken at any time during the year prior to December 31. The one earned in the second six-month period must be taken during that period. Floating holidays will not be paid in cash (like vacation) if an employee leaves legislative service.

Religious Holidays. When a religious holiday not observed as a holiday as provided above falls on an employee's regularly scheduled work day, the employee may take that day off to observe the religious holiday. An employee who chooses to observe a religious holiday must notify the employee's supervisor prior to the religious holiday.

Time off to observe religious holidays is without pay except where the employee has sufficient accumulated vacation leave, floating holiday, or by mutual consent is able to make up the time.

VACATION LEAVE

Eligibility and Allowances. All permanent full-time employees shall accrue vacation time according to the rates set out below. Temporary full-time employees begin to accrue vacation leave after six months of continuous employment with no break in service. Temporary full-time employees who work six or more continuous months, leave a legislative payroll, and then return to temporary full-time status within 12 months of their separation, are eligible to accrue vacation leave.

<u>Length of Service</u>	<u>26 Pay Periods</u>	<u>24 Pay Periods</u>	<u>Monthly</u>
0 through 5 years	4 hours	4-1/3 hours	8-2/3 hours
After 5 through 8	5 hours	5.4 hours	10.8 hours
After 8 through 12	7 hours	7.6 hours	15.2 hours
After 12 through 18	7.5 hours	8.1 hours	16.2 hours
After 18 through 25	8 hours	8-2/3 hours	17-1/3 hours
After 25 through 30	8.5 hours	9.2 hours	18.4 hours
After 30 years	9 hours	9.75 hours	19.5 hours

Eligible permanent employees working on a percentage basis shall have the same percentage of their vacation accrual rates or have their vacation accruals prorated. For purposes of determining changes in an employee's accrual rate, length of service does not include periods of suspension or unpaid non-medical leaves of absence that are more than one full payroll period in duration. Length of service requirements shall only include an employee's service in a vacation eligible status. For eligible permanent employees working on a percentage basis, length of service will be calculated on the same basis as eligible full-time employees.

Temporary, session, or intermittent service prior to permanent status is counted in determining accrual rate.

Changes in accrual rates are effective at the beginning of the next payroll period following completion of the specified length of service requirement.

Vacation leave hours shall not be used during the payroll periods in which the hours are accrued.

275-Hour Limit. Vacation leave may be accumulated to any amount provided that once during each calendar year each employee's balance must be reduced to 275 hours or less.

VACATION LEAVE (continued)

For this purpose, the employee's balance at the end of the payroll period is the vacation balance after the deduction of hours used that pay period and before the addition of vacation hours earned during the pay period. If this reduction to 275 hours or less is not accomplished prior to the last payroll period during the calendar year, the amount of vacation shall be automatically reduced to 275 hours at the end of the last payroll period of the calendar year. No employee may be paid for or transfer to another state agency more than 275 hours.

Employees on Paid Military Leave. Employees on a paid military leave accrue vacation leave as though actually employed without maximum accumulation. Vacation earned in excess of the maximum accumulation must be taken within two years of the date the employee returns from military leave.

Using Vacation Leave Instead of Sick Leave. Upon request, employees on sick leave may use vacation leave instead of sick leave provided they meet the criteria of sick leave use and would exceed the vacation leave maximum (see also page 15).

Vacation Leave Record. Each agency must keep a current record of each employee's vacation accruals which must be made available to the employee upon request.

Transfers, Reinstatements, Reappointments: Accrual Rates. Any employee transferring to the service of another appointing authority within the legislative branch without an interruption in service shall have accumulated vacation leave transferred, and the leave may not be liquidated by cash payment. An eligible employee who moves without a break in service to a legislative position from any other position in Minnesota state government shall be allowed to transfer length of service and any accumulated but unused vacation leave. The terms and conditions of employment for an employee transferring to another appointing authority outside of the legislative branch are subject to applicable collective bargaining agreements, plans, or rules of the receiving appointing authority.

An eligible employee reappointed to legislative service or an eligible employee from any other position in state service appointed to legislative service shall accrue vacation leave according to the length of service the employee had attained at the time of separation.

However, the reappointment or appointment must be within four years from the date of separation in good standing. Employees may not use sick leave for vacation purposes.

VACATION LEAVE (continued)

Vacation Requests. Every reasonable effort consistent with scheduling of the work unit must be made by the supervisor to schedule employee vacations at a time agreeable to the employee.

Employees must submit requests for vacation to their supervisor in advance of the requested date of the start of the vacation. Conflicts involving vacation scheduling shall be resolved by the supervisor.

Vacation Charges. Employees who use vacation are charged only for the number of hours they would have been scheduled to work during the period of absence. However, vacation leave may not be granted in increments of less than one-quarter hour. Holidays occurring during vacation periods are paid as a holiday and not charged as a vacation day. Employee vacation accruals earned while on paid leave may be used by the employee with the approval of the supervisor without returning to work prior to the use of accrued leave.

Should an employee be entitled to use sick leave while on vacation, vacation leave is changed to sick leave, effective the date of the illness or disability, upon notice to the employee's supervisor. Upon the notice, employees may be requested by the supervisor to furnish a medical statement from a medical practitioner.

Vacation Rights. Any employee separated from state service is compensated in cash, at the employee's then current rate of pay, for all vacation leave accrued to the time of separation but not in excess of 275 hours.

Eligible employees paid for less than a normal pay period shall have their vacation accruals prorated.

Upon request, an employee on extended sick leave may use vacation leave instead of sick leave provided he/she meets the criteria of sick leave use and would exceed the vacation leave maximum in that payroll period.

Do I need to use my vacation time for attending a training course?

If the training has been approved as a job-related activity, you may count the time as part of your regular work time and do not need to charge it to vacation or leave without pay.

SICK LEAVE

Sick Leave Accrual. All permanent full-time employees accrue sick leave at the rate of 8 2/3 hours per month (4 hours per 26 pay periods, 4-1/3 hours per 24 pay periods) during continuous employment beginning with their date of hire until 900 hours are accrued and maintained. Sick leave accrued beyond 900 hours is referred to as the sick leave bank. Through December 31, 1997, the accrual rate for the sick leave bank is 4-1/3 hours per month (2 hours per 26 pay periods, 2.17 hours per 24 pay periods). Temporary full-time employees begin to accrue sick leave after six months of continuous employment with no break in service. Temporary full-time employees who work six or more continuous months, leave a legislative payroll, and then return to temporary full-time status within 12 months of their separation, are eligible to accrue sick leave.

Effective January 1, 1998, employees shall continue to accrue sick leave at the rate of 8-2/3 hours per month (4 hours per 26 pay periods, 4-1/3 hours per 24 pay periods) after accumulating nine hundred (900) hours. Effective January 1, 1998, the number of hours credited to the employee's sick leave bank prior to that date shall be multiplied by two (2). Employees appointed from state service after January 1, 1998 who have not had their sick leave bank doubled under the terms of their previous compensation plan or collective bargaining agreement shall have their bank doubled effective with the date of their appointment.

Emergency Sick Leave Upon Initial Employment. Upon initial employment (within ten months of start date) and with approval of the appointing authority, an employee is eligible for use of up to 80 hours (ten days) for emergency sick leave. The negative balance shall be reduced proportionately as sick leave is accumulated. If additional sick leave is used before the sick leave balance has been restored to a positive balance sufficient to cover the time off needed, the time will be charged to vacation or the appointing authority may grant leave without pay. If an employee has a negative sick leave balance upon termination of service, the negative balance must be eliminated by charging the time first to vacation leave and then, to the extent necessary, to reduce pay.

Accrual Rates for Employees on Percentage Basis. Eligible employees working on a percentage basis shall have the same percentage of their sick leave accrual rates or have sick leave accruals prorated.

Sick Leave Record. Each agency shall keep a current record of each employee's sick leave accruals which must be made available to the employee upon request.

Employees may not use sick leave for vacation purposes.

SICK LEAVE (continued).

Sick Leave Use. An employee must be granted sick leave with pay to the extent of the employee's accumulation for absences:

- 1) By necessity for the employee's illness or disability;
- 2) By necessity for medical, chiropractic, or dental care for the employee;
- 3) By exposure to contagious disease which endangers the health of other employees, clients, or the public;
- 4) By illness or disability of the employee's spouse, dependent or minor children, stepchildren, foster children, regular member of the immediate household, or parent for a reasonable period as the employee's attendance is necessary.
- 5) By serious health condition of the employee's sibling, grandchild, or non dependent adult child for a period of up to twelve weeks within a twelve month period commencing on the date leave is first taken. An employee must exhaust accumulated vacation and submit a completed Certification of Health Care Provider form prior to the leave. Please see your Human Resources or Payroll Representative for a form.
- 6) A pregnant employee must also be granted sick leave during the period of time that her medical practitioner advises that she is unable to work because of pregnancy. An employee who has given birth may use sick leave for a period of six weeks' convalescence or as advised by her medical practitioner.
- 7) Up to three days to arrange for necessary nursing care for members of the family;
- 8) Up to ten days for a parent upon placement for adoption of a child, or for a father or husband upon the birth of a dependent child. This leave is to be taken within twelve weeks after the child's birth, placement of adoption, or arrival in the home;
- 9) A reasonable period of sick leave must be granted because of death of the spouse or parents or grandparents of the spouse, or the parents, grandparents, guardian, children, grandchildren, brothers, sisters, wards, or stepchildren of the employee, or a regular member of the immediate household.
- 10) Such reasonable periods as an employee's attendance may be necessary to accompany spouse, minor or dependent children, stepchildren, foster children to dental or medical appointments.

900-Hour Accumulation. Sick leave is first deducted from the 900 hours accumulation. Prior to January 1, 1998, employees having used sick leave and who fell below the 900 hours accumulation would once again accrue sick leave at 8-2/3 hours per month (4 hours per 26 pay periods, 4-1/3 hours per 24 pay periods) until their accumulation again reaches 900 hours. Beginning January 1, 1998 employees shall continue to accrue sick leave of 8-2/3 hours per month (4 hours per 26 pay periods, 4-1/3 hours per 24 pay periods) and such hours shall be credited to the sick leave bank. Use of the more than 900-hour bank is subject to the provisions of this Plan.

SICK LEAVE (continued)

Accrual Before Use. Sick leave hours may not be used during the payroll period in which it accrues.

Medical Practitioner Statement. Upon the request of the supervisor, employees using sick leave may be required to furnish the human resources representative with a statement from a medical practitioner. The supervisor may also request the employee to furnish the human resources representative with a statement from a medical practitioner if the supervisor has reason to believe the employee is not physically fit to return to work or has been exposed to a contagious disease which endangers the health of other employees, clients, or the public.

Sick Leave Use While on Paid Leave. Upon approval of the supervisor, employee sick leave accruals earned while on paid leave may be used by the employee without returning to work prior to the use of that accrued sick leave.

Using Vacation Leave Instead of Sick Leave. An employee on sick leave who uses all of his/her sick leave accumulation and who still meets the criteria for sick leave use shall have the right to use vacation leave to the extent of the employee's vacation accumulation (see also page 11).

Sick Leave Requests. Employees should submit requests for sick leave in advance of the period of absence. When advance notice is not possible, employees must notify their supervisor by telephone or other means at the earliest opportunity.

Sick Leave Charges. An employee using sick leave is charged only for the number of hours the employee was scheduled to work during the period of sick leave. However, sick leave may not be granted for periods of less than one-half hour except to permit use of lesser fractions that have been accrued. Holidays occurring during sick leave periods are paid as a holiday and not charged as a sick leave day.

Any employee incurring an on-the-job injury is paid the employee's regular rate of pay for the remainder of the day. Any necessary sick leave charges for employees so injured commence on the first scheduled work day following the injury (see Workers' Compensation section on page 42).

Transfers, Reinstatements, Reappointments. An employee who transfers or is transferred to another appointing authority within the legislative branch without an interruption in service shall carry forward accrued and unused sick leave. A negative sick leave balance may not be transferred. Any negative sick leave balance remaining on the date of transfer shall be canceled by deducting the amount of pay for its negative hours from any pay due to the employee.

SICK LEAVE (continued)

The terms and conditions of employment for an employee transferring to another appointing authority outside of the legislative branch are subject to applicable collective bargaining agreements, plans, or rules of the receiving appointing authority.

An eligible employee reappointed to legislative service or an eligible employee from any other position in state service transferred or appointed to legislative service has accumulated but unused sick leave balance and bank posted to the employee's credit. However, the reappointment or appointment must be within four years from the date of separation in good standing. An employee who has received severance pay for accumulated sick leave and accumulated sick leave bank prior to January 1, 1998 and is reinstated or reappointed on or before January 1, 1998 will have those hours deducted before sick leave balance and bank are restored or posted to the employee's credit.

An employee who received severance pay for accumulated sick leave prior to January 1, 1998, and returns to legislative service before January 1, 1998 shall have his/her sick leave balance restored at the previous level less the number of hours paid as severance.

An employee who received severance pay for accumulated sick leave bank prior to January 1, 1998, but returns to legislative service after January 1, 1998 shall have his/her sick leave bank balance restored at the previous level less the number of hours paid as severance. The restored balance must then be doubled to reflect the new accrual rates for sick leave bank (see sick leave accrual section).

An employee who receives severance pay for accumulated sick leave and accumulated sick leave bank on or after January 1, 1998 but returns to legislative service after January 1, 1998 shall have his/her sick leave balance and bank restored at the previous level less the number of hours paid as severance.

SICK LEAVE (continued)

Work-Related Disability and Employment. The appointing authority will attempt to place employees who have incurred a work-related disability in areas of work which would fit the employee's capabilities but will not create a job just to provide employment.

If I take a position in the executive branch, will my vacation and sick leave be posted in the agency? Will my vacation accrual remain the same?

Check the contract or Plan under which you are being hired. The legislative branch has specific reciprocal language in the AFSCME contract, MAPE, Manager's Plan, and Commissioner's Plan. Although there may not be language in the other contracts, an employee should check with the personnel officer in the House, Senate or LCC to see if the matter can be negotiated on an individual basis.

SEVERANCE PAY

Severance Pay as a Benefit. Severance pay represents a benefit to employees for low usage of sick leave and to eliminate difficulties caused by a change of employer. It is not compensation. Severance pay does not include any accrued vacation time. Upon separation, compensation for accrued vacation time is covered under "Vacation Rights" (see page 11).

Retirement, Death or Involuntary Termination. The following employees, regardless of length of service, receive severance pay equal to 40 percent of the employee's accumulated but unused sick leave balance (which balance shall not exceed 900 hours):

- Upon retirement on or after age 65;
- Employees who die while employed;
- Employees who are involuntarily terminated;
- Employees who retire before age 65 but who are immediately entitled at the time of retirement to receive an annuity under a state retirement program (notwithstanding an election to defer payment of the annuity).

Upon Voluntary Termination. Upon voluntary termination, regardless of length of service, employees receive prorated as severance pay two percent of accumulated but unused sick leave balance (which balance shall not exceed 900 hours) for each year of service to a maximum of 40 percent.

Calculating Severance Pay. If necessary, accumulated but unused sick leave bank hours shall be added to the sick leave balance to attain the 900 hours maximum. In addition, prior to January 1, 1998, the employee shall receive twenty-five percent (25%) of the employee's accumulated but unused sick leave bank. After January 1, 1998 the employee shall receive twelve and one-half percent (12.5%) of the employee's accumulated but unused sick leave bank. Severance pay is figured at the employee's regular rate of pay at the time of separation.

Reappointment to State Service. Should any employee who has received severance pay be subsequently reappointed to state service, eligibility for future severance pay is computed upon the difference between the amount of accumulated but unused sick leave restored to the employee's credit at the time the employee was reappointed and the amount of accumulated but unused sick leave at the time of the employee's subsequent eligibility for severance pay.

Severance Pay (continued)

Exclusion from Retirement Deductions/Benefits. Severance pay and the liquidation of accrued vacation leave are excluded from retirement deductions and from any calculations in retirement benefits.

Unpaid Leave Upon Separation. Unpaid leave may not be used upon separation from legislative service to extend employer paid insurance coverage.

I have a question on unemployment compensation. Whom should I contact?

For general information, call the Minnesota Department of Economic Security at (612) 296-3644.

LEAVES OF ABSENCE

Application for Leave. All requests for leaves of absence or extensions thereof will be approved or denied by the appointing authority. Requests for leaves or extensions shall be submitted to the employee's immediate supervisor as soon as the need for the leave or extension is known. The request must state the reason for requesting leave and the anticipated duration of the leave of absence. Failure to return at the end of an approved leave of absence, without contacting the appointing authority to request an extension prior to the end of the approved leave, shall be deemed to be a voluntary resignation.

Authorization for Leave. All requests for a leave of absence must be answered promptly. A leave of absence request may not be unreasonably denied. An employee may not be required to exhaust vacation leave accruals prior to a leave of absence. Authorization or denial of a leave of absence by the appointing authority must be furnished to the employee by the supervisor.

When an unpaid leave of absence has been approved for an employee, the appointing authority shall advise the employee in writing of the steps the employee must take to continue insurance coverages.

Upon separation, an unpaid leave may not be used to extend employer paid insurance coverage.

Paid leaves of absence granted under this Plan may not exceed the employee's work schedule.

Accrual Rates. Accrual of vacation and sick leave benefits and length of service shall continue during a leave of absence with pay. If an employee is granted leave without pay, the employee will not be credited with vacation, sick or length of service accruals for the period of leave without pay unless otherwise indicated.

Paid Leaves of Absence. An appointing authority **must grant** an advance request for a paid leave of absence for the following reasons:

- A. **Court Appearance Leave:** Leave, including travel time, for appearance before a court or other judicial or quasi-judicial body for job-related purposes.
- B. **Educational Leave:** Leave for educational purposes, if the education is required by the appointing authority.
- C. **Jury Duty Leave:** Leave for service upon a jury. When not impaneled for actual service, and only on call, the employee must report to work.

LEAVES OF ABSENCE (continued)

- D. **Military Leave:** Up to 15 working days leave (not to exceed eight hours per day or 120 total hours) each calendar year to a permanent full-time employee who is a member of a reserve force of the United States or of the State of Minnesota who is ordered by the appropriate authorities to attend a training program or perform any other duties under the supervision of the United States or of the State of Minnesota. Part-time employees or employees on percent time will receive up to 15 work days. The actual hours they receive shall not exceed their regularly scheduled hours. The employee, upon receiving written notification of duty, must notify his/her immediate supervisor within three (3) calendar days of receiving that written notification. Employees must also provide their Human Resources representative with a copy of their orders.
- E. **Voting Time Leave:** Leave for the time actually necessary to vote prior to noon of election day.
- F. **Election Judge Leave:** Leave for service as an election judge without penalty under procedures contained in M.S. 204B.195.
- G. **Blood Donation Leave:** Leave to donate blood at an onsite program endorsed by the Appointing Authority.
- H. **Athletic Leave:** Leave under the same terms as those granted to state employees in the executive branch under Minnesota Statutes 15.62 to prepare for and engage in world, Olympic, or Pan American games competition.

The appointing authority may grant paid leaves of absence for the following reasons:

- A. **Emergency Leave:** An appointing authority may excuse employees from duty with full pay in the event of a natural or man-made emergency, if continued presence would involve a threat to the employee's health or safety. A "natural emergency" includes severe weather conditions that, in the appointing authority's opinion, make traveling hazardous. Employees who must work despite the emergency must be allowed to take leave on another day agreed to by the employee and the appointing authority.
- B. **Transition Leave:** Leave, at the appointing authority's discretion, for a permanent employee on notice of termination. This leave is limited to the final two calendar weeks, ending at the date of termination.

LEAVES OF ABSENCE (continued)

Unpaid Leaves of Absence. The appointing authority may grant an advance request for an unpaid leave of absence for the following reasons:

- A. **Unclassified Service Leave:** Leave to any legislative employee to accept another position in the unclassified service of the state.
- B. **Educational Leave:** Leave for educational purposes not covered by provisions of this Plan governing paid leaves of absence.
- C. **Personal Leave:** Leave for personal reasons.
- D. **Leave for Related Work:** Leave not to exceed one year to accept a position of fixed duration outside of legislative service that is related to the employee's current work.
- E. **Salary Savings Leave:** The appointing authority may develop salary saving leave policies. These policies may include incentives to encourage employees to take unpaid leaves of absence.

The appointing authority **must grant** unpaid leaves of absence for the following reasons:

- A. **Disability Leave:** Leave up to one year to any permanent employee who, as a result of an extended illness or injury, has exhausted the employee's accumulation of sick leave balance and bank. (Upon the request of the employee, the leave may be extended.) An employee who becomes disabled while on another type of leave of absence may apply for and receive disability leave status so the employee becomes eligible for disability pension.
- B. **Parental Leave (Maternity/Paternity/Adoption/Foster Care):** Leave up to six months to a birth parent, adoptive parent, or foster parent who requests leave in conjunction with the birth, adoption, or placement of a child. Leave may be extended up to one year by mutual consent between the employee and the appointing authority. (Maternity leave may be requested by an employee rather than sick leave or vacation leave. Maternity leave may be requested after using some or all of an employee's accumulated sick or vacation leave.)

An eligible employee may take Caretaker and Medical Leave as parenting leave for up to 12 weeks (see next page).

LEAVES OF ABSENCE (continued)

- C. **Caretaker and Medical Leave:** Leave up to 12 weeks with the employer contribution of health insurance paid for eligible employees for the birth of a child and to care for that child, the placement of a child for adoption or foster care and to care for that child, for a serious health condition that makes the employee unable to perform the employee's job or to care for those listed under sick leave use (4,5) on page 14. Caretaker and Medical Leave may be taken intermittently or on a reduced schedule if medically necessary. An employee may be required to furnish a statement from a medical practitioner which supports the need for the leave. Up to 12 weeks may be taken only once in each calendar year. See also "Parental Leave" on previous page.
- D. **Military Leave:** Leave to an employee who enters into active military service in the armed forces of the United States for a period of military service, not to exceed four years.
- E. **VISTA or Peace Corps Leave:** Leave for VISTA or Peace Corps service for a period not to exceed four years.
- F. **Precinct Caucus Leave:** Leave for the purpose of attending a precinct caucus.
- G. **School Conference and Activities Leave:** Leave up to 16 hours during any school year to attend school conferences or activities related to the employee's child or to observe child care services or a pre-kindergarten program in accordance with M.S. 181.9412.
- H. **Political Convention Leave:** Leave for the purpose of meeting and convention activities, as specified under section 202A.135. This does not sanction conduct that is otherwise prohibited or restricted by law or the appointing authority.
- I. **Civil Air Patrol Leave:** Leave, subject to Minnesota Statutes section 181.946, to serve as a member of the civil air patrol.

Reinstatement After Leave. Subject to a contrary term under which a leave was granted, and subject to a reorganization by the appointing authority, an employee returning from an approved leave of absence shall be entitled to return to employment in the employee's former position or a position of comparable duties and pay.

Employees returning from leaves of absence in excess of one month must notify their appointing authority at least two weeks prior to their return from leave. Employees returning from an unpaid leave of absence return at the same rate of pay the employee had

LEAVES OF ABSENCE (continued)

been receiving at the time of the leave of absence commenced plus any automatic adjustments that would have been made had the employee been continuously employed during the period of absence.

Employees may return to work prior to the agreed upon termination date with the approval of the appointing authority.

Employee Interchange Program. An employee may participate in the government employee interchange program under M.S. 1988, Sections 15.51 to 15.59 subject to the approval of the appointing authority.

INSURANCE

SECTION 1. GROUP INSURANCE PROGRAM. During the life of this Plan, the Employer agrees to offer a Group Insurance Program that includes health, dental, life, and disability coverages equivalent to existing coverages, subject to the provisions of this Plan.

All insurance eligible employees will be provided with a Summary Plan Description describing these coverages. Such Summary Plan Description shall be provided no less than biennially and prior to the beginning of the insurance year. New insurance eligible employees shall receive a Summary Plan Description within (30) days of their date of eligibility.

SECTION 2. ELIGIBILITY FOR GROUP PARTICIPATION. This section describes eligibility to participate in the Group Insurance Program.

- A. **Employees - Basic Eligibility.** Permanent employees may participate in the Group Insurance Program if they are scheduled to work at least 1044 hours in any twelve consecutive months.
- B. **Employees - Special Eligibility.** The following employees are also eligible to participate in the Group Insurance Program:
 - 1. **Job-Sharing Employees.** Consistent with M.S. 43A.44, Subdivision 2, an employee in a job-sharing program may participate in the Group Insurance Program.
 - 2. **Employees With a Work-Related Injury/Disability.** An employee who was off the legislative payroll due to a work-related injury or a work-related disability may continue to participate in the Group Insurance Program as long as such an employee receives workers' compensation payments or while the workers' compensation claim is pending.
 - 3. **Totally Disabled Employees.** Consistent with M.S. 62A.148, certain totally disabled employees may continue to participate in the Group Insurance Program.
 - 4. **Retired Employees.** An employee who retires from State service, is not eligible for regular (non-disability) Medicare coverage, has five (5) or more years of allowable pension service, and is entitled at the time of retirement to immediately receive an annuity under a State retirement program, may continue to participate in the health and dental coverages offered through the Group Insurance Program.

INSURANCE (continued)

Consistent with M.S. 43A.27, Subdivision 3, a retired employee of the State who receives an annuity under a State retirement program may continue to participate in the health and dental coverages offered through the Group Insurance Program. Retiree coverage must be coordinated with Medicare.

5. **Employees on Unpaid Leave of Absence.** Employees on an approved leave of absence may enroll in such coverages at their own expense for a period of one year.
6. **Temporary Employees.** Temporary employees may enroll in the hospital and medical coverages provided by this Plan at their own expense.

C. **Eligible Dependents.** For the purpose of this Plan, eligible dependents are:

1. **Spouse.** The spouse of an eligible employee (if not legally separated). For the purposes of health insurance coverage, if that spouse works full-time for an organization employing more than 100 people and elects to receive either credits or cash (a) in place of health insurance or health coverage or (b) in addition to a health plan with a \$750 or greater deductible through his/her employing organization, he/she is not eligible to be a covered dependent for purposes of this Plan.

If both spouses work for the State or another organization participating in the State's Group Insurance Program, neither spouse may be covered as a dependent by the other, unless one spouse is not eligible for a full Employer Contribution as defined in Section 3A.

2. **Children and Grandchildren.** An eligible employee's unmarried dependent children and unmarried dependent grandchildren:
 - (a) through age eighteen (18) or
 - (b) through age twenty-four (24) if the child or grandchild is a full-time student at an accredited educational institution;
 - (c) a child or grandchild, regardless of age or marital status who is incapable of self-sustaining employment by reason of mental retardation, mental illness or physical disability and is chiefly dependent on the employee for support. The handicapped dependent shall be eligible for coverage as long as s/he continues to be handicapped and dependent, unless coverage terminates under the contract.

INSURANCE (continued)

"Dependent Child" includes an employee's

- (a) biological child,
- (b) child legally adopted by or placed for adoption with the employee,
- (c) foster child, and
- (d) stepchild.

To be considered a dependent child, a foster child must be dependent on the employee for his/her principal support and maintenance and be placed by the court in the custody of the employee. To be considered a dependent child, a stepchild must maintain residence with the employee and be dependent upon the employee for his/her principal support and maintenance.

"Dependent Grandchild" includes an employee's:

- (1) grandchild placed in the legal custody of the employee,
- (2) grandchild legally adopted by the employee or placed for adoption with the employee, or
- (3) grandchild who is the dependent child of the employee's unmarried dependent child. Under (1) and (3) above, the grandchild must be dependent upon the employee for principal support and maintenance and live with the employee.

If both spouses work for the State or another organization participating in the State's Group Insurance Program, either spouse, but not both, may cover their eligible dependent children or grandchildren. This restriction also applies to two divorced, legally separated, or unmarried employees who share legal responsibility for their eligible dependent children or grandchildren.

D. Continuation Coverage. Consistent with state and federal laws, certain employees, former employees, dependents, and former dependents may continue group health, dental, and/or life coverage at their own expense for a fixed length of time.

Employees should contact their insurance representatives. As of the date of the adoption of this Plan, state and federal laws allow certain group coverages to be continued if they would otherwise terminate due to:

- (a) termination of employment (except for gross misconduct);
- (b) layoff;
- (c) reduction of hours to an ineligible status;
- (d) dependent child becoming ineligible due to change in age, student status, marital status, or financial support (in the case of a foster child or stepchild);
- (e) death of employee; or

INSURANCE (continued)

- (f) divorce.

SECTION 3. ELIGIBILITY FOR EMPLOYER CONTRIBUTION. This section describes eligibility for an Employer Contribution for those employees determined eligible under Section 2 toward the cost of coverage.

- A. Full Employer Contribution - Basic Eligibility.** The following employees covered by this Plan receive the full Employer Contribution:
1. Employees who are scheduled to work at least forty (40) hours weekly for a period of nine (9) months or more in any twelve (12) consecutive months.
 2. Employees who are scheduled to work at least thirty (30) hours weekly for a twelve (12) consecutive month period, but excluding part-time employees serving on less than a seventy-five (75) percent basis.
- B. Partial Employer Contribution - Basic Eligibility** Employees who hold part-time, permanent appointments and who are scheduled to work at least fifty (50) percent of the time but less than seventy-five (75) percent of the time in a calendar year receive the full Employer Contribution for basic life coverage, and at the employee's option, a partial Employer Contribution for health and dental coverages. The partial Employer Contribution for health and dental coverages is seventy-five (75) percent of the full Employer Contribution for employee only coverage and sixty-five (65) percent of the full Employer Contribution for dependent coverage. For the 1998 plan year, the partial Employer Contribution for health and dental coverages is seventy-five (75) percent of the full Employer Contribution for both employee only and dependent coverage.
- C. Special Eligibility.** The following employees also receive an Employer Contribution:
1. **Job-Sharing Employees.** Consistent with M.S. 43A.44, Subdivision 2, an employee in a job-sharing program receives a pro rata Employer Contribution according to the share of the job worked. The pro rata Employer Contribution applies only to health and dental coverages; job-sharing employees receive the full Employer Contribution for basic life coverage.
 2. **Work-Related Injury/Disability.** An employee who receives an Employer Contribution and who is off the payroll due to a work-related injury or a work-related disability remains eligible for an Employer Contribution as long as such

INSURANCE (continued)

an employee receives workers' compensation payments. If such employee ceases to receive workers' compensation payments for injury or disability and is granted a disability leave he/she shall be eligible for Employer Contribution during that leave.

3. **Employees not terminated for cause.** A permanent employee who receives an Employer Contribution for health, dental and life insurance, who has three (3) or more years of continuous state service, and who has been terminated for reasons other than for cause, remains eligible for an Employer Contribution and all other benefits provided under the Insurance Chapter for six (6) months from the date of termination. A permanent legislative employee is eligible for this benefit if the employee is terminated because of abolition of the employee's position, shortage of work or funding, a management-imposed reduction in a full-time employee's normal work hours which continues longer than two consecutive weeks, or other reason outside the employee's control. Any employee who has voluntarily requested and received Appointing Authority approval to reduce his/her work hours shall not be considered to have been terminated.

D. Maintaining Eligibility for Employer Contribution.

1. **General.** An employee who receives a full or partial Employer Contribution maintains that eligibility as long as the employee meets the Employer Contribution eligibility requirements, and appears on a legislative payroll for at least one (1) full working day during each payroll period. This requirement does not apply to employees who are eligible for workers' compensation payments as described in Section 3C2, or to employees not terminated for cause as described in 3C3.
2. **Unpaid Leave of Absence.** If an employee is on an unpaid leave of absence, then vacation leave, compensatory time, or sick leave cannot be used for the purpose of maintaining eligibility for an Employer Contribution by keeping the employee on a Legislative payroll for one (1) working day per pay period.
3. An employee who is on an approved Caretaker and Medical leave or on a Salary Savings Leave as provided elsewhere in this Plan maintains eligibility.

SECTION 4. AMOUNT OF EMPLOYER CONTRIBUTION. For employees eligible for an Employer Contribution as described in Section 3, the amount of the Employer Contribution will be determined as follows beginning on January 1, 1998. The Employer Contribution

INSURANCE (continued)

amounts and rules in effect on June 30, 1997, will continue through December 31, 1997.

A. Contribution Formula - Health Coverage.

1. **Employee Coverage.** For employee health coverage, the Employer contributes an amount equal to the lesser of one hundred (100) percent of the employee-only premium of the Low-Cost Health Plan, or the actual employee-only premium of the health plan chosen by the employee.

2. **Dependent Coverage.** For dependent health coverage, the Employer contributes an amount equal to the lesser of ninety (90) percent of the dependent premium of the Low-Cost Health Plan, or the actual dependent premium of the health plan chosen by the employee.

3. **Lowest-Cost Health Plan.** For the purposes of Section 4A, "Low-Cost Health Plan" means the health plan with:

- (a) the lowest family premium rate; and
- (b) operating in the county of the employee's permanent work location or, in the case of a legislator, the county of permanent residence.

"Family premium" is the total of the employee premium and the dependent premium.

The Low-Cost Health Plan for each county for the 1998 insurance year is listed in Appendix A. During the 1998 insurance year, the list may be changed only if the Low-Cost Health Plan no longer operates in a county.

The list for the 1999 insurance year shall be the list established in accordance with procedures contained in state bargaining contracts.

4. **Employee Work Location and Legislator Home Location.** The Employer Contribution for each employee is based on the employee's permanent work location and for legislators on their permanent home location on the effective date of each new insurance year. If a legislator moves to another county and the health plan the legislator is enrolled in is not available in the new location, then the Employer Contribution changes to the amount in effect at the new home location.

B. Contribution Formula - Dental Coverage.

INSURANCE (continued)

1. **Employee Coverage.** For employee dental coverage, the Employer contributes an amount equal to the lesser of one hundred (100) percent of the employee premium of the State Dental Plan, or the actual employee premium of the dental plan chosen by the employee.
 2. **Dependent Coverage.** For dependent dental coverage, the Employer contributes an amount equal to the lesser of fifty (50) percent of the dependent premium of the State Dental Plan, or the actual dependent premium of the dental plan chosen by the employee.
- C. **Contribution Formula - Basic Life Coverage.** For employee basic life coverage and accidental death and dismemberment coverage, the Employer contributes one-hundred (100) percent of the cost.

SECTION 5. COVERAGE CHANGES AND EFFECTIVE DATES.

- A. **When Coverage May Be Chosen.** All employees must make their choice of employee health and dental plans and choice of dependent coverage (if applicable) within sixty (60) calendar days of the date of initial employment to an insurance eligible position. When health and dental coverage are elected, the employee will automatically be enrolled in basic life coverage. Employees eligible for a partial employer contribution may elect health and dental coverage within sixty (60) calendar days of initial employment or during an open enrollment period. Employees who become eligible for a full employer contribution must make their choice of health and dental plans and dependent coverage within sixty (60) calendar days of becoming eligible or be enrolled in the low cost plan in the county of the employee's work location. A legislator may change his/her health or dental plan if the legislator changes to a new permanent residence, and the legislator's current plan is not available at the new location. A legislator who changes residence between the end of an open enrollment period and the beginning of the next insurance year may change his/her health benefit plan within thirty (30) days of the date of the relocation under the same provisions accorded during the last open enrollment period.

An employee may also add dependent health or dental coverage following the birth of a child or dependent grandchild, or following the placement for adoption of a child.

In addition, an employee may add dependent health or dental coverage within thirty (30) days of the following events:

INSURANCE (continued)

1. If an employee becomes married, the employee may add his/her spouse and any dependent children/grandchildren.
2. If the employee's spouse loses group health or dental coverage, the employee may add his/her spouse and any dependent children/grandchildren.
3. When an employee acquires his/her first dependent child, grandchild or stepchild, the employee may add dependent coverage to cover both the child and the employee's spouse.

B. When Coverage May Be Canceled.

1. **Dependent Coverage.** An employee may cancel dependent health or dependent dental coverage outside of open enrollment only in the case of certain life events that are consistent with the request to cancel coverage. The request to cancel coverage must be made within sixty (60) days of the event. Life events include, but are not limited to:

- loss of dependent status of a sole dependent;
- death of a sole dependent;
- divorce;
- change in employment condition of an employee or spouse; or
- a significant change of spousal insurance coverage (cost of coverage is not a significant change).

Dependent health or dependent dental coverage may also be canceled during the open enrollment period that applies to each type of plan for any reason.

2. **Employee Coverage.** A part-time employee may also cancel employee coverage within sixty (60) days of when one of these same life events occurred.

Cancellation will take effect on the first day of the pay period coinciding with or next following the date of the application to cancel coverage, or the loss of eligible dependent status.

INSURANCE (continued)

C. Initial Effective Date. The initial effective date of coverage under the Group Insurance Program is the first day of the first payroll period beginning on or after the 28th calendar day following the employee's first day of employment, re-employment, re-hire, or reinstatement with the legislature. An employee must be actively at work on the initial effective date of coverage, except that an employee who is on paid leave on the date State-paid life insurance benefits increase is also entitled to the increased life insurance coverage. In no event shall an employee's dependent's coverage become effective before the employee's coverage.

D. Delay in Coverage Effective Date.

1. Health, Dental, and Basic Life. Except for dependent coverage for newborn children, handicapped dependents as defined in Minnesota Statutes 62A.14 and 62A.141, and children placed for the purposes of adoption, the effective date of initial coverage or a change in coverage is delayed in the event that, on the date coverage would otherwise be effective, an employee or his/her dependent is hospitalized. Initial coverage for a newborn child is not affected by the child's hospitalization. In all other cases, coverage does not begin or change until the beginning of the first payroll period following the employee's or dependent's hospital discharge. However, initial employee-only coverage may begin if the employee's dependent is hospitalized.

The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, an employee is on an unpaid leave of absence.

2. Optional Life and Disability Coverages. In order for coverage to become effective, the employee must be in active payroll status and not using sick leave on the first day of the pay period coinciding with or next following approval by the insurance company. If it is an open enrollment period, coverage may be applied for but will not become effective until the first day of the pay period coinciding with or next following the employee's return to work.

E. Open Enrollment.

1. Frequency and Duration. There shall be an open enrollment period for health coverage in each year of this Plan, and for dental coverage in the first year of this Plan. Open enrollment periods shall last a minimum of thirty (30) calendar days. Open enrollment changes become effective on January 1, 1998 in the first

INSURANCE (continued)

year of this Plan, and on January 1, 1999 in the second year of this Plan.

2. Eligibility to Participate. An employee eligible to participate in the State Employee Group Insurance Program, as described in Sections 2A and 2B, may participate in open enrollment. In addition, a person in the following categories may as allowed in section 5E1 above, make certain changes:

- (a) a former employee or dependent on continuation coverage, as described in Section 2D, may change plans or add coverage for health and/or dental plans on the same basis as active employees; and
- (b) an early retiree, prior to becoming eligible for Medicare, may change health and/or dental plans as agreed to for active employees, but may not add dependent coverage.

3. Materials for Employee Choice. Prior to open enrollment, in the first year of the contract, the Appointing Authority will give each employee a copy of the Summary Plan Description. Employees will be provided a statement of their current coverage each year of the contract.

F. Coverage Selection Prior to Retirement. An employee who retires and is entitled to receive an annuity under a State retirement program may change his/her health or dental plan during the sixty (60) calendar day period immediately preceding the date of retirement. The employee may not add dependent coverage during this period. The change takes effect on the first day of the first pay period beginning after the date of retirement.

SECTION 6. BASIC COVERAGES.

A. Employee and Family Health Coverage.

1. Coverage Options. Eligible employees may select coverage under any one of the health plans offered by the Employer, including health maintenance organization plans, the State Health Plan, or other health plans. Coverage offered through health maintenance organization plans is subject to change during the life of this Plan as a result of procedures contained in state bargaining contracts. Coverage offered through the State Health Plan is determined by Section 6A2.

2. Coverage Under the State Health Plan. From July 1, 1997, through

INSURANCE (continued)

December 31, 1997, coverage under the State Health Plan Point of Service and State Health Plan Select (hereinafter referred to as SHPPOS and SHPS, respectively) will continue at the level in effect on June 30, 1997. Effective January 1, 1998, SHPPOS and SHPS will cover allowable charges for the following eligible services subject to the copayments and coverage limits stated. Services provided through both plans are subject to their managed care procedures and principles, including standards of medical necessity and appropriate practice.

- a. Services received from, or authorized by, a primary care physician within the primary care clinic. State Health Plan Point of Service (SHPPOS) and State Health Plan Select (SHPS).

The following health care services under the SHPPOS and SHPS shall be received from, or authorized by a primary care physician within the primary care clinic. The primary care clinic shall be selected from approved clinics in accordance with SHPPOS and SHPS administrative procedures. Higher out-of-pocket costs as described in 6A2b apply to the following services if not received from, or authorized by, a primary care physician within the primary care clinic.

1. **Inpatient hospital services.** One hundred (100) percent coverage.
 2. **Outpatient surgery center services.** One hundred (100) percent coverage.
 3. **Home health services.** One hundred (100) percent coverage up to a maximum of five thousand dollars (\$5,000) eligible expenses per person per year.
 4. **X-rays and laboratory test.** One hundred (100) percent coverage.
 5. **Preventive Care.** One hundred (100) percent coverage.
 6. **Physicians services.** One hundred (100) percent coverage.
 7. **Durable medical equipment.** Eighty (80) percent coverage.
- b. Services not authorized by a primary care physician within the primary care clinic. Coverage under this section 6A2b is only available to individuals

INSURANCE (continued)

who elect SHPPOS coverage, and then only under the terms and conditions outlined in the Certificate of Coverage.

For services under 6A2a which are not authorized by a primary care physician within the primary care clinic in the 1998 and 1999 insurance years:

- there is a three hundred fifty dollar (\$350) deductible per person with a maximum deductible per family per year of seven hundred dollars (\$700).

After deductible is satisfied, seventy (70) percent coverage up to a maximum annual copayment of:

- three thousand dollars (\$3,000) per person and six thousand dollars (\$6,000) per family.

These deductibles and copayments are separate from the deductibles and copayments for authorized services under Section 6A2a.

c. **Special Service Networks (applies to SHPPOS and SHPS):**

The following services must be received from Special Service select network providers in order to be covered.

1. **Mental health services - inpatient and outpatient.** One hundred (100) percent coverage (up to 365 days for inpatient services.) No coverage for services obtained from out-of-network providers under SHPS. Out-of-network services are available under SHPPOS according to the terms of the Certificate of Coverage. Services need not be authorized by a primary care physician within the primary care clinic.
2. **Chemical dependency services - inpatient and outpatient.** One hundred (100) percent coverage (up to 365 days for inpatient services.) No coverage for services obtained from out-of-network providers under SHPS. Out-of-network services are available under SHPPOS according to the terms of the Certificate of Coverage. Services need not be authorized by a primary care physician within the primary care clinic.

INSURANCE (continued)

3. Chiropractic services. 100% coverage. No coverage for services obtained from out-of-network providers. Services need not be authorized by a primary care physician within the primary care clinic. Coverage shall be provided for a minimum of twenty (20) services or twenty-one (21) calendar days, whichever is greater, per incident.

4. Transplant coverage. The SHPPOS and SHPS shall provide transplant coverage, as specified in their respective Certificates of Coverage. No coverage for services obtained from out-of-network providers.

Referrals for eligible transplant services must be authorized by a primary care physician within the primary care clinic.

5. Cardiac services. No coverage for non-emergency cardiac services obtained from out-of-network providers. Referrals for services must be authorized by a primary care physician within the primary care clinic.

6. Home Infusion Therapy. The SHPPOS and SHPS shall provide Home Infusion Therapy coverage as specified in their respective Certificates of Coverage. No coverage for services obtained from out-of-network providers. Referrals for eligible home infusion therapy services must be authorized by a primary care physician within the primary care clinic.

7. Hospice Benefit. One hundred (100) percent coverage for services obtained from in-network providers. Seventy (70) percent coverage for services obtained from out-of-network providers under SHPPOS.

d. Services not requiring authorization by a primary care physician within the primary care clinic.

The following services do not require authorization by a primary care physician within the primary care clinic in order to be covered.

1. Prescription drugs.

- Insulin will be treated as a prescription drug subject to a separate copay for each type prescribed.

INSURANCE (continued)

- If the subscriber chooses a brand name drug when a bioequivalent generic drug is available, the subscriber is required to pay the standard copayment plus the difference between the cost of the brand name drug and the generic.

a. SHPS. Prescription drugs. For the 1998 and 1999 insurance years:

- eight dollar (\$8) copayment per prescription or refill for a formulary drug dispensed in a thirty-four (34) day supply.
- all diabetic supplies, including test tapes and syringes, are covered under the durable medical equipment benefit at 80% and are not subject to the thirty-four (34) day or one hundred (100) unit dispensing limitation.

b. SHPPOS. Prescription drugs. For the 1998 and 1999 insurance years:

- eight dollar (\$8) copayment per prescription or refill for a formulary drug dispensed in a thirty four (34) day supply, or a one hundred (100) day supply for approved maintenance drugs;
- fourteen dollar (\$14) for non-formulary drugs; one hundred (100) percent coverage after copayment.
- A prescription for a non-formulary drug will be treated as formulary if the physician has written Dispense as Written (DAW) on the prescription.

Diabetic Supplies.

1. Beginning with the 1992 plan year, any diabetics not included in the "Grandfathered Diabetic Group" described in paragraph 2 below will have diabetic supplies covered as follows:
 - All diabetic supplies, other than test tapes and syringes, are covered under the durable medical equipment benefit at eighty percent (80%) and are not subject to the thirty-four (34) day or one hundred (100) unit dispensing limitation.
 - Test tapes and syringes: an eight dollar (\$8) copayment of a thirty-

INSURANCE (continued)

four (34) day supply of each.

2. For insulin dependent diabetics who have been continuously enrolled in the State Health Plan since January 1, 1991, and who were identified as having used these supplies during the period January 1, 1991 through September 30, 1991 (herein the "Grandfathered Diabetic Group"), diabetic supplies are covered as follows:

- Test tapes and syringes are covered at one hundred (100) percent for the greater of a thirty-four (34) day supply or one hundred (100) units when purchased with insulin.
- All other diabetic supplies, including test tapes and syringes not dispensed with the purchase of insulin, are covered under the durable medical equipment benefit at eighty percent (80%) and are not subject to the thirty-four (34) day or one hundred (100) unit dispensing limitation.

2. Eye exams. SHPPOS and SHPS. One hundred (100) percent coverage. (Limited to one routine examination per year.)

3. Outpatient emergency and urgent center services. SHPPOS and SHPS. Thirty dollar (\$30) copayment per visit for outpatient emergency visits and fifteen dollar (\$15) copayment per visit for urgent center visits that do not result in hospital admission within twenty-four (24) hours; one hundred (100) percent coverage thereafter.

4. Ambulance. SHPPOS and SHPS. Eighty (80) percent coverage for eligible expenses. (Air ambulance paid to ground ambulance coverage limit only, unless ordered "first response" or if air ambulance is the only medically acceptable means of transport as certified by the attending physician.)

5. Lifetime maximum. SHPPOS and SHPS. Coverage under the State Health Plan is subject to a per-person lifetime maximum. The lifetime maximum is two million dollars (\$2,000,000) for services under 6A2a, 6A2c, and 6A2d combined. The lifetime maximum for services under 6A2b is limited to five hundred thousand dollars (\$500,000). The five hundred thousand dollar (\$500,000) maximum which applies under 6A2b is part of, and not in addition to, the two million dollars (\$2,000,000) lifetime plan maximum.

INSURANCE (continued)

3. **Coordination with Workers' Compensation.** When an employee has incurred an on-the-job injury or an on-the-job disability and has filed a claim for workers' compensation, medical costs connected with the injury or disability shall be paid by the employee's health plan, pursuant to M.S. 176.191, Subdivision 3.
4. **Health Promotion and Health Education.** The Plan recognizes the value and importance of health education programs. Such programs can assist employees and their dependents to maintain and enhance their health, and to make appropriate use of the health care system. The employer may develop and implement health promotion and health education programs, subject to the availability of resources.

B. Employee and Family Dental Coverage.

1. **Coverage Options.** Eligible employees may select coverage under any one of the dental plans offered by the Employer, including health maintenance organization plans, the State Dental Plan, or other dental plans. Coverage offered through health maintenance organization plans is subject to change during the life of this Plan as a result of procedures contained in state bargaining contracts. This also pertains to actuarial reductions in the level of HMO coverages effective during the term of this Plan, including increases in copayments. Coverage offered through the State Dental Plan is determined by Section 6B2.
2. **Coverage Under the State Dental Plan.** The State Dental Plan will provide the following coverage:
 - a. **Copayments.** Effective January 1, 1998, the State Dental Plan will cover allowable charges for the following services subject to the copayments and coverage limits stated. Higher out-of-pocket costs apply to services obtained from dental care providers not in the State Dental Plan network. Services provided through the State Dental Plan are subject to the State Dental Plan's managed care procedures and principles, including standards of dental necessity and appropriate practice. The plan shall cover general cleaning two (2) times per plan year and special cleanings (root or deep cleaning) as prescribed by the dentist.

INSURANCE (continued)

Service	In-Network	Out-of Network
Diagnostic/ Preventive	100%	50%
Fillings	80%	50%
Endodontics	80%	50%
Periodontics	80%	50%
Oral Surgery	80%	50%
Crowns	80%	50%
Prosthetics	50%	None
Prosthetics Repairs	50%	None
Orthodontics*	80%	50%

* Please refer to your certificate of coverage for information regarding age limitations for dependent orthodontic care.

- b. **Deductible.** An annual deductible of one hundred dollars (\$100) per person applies to State Dental Plan services received from out of network providers. The deductible must be satisfied before coverage begins.
- c. **Annual Maximums.** State Dental Plan coverage is subject to a one thousand (\$1,000) annual maximum in eligible expenses per person. "Annual" means per insurance year.

C. Employee Life Coverage.

1. **Basic Life and Accidental Death and Dismemberment Coverage.** The Employer agrees to provide and pay for the following term life coverage and accidental death and dismemberment coverage for all employees eligible for an Employer Contribution, as described in this Plan. Any premium paid by the State in excess of fifty thousand dollars (\$50,000) coverage is subject to a tax

INSURANCE (continued)

liability in accord with Internal Revenue Services regulations. An employee may decline coverage in excess of fifty thousand dollars (\$50,000) by filing a waiver in accord with the Appointing Authority.

Employee's Annual Base Salary	Group Life Insurance Coverage	Accidental Death and Dismemberment Principal Sum
\$10,000 - \$15,000	\$15,000	\$15,000
\$15,001 - \$20,000	\$20,000	\$20,000
\$20,001 - \$25,000	\$25,000	\$25,000
\$25,001 - \$30,000	\$30,000	\$30,000
\$30,001 - \$35,000	\$35,000	\$35,000
\$35,001 - \$40,000	\$40,000	\$40,000
\$40,001 - \$45,000	\$45,000	\$45,000
\$45,001 - \$50,000	\$50,000	\$50,000
\$50,001 - \$55,000	\$55,000	\$55,000
\$55,001 - \$60,000	\$60,000	\$60,000
\$60,001 - \$65,000	\$65,000	\$65,000
\$65,001 - \$70,000	\$70,000	\$70,000
over 70,000	\$75,000	\$75,000

- 2. Extended Benefits.** An employee who becomes totally disabled before age 70 shall be eligible for the extended benefit provisions of the life insurance policy until age 70. Current recipients of extended life insurance shall continue to receive such benefits under the terms of the policy in effect prior to July 1, 1983.
- 3. Additional Death Benefit.** Employees who retire on or after July 1, 1985, shall be entitled to a five hundred dollar (\$500) death benefit payable to a beneficiary designated by the employee, if at the time of death the employee is entitled to an annuity under a State retirement program. A five hundred dollar (\$500) cash death benefit shall also be payable to the designated beneficiary of an employee who becomes totally and permanently disabled on or after July 1, 1985, and who at the time of death is receiving a State disability benefit and is eligible for a deferred annuity under a State retirement program.

SECTION 7. OPTIONAL COVERAGES. An employee who takes an unpaid leave of absence or who is terminated may discontinue premium payments on optional policies during the period of leave or at termination. If the employee returns within one (1) year, the employee shall be permitted to pick up all optionals held prior to the leave or termination. For purposes of reinstating such optional coverages, the following limitations shall be applicable.

INSURANCE (continued)

1. For the first 24 months of short-term and/or long-term disability coverage after such a period of leave or termination, any such disability coverage shall exclude coverage for certain pre-existing conditions. For disability purposes, a pre-existing condition is defined as any disability which is caused by, or results from, any injury, sickness or pregnancy which occurred, was diagnosed, or for which medical care was received during the period of leave or termination. In addition, any pre-existing condition limitations that would have been in effect under the policy but for the discontinuance of coverage shall continue to apply as provided in the policy.
2. For the first 24 months of optional life coverage after such a period of leave or termination, any such optional life coverage shall exclude coverage for certain pre-existing conditions. For optional life purposes, any death which is caused by, or results from any injury or sickness which occurred, was diagnosed, or for which medical care was received during the period of leave or termination shall be excluded from coverage for such 24-month period.

The limitations set forth in 1. and 2. above do not apply to Caretaker and Medical leaves.

A. Life Coverage.

1. **Employee.** An employee may purchase up to three hundred thousand (\$300,000) additional life insurance, in increments established by the Employer, subject to satisfactory evidence of insurability. A new employee may purchase up to (2) times annual salary or \$200,000, whichever is less, in optional employee life coverage within sixty (60) calendar days of hire without evidence of insurability.
2. **Spouse.** An employee may purchase up to three hundred thousand dollars (\$300,000) life insurance coverage for his/her spouse in increments established by the Employer, subject to satisfactory evidence of insurability. A new employee may purchase either five thousand dollars (\$5,000) or ten thousand dollars (\$10,000) in optional spouse life coverage within sixty (60) calendar days of hire without evidence of insurability.
3. **Children/Grandchildren.** An employee may purchase life insurance in the amount of ten thousand dollars (\$10,000) as a package for all eligible children/grandchildren (as defined in Section 2C of this Plan). Child/grandchild coverage requires evidence of insurability if application is made after the first sixty (60) calendar days of employment. Child/grandchild coverage commences

INSURANCE (continued)

fourteen (14) calendar days after birth.

4. **Waiver of Premium.** In the event an employee becomes totally disabled before age seventy (70), there shall be a waiver of premium for all life insurance coverage that the employee had at the time of disability.
5. **Paid-Up Life Policy.** At age sixty-five (65) or the date of retirement, an employee who has carried optional employee life insurance for the five (5) consecutive years immediately preceding the date of the employee's retirement or age sixty-five (65), whichever is later, shall receive a post-retirement paid-up life insurance policy in an amount equal to ten (10) percent of the smallest amount of optional employee life insurance in force during that five (5) year period. The employee's post-retirement death benefit shall be effective as of the date of the employee's retirement or the employee age sixty-five (65), whichever is later. Employees who retire prior to age sixty-five (65) must be immediately eligible to receive a state retirement annuity and must continue their optional employee life insurance to age sixty-five (65) in order to remain eligible for the employee post-retirement death benefit.

An employee who has carried optional spouse life insurance for the five (5) consecutive years immediately preceding the date of the employee's retirement or spouse age sixty-five (65), whichever is later, shall receive a post-retirement paid-up life insurance policy in an amount equal to ten (10) percent of the smallest amount of optional spouse life insurance in force during that five (5) year period. The spouse post-retirement death benefit shall be effective as of the date of the employee's retirement or spouse age sixty-five (65), whichever is later. The employee must continue the full amount of optional spouse life insurance to the date of the employee's retirement or spouse age sixty-five (65), whichever is later, in order to remain eligible for the spouse post-retirement death benefit.

Each policy remains separate and distinct, and amounts may not be combined for the purpose of increasing the amount of a single policy.

B. Disability Coverage.

1. **Short-Term Disability Coverage.** An employee may purchase short-term disability coverage that provides benefits from three hundred dollars (\$300) to three thousand dollars (\$3,000) per month, up to two-thirds (2/3) of an employee's salary, for up to one hundred eighty (180) days during total

INSURANCE (continued)

disability due to a non-occupational accident or a non-occupational sickness. Benefits are paid from the first day of a disabling injury or from the eighth day of a disabling sickness. Coverage applied for within sixty (60) days of hire or becoming insurance eligible does not require evidence of insurability.

2. **Long-Term Disability Coverage.** New employees may enroll in long-term disability insurance within sixty (60) days of employment or insurance eligibility. The terms are the same as for employees who wish to add/increase during the annual open enrollment. During open enrollment only, an employee may purchase long-term disability coverage that provides benefits from two hundred dollars (\$200) to two thousand dollars (\$2,000) per month, based on the employee's salary, commencing on the 181st calendar day of total disability, and not subject to evidence of insurability but with a limited term pre-existing condition exclusion. Employees should be aware that other wage replacement benefits, as described in the certificate of coverage (i.e., Social Security Disability, Minnesota State Retirement Disability, etc.), may result in a reduction of the monthly benefit levels awarded in the event of a disability. In the event that the employee becomes totally disabled before age seventy (70), the premiums on this benefit shall be waived.

- C. **Accidental Death and Dismemberment Coverage.** An employee may purchase accidental death and dismemberment coverage that provides principal sum benefits in amounts ranging from five thousand dollars (\$5,000) to one hundred thousand dollars (\$100,000). Payment is made only for accidental bodily injury or death and may vary, depending upon the extent of dismemberment. An employee may also purchase from five thousand dollars (\$5,000) to twenty-five thousand dollars (\$25,000) in coverage for his/her spouse, but not in excess of the amount carried by the employee.

SECTION 8. HEALTH/DENTAL EXPENSE ACCOUNTS.

- A. **Premium Expense Account.** Insurance eligible employees will pay for the employee portion of health and dental premiums on a pre-tax basis as permitted by law or regulation unless the employee signs a waiver.
- B. **Health/Dental Expense Account.** Employees will be allowed to cover copayments, deductibles, and other medical and dental expenses or expenses for services not covered by health or dental insurance as permitted by law or regulation, up to a

INSURANCE (continued)

maximum expenditure of \$5,000 per insurance year.

SECTION 9. DEPENDENT CARE EXPENSE ACCOUNT. Insurance eligible employees have the option to participate in a dependent care reimbursement program for work-related dependent care expenses on a pre-tax basis as permitted by law or regulation.

SECTION 10. DEFERRED COMPENSATION.

Employees may either elect to receive a state-paid contribution to the state deferred compensation program, or elect to convert vacation to deferred compensation.

A. State-paid Contribution To Deferred Compensation

For employees electing the state-paid contribution benefit, payment is as follows:

Effective with the first payroll period in January 1998, the Employer agrees to provide permanent employees covered under this Plan with a state-paid contribution to the deferred compensation program under M.S. 352.96. The state-paid contribution shall be in an amount matching the employee's contribution on a dollar-for-dollar basis as permitted by M.S. 356.24 not to exceed two hundred dollars (\$200.00) per employee for the fiscal year ending June 30, 1998, and not to exceed two hundred dollars (\$200.00) per employee for the fiscal year ending June 30, 1999.

B. Conversion of Accumulated Vacation To Deferred Compensation

For employees electing the conversion of accumulated vacation to deferred compensation benefit, payment is as follows:

Once each fiscal year, an employee may convert a portion of the employee's accumulated vacation for a contribution to a deferred compensation plan for which a payroll deduction has been provided. Each employee may convert up to one hour of vacation for each three hours of vacation used in the 12 month period ending with the last full pay period within the previous fiscal year. An employee may not convert more than 40 hours per fiscal year.

The provision shall not be used in the pay period that contains the first of July.

Contributions to deferred compensation plans made through the conversion of vacation hours are subject to all the rules and regulations of the respective plans.

WORKERS' COMPENSATION

Job-Related Injuries. An employee incurring an on-the-job injury shall be paid his/her regular rate of pay for the remainder of the scheduled work day without deduction from vacation or sick leave accruals.

An employee who incurs a compensable illness or injury and receives workers' compensation benefits may elect to use accumulated vacation or sick leave, or both, during an absence resulting from an injury or illness for which a claim for workers' compensation is made or while an award of benefits is pending. Such leave may be used on the following basis:

- 1) The employee retains the workers' compensation benefit check and receives payments from sick leave and vacation leave accruals in an amount which will total his/her regular gross pay for the period of time involved provided that the total rate of compensation shall not exceed the regular compensation of the employees (M.S. 176.021, Subdivision 5); or
- 2) The employee retains the workers' compensation benefit check and takes an unpaid workers' compensation leave during the time he/she is unable to work.
- 3) An employee shall return from workers' compensation leave upon appropriate release from workers' compensation status provided the employee is able to perform the work satisfactorily and safely as determined by competent medical authority.

Vacation and Sick Leave Accruals. An eligible employee receiving workers' compensation benefits supplemented by vacation and/or sick leave accruals shall accrue vacation and sick leave for the total number of hours compensated by workers' compensation, sick leave, vacation leave, and regular hours worked. An employee on unpaid workers' compensation leave does not accrue vacation or sick leave.

Insurance. For employees who are off the State payroll due to a work-related injury or disability, benefits provided under insurance sections of this Plan shall continue as long as the employee is receiving workers' compensation payments or is using disability leave.

For all matters involving workers' compensation, the state rules, regulations and interpretations of statute will apply.

ADA/WORKERS' COMPENSATION

Compliance with the Americans With Disabilities Act (ADA) is an obligation of the Legislature, its employees and members. The Appointing Authority shall consider accommodation requests from individuals who qualify under the ADA and employees returning from workers' compensation leave.

EXPENSE ALLOWANCES

General. The appointing authority may authorize employee expenses for the effective conduct of the legislature's business. Authorization must be granted prior to the incurring of the actual expenses. Employees affected under this Plan are reimbursed for expenses authorized by the appointing authority in accord with the terms of this Plan.

Non-Commercial Transportation Expense.

Automobile. When an employee is required to use the employee's personal automobile to conduct authorized state business, the appointing authority must reimburse the employee at the same rate per mile as the standard mileage rate for business use of an automobile as permitted under the federal income tax at the time the reimbursement request is submitted. Mileage will be calculated on the most direct route according to Transportation Department records. Deviations from the most direct route, such as vicinity driving or departure from the employee's residence, must be shown separately on the employee's daily expense record and reimbursed under the foregoing rate. Toll charges and parking fees actually paid shall be reimbursed. An employee may not be required by the appointing authority to carry automobile insurance coverage beyond that required by law.

When an employee does not report to the office during the day or makes business calls before or after reporting to the office, the allowable mileage is: (1) the lesser of the mileage from the employee's residence to the first stop or from the office to the first stop, (2) all mileage between points visited on state business during the day, and (3) the lesser of the mileage from the last stop to the employee's residence or from the last stop to the office.

Van or Van-type Vehicle. Employees who use a specially equipped personal van or van-type vehicle on official state business are reimbursed for mileage at a rate of 50 cents per mile on the most direct route. In order to qualify for this reimbursement rate, the

EXPENSE ALLOWANCES (continued)

vehicle must be equipped with a ramp, lift, or other level exchanging device designed to provide access for a wheelchair.

Motorcycle. Reimbursement for use of a motorcycle on official state business shall be at a rate of 15 cents per mile on the most direct route.

Personal Aircraft. The appointing authority may authorize travel in personal aircraft when it is deemed in the best interest of the state. Mileage reimbursement is at the rate of 45 cents and is based on the shortest route based on direct air mileage between the point of departure and the destination.

Commercial Transportation. When an employee is required to use commercial transportation (air, taxi, rental car, etc.) in connection with authorized business of an appointing authority, the employee is reimbursed for the actual expenses of the mode and class of transportation so authorized. Reasonable gratuities may be included in commercial travel costs.

If an employee uses a personal automobile instead of commercial transportation, the employee is reimbursed either mileage, at the rates stated previously, or round trip air fare, whichever is less as determined by the appointing authority.

Overnight Travel. Employees in travel status who incur expenses for lodging are allowed actual reasonable costs of lodging and meals while away from their home station, up to the maximums stated below. Employees in travel status in excess of one week without returning home are allowed actual cost not to exceed \$16.00 per week for laundry and dry cleaning for each week after the first week. Employees in travel status may be reimbursed for actual, documented personal telephone charges. The maximum reimbursement for telephone calls for each trip shall be the result of multiplying the number of nights away from home by three dollars.

Meal Allowances. If the employee is on assignment away from the employee's home station in a travel status, the employee is reimbursed for actual costs of meals (up to the maximum reimbursement) including gratuity. Employees are also reimbursed for meals which are an integral part of conferences and meetings which have been approved in advance by the appointing authority.

EXPENSE ALLOWANCES (continued)

Maximum reimbursements for meals, including tax and gratuity, are:

	Breakfast	Lunch	Dinner
Within the state:	\$7.00	\$9.00	\$15.00
Outside the state:	\$8.00	\$10.00	\$17.00

Employees who are in travel status for two or more meals are reimbursed for the actual costs of the meals up to the combined maximum amount per day for the reimbursable meals.

Breakfast reimbursements may be claimed only if the employee is on assignment away from his/her home station in a travel status overnight or departs from home in an assigned travel status before 6:00 a.m. Dinner reimbursement may be claimed only if the employee is away from his/her home station in a travel status overnight or is required to remain in a travel status until after 7:00 p.m.

Special Expenses. When prior approval has been granted by an appointing authority, special expenses, including registration or conference fees, individual annual professional membership dues and professional fees, and tuition for educational classes may be paid.

Registration or conference fees may be paid or reimbursed only if the conference or meeting is relevant to the employee's current job and attendance is state business.

Professional membership dues and professional fees may be paid only if they are directly related to the employee's current position.

Educational expenses, including fees and tuition, may be paid or reimbursed only if:

- (1) the course is related to maintaining or improving performance in current or anticipated job responsibilities of the employee; or
- (2) the education is required by the appointing authority, or applicable professional or licensing group, as a condition for retention of employment.

EXPENSE ALLOWANCES (continued)

Educational expenses may not be paid or reimbursed if the education is necessary for the employee:

- (1) to meet the minimum educational requirement for the employee's current position; or
- (2) to qualify for a new job.

Career Development. The appointing authority may develop an education program for career development.

Payment of Expenses. No expenses (transportation, lodging, meals or registration fees) may be paid in advance.

JOB CANDIDATE INTERVIEW AND RELOCATION ALLOWANCES

Authorization. The appointing authority may authorize reimbursement to a job candidate for actual expenses incurred in traveling to appear for a job interview. Reimbursement is the same as for employees traveling on legislative business.

When it has been determined by the appointing authority that a position is to be filled by a job candidate who resides fifty miles or more from the state capitol, the cost of moving the job candidate may be paid by the appointing authority.

Covered Expenses.

Moving and Packing. The appointing authority may pay the cost of moving and packing the employee's household goods. The employee must obtain no less than two bids for packing and/or moving household goods, and approval must be obtained from the appointing authority prior to any commitment to a mover to either pack or ship the employee's household goods.

Storage. The appointing authority may also pay for up to six months of storage of a prospective employee's goods, either at origin or destination, if necessitated by the employee's inability to coordinate the acquisition of a new residence with the departure from the old residence or for other good cause not amounting to a voluntary election to store the goods.

House Trailer. The appointing authority may pay for the moving of house trailers if the trailer is the employee's domicile. Reimbursement includes the cost of transporting support blocks, skirts, or other attached fixtures.

No Coverage for Loss or Damage. Neither the State of Minnesota nor any of its agencies are responsible for any loss or damage to any of the employee's household goods or personal effects as a result of transfer.

APPENDIX A

LOW-COST HEALTH PLAN BY COUNTY -- 1998 INSURANCE YEAR

County	Low-Cost Health Plan	County	Low-Cost Health Plan
Aitkin	Medica Primary	Marshall	State Health Plan
Anoka	State Health Plan Select	Martin	State Health Plan
Becker	State Health Plan Select	Meeker	State Health Plan Select
Beltrami	Medica Primary	Mille Lacs	Medica Primary
Benton	State Health Plan Select	Morrison	Medica Primary
Big Stone	Health Partners	Mower	State Health Plan
Blue Earth	State Health Plan Select	Murray	Medica Primary
Brown	Medica Primary	Nicollet	State Health Plan Select
Carlton	First Plan Select	Nobles	Health Partners
Carver	State Health Plan Select	Norman	Medica Primary
Cass	State Health Plan Select	Olmsted	State Health Plan Select
Chippewa	State Health Plan Select	Otter Tail	Medica Primary
Chisago	State Health Plan Select	Pennington	State Health Plan Select
Clay	State Health Plan Select	Pine	Medica Primary
Clearwater	Medica Primary	Pipestone	State Health Plan
Cook	State Health Plan	Polk	State Health Plan Select
Cottonwood	Medica Primary	Pope	State Health Plan Select
Crow Wing	State Health Plan Select	Ramsey	State Health Plan Select
Dakota	State Health Plan Select	Red Lake	State Health Plan Select
Dodge	State Health Plan Select	Redwood	State Health Plan Select
Douglas	Medica Primary	Renville	State Health Plan Select
Faribault	State Health Plan Select	Rice	Medica Primary
Fillmore	State Health Plan Select	Rock	Medica Primary
Freeborn	State Health Plan	Roseau	State Health Plan Select
Goodhue	Medica Primary	St. Louis	State Health Plan Select
Grant	Medica Primary	Scott	State Health Plan Select
Hennepin	State Health Plan Select	Sherburne	State Health Plan Select
Houston	State Health Plan Select	Sibley	Medica Primary
Hubbard	State Health Plan Select	Stearns	State Health Plan Select
Isanti	Medica Primary	Steele	State Health Plan Select
Itasca	First Plan Select	Stevens	Medica Primary
Jackson	Medica Primary	Swift	State Health Plan Select
Kanabec	Medica Primary	Todd	Medica Primary
Kandiyohi	State Health Plan Select	Traverse	Medica Primary
Kittson	State Health Plan	Wabasha	Health Partners
Koochiching	Medica Primary	Wadena	Medica Primary
Lac Qui Parle	State Health Plan Select	Waseca	State Health Plan Select
Lake	First Plan Select	Washington	State Health Plan Select
Lake of the Woods	State Health Plan Select	Watsonwan	Health Partners
LeSueur	State Health Plan Select	Wilkin	State Health Plan Select
Lincoln	Medica Primary	Winona	State Health Plan Select
Lyon	State Health Plan Select	Wright	State Health Plan Select
McLeod	Medica Primary	Yellow Medicine	State Health Plan Select
Mnominon	State Health Plan Select	Out of State	State Health Plan

APPENDIX B (COBRA)

The Comprehensive Omnibus Budget Reconciliation Act of 1986 (COBRA) (42 U.S.C.A. Sections 300bb-1 to 300bb-8) requires that most employer sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances when coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of that law. **Both you and your spouse, if any, should take the time to read this notice carefully.**

As an employee of the Minnesota Legislature, you have the right to choose this continuation coverage if you lose health coverage under the State Employees Group Insurance Program (SEGIP) because of a termination of your employment (for reasons other than gross misconduct) or reduction in your hours of employment.

A dependent child of an employee covered by the State Employees Group Insurance Program has the right to continuation coverage if the group health coverage under the State Employees Group Insurance Program is lost for any of the following five reasons:

- (1) the death of a parent;
- (2) a termination of the parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment;
- (3) a parent's divorce or legal separation;
- (4) a parent becomes entitled to Medicare; or
- (5) the dependent child ceases to be a "dependent child" under the State Employees Group Insurance Program.

Under the law, the employee or a family member has the responsibility to inform the Minnesota Legislature of a divorce, legal separation, or a child losing dependent status under the State Employees Group Insurance Program within 60 days after the event. The State Employees Group Insurance Program is located in the Department of Employee Relations, 200 Centennial Building, 658 Cedar Street, St. Paul, MN 55155, 296-6521.

When the Minnesota Legislature is notified that one of these events has happened, it will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above, or the date notice of your election rights is sent to you, whichever is later, to inform the State Employees Group Insurance Program that you want continuation coverage.

If you do not choose continuation coverage, your group health insurance will end.

PENDIX B (continued)

If you choose continuation coverage, the Minnesota Legislature is required to give you coverage that, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. The law requires that you be afforded the opportunity to maintain continuation coverage for three years, unless you lost group health coverage because of a termination of employment or a reduction in hours. In that case, the required continuation coverage period is 18 months. This 18 months may be extended to 36 months if other events (such as death, divorce, legal separation, or Medicare entitlement) occur during that 18 month period.

The 18 months may be extended to 29 months if an individual is determined (under Title II or XVI of the Social Security Act) to be disabled at any time during the first 60 days of continuation coverage and the State Employees Group Insurance Program is notified of that determination before expiration of the 18-month period. This extended coverage terminates if the individual is no longer disabled.

The law also provides that your continuation coverage may be terminated for any of the following five reasons:

- (1) the Minnesota Legislature no longer provides group health coverage to any of its employees;
- (2) the premium for your continuation coverage is not paid on time;
- (3) you become covered by another group plan, unless the plan contains any exclusions or limitations with respect to any pre-existing condition you or your covered dependents may have;
- (4) you become entitled to Medicare;
- (5) you extend coverage for up to 29 months due to your disability and there has been a final determination that you are no longer disabled.

Under the law, you may have to pay all or part of the premium for your continuation coverage. This payment must be made within 30 days after the date due, unless a longer period applies to you under your plan. At the end of the 18-month or three-year continuation coverage period, you must be allowed to enroll in an individual conversion health plan provided under the State Employees Group Insurance Program.

If you have any questions about the law, please contact your designated department insurance representative (DDIR). Also, if you have changed marital status, or you or your spouse have changed addresses, please notify your DDIR.

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