

**ARTICLE 20
INSURANCE**

SECTION 1. UNIVERSITY OF MINNESOTA EMPLOYEE INSURANCE PLAN (UPlan) During the life of this Agreement, the Employer agrees to offer a Group Insurance Program that includes medical, dental, life with matching accidental death and dismemberment, and disability coverages.

The UPlan will make a UPlan Summary describing these coverages available to all insurance eligible employees. The UPlan Summary shall be provided no less than biennially and prior to the beginning of the insurance year. New insurance eligible employees shall receive a UPlan Summary within thirty (30) days of their enrollment in the plan.

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

- A. Employees - Basic Eligibility. Employees may participate in the University of Minnesota Employee Insurance Plan if they are scheduled to work at the University with an appointment of at least fifty percent (50%) time and lasting at least three (3) months in duration.
- B. Employees - Special Eligibility. The following employees are also eligible to participate in the Group Insurance Program.
 - 1. Employees with a Work-Related Injury/Disability. An employee who was off the University payroll due to work-related injury or 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 Worker's Compensation claim is pending.
 - 2. Totally Disabled Employees. Consistent with Minn. Statute 62A.148, certain totally disabled employees may continue to participate in the Group Insurance Program.
 - 3. Retired Employees. An employee who retires from University service, at age 55 with five (5) years of service, age 50 with fifteen (15) years of service or at any age with thirty (30) years of service, who is eligible to maintain participation in the UPlan, may indefinitely maintain medical and dental coverage with the

University at his/her own expense. Medicare coverage is primary for retirees over 65, and for totally disabled employees who qualify for Medicare, and must coordinate with the UPlan Retiree Medical plan options. If retired or totally disabled employees elect not to continue coverage in the UPlan at the time they leave employment, they may not elect to do so at a later date. (see also Section 5E.)

C. Dependents Eligible dependents for the purposes of this Article are as follows:

1. Spouse. The spouse of an eligible employee (if not legally separated). For the purposes of medical coverage, if that spouse works full time for an employer other than the University and elects to receive either credits or cash (1) in place of medical coverage; or (2) in addition to a medical plan with seven hundred fifty dollar (\$750) or greater deductible through his/her employing organization, s/he is not eligible to be a covered dependent under medical coverage for the purposes of this Article. If both spouses work for the University, one employee may elect family coverage and cover the other employee as a dependent.
2. Domestic Partner. For purposes of medical, dental and optional coverages, to the extent possible the registered same-sex Domestic Partner of an eligible employee, who meets the criteria in the University's Domestic Partner Registration process, shall be offered the same coverage as an employee's Spouse.
3. Children and Grandchildren. An eligible employee's unmarried dependent children and unmarried dependent grandchildren: (1) through age ~~twenty-four (24)~~ twenty-five (25) or (2) a handicapped 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 to continue coverage as long as s/he continues to be handicapped and dependent, unless coverage terminates under the contract. Children or grandchildren of current employees who become handicapped after they are no longer eligible dependents under (1) above do not become eligible dependents due to their

change in health status. Handicapped children or grandchildren of a newly hired University employee will be considered eligible dependents if there has been no break in coverage between the employee's coverage through the previous employer and the coverage under the UPlan.

"Dependent Child" includes an employee's unmarried or married: (1) biological child, (2) child legally adopted by or placed for adoption with the employee, (3) foster child, (4) stepchild, and (5) dependent child of the employee's registered same-sex Domestic Partner. 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 or dependent child of a registered same-sex Domestic Partner 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.

If both spouses or registered same-sex Domestic Partners work for the University, either spouse or registered same-sex Domestic Partner, but not both, may cover their eligible dependent children or grandchildren. This restriction also applies to two divorced, legally separated, unmarried or registered same-sex Domestic Partner employees whose partnership has been terminated 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 medical, dental, and/or life coverage at their own expense for a fixed length of time. As of the date of this

Agreement, state and federal laws allow certain group coverages to be continued if they would otherwise terminate due to:

1. Termination of employment (except for gross misconduct);
2. Layoff;
3. Reduction of hours to an ineligible status;
4. Dependent child becoming ineligible due to change in age, marital status, registered same-sex Domestic Partner status, or financial support (in the case of a foster child or stepchild);
5. Death of employee; or
6. Divorce.

SECTION 3. ELIGIBILITY FOR EMPLOYER CONTRIBUTION This section describes eligibility for an Employer Contribution toward the cost of coverage.

A. Full Employer Contribution - Basic Eligibility. The following employees covered by this Agreement receive the full Employer Contribution:

1. Employees who are scheduled to work at least thirty (30) hours weekly for a period of three (3) consecutive months or more in any twelve (12) consecutive months.
2. Employees who are scheduled to work at least thirty (30) hours weekly for at least nine (9) months in duration during any twelve (12) consecutive months, are eligible for the full employer contribution for the entire twelve (12) month period.

B. Special Eligibility. The following employees shall also receive an Employer Contribution:

1. Employees on Layoff. An employee who receives an Employer Contribution, who has three (3) or more years of continuous service, and who has been laid off and elects not to participate in the University Layoff/Severance Program, remains eligible for an Employer Contribution and all other benefits provided under this Article for six (6) months from the date of layoff.
2. Work-Related Injury/Disability. An employee who receives an Employer Contribution and who is off the University payroll due to a work-related injury or a work-related disability remains eligible for an Employer Contribution as long as such an employee receives Workers' Compensation payments.

C. Maintaining Eligibility for Employer Contribution.

1. General. An employee who receives an Employer Contribution maintains that eligibility as long as the employee meets the Employer Contribution eligibility requirements, and appears on a University payroll for a least one (1) full working day during each payroll period. This requirement does not apply to employees who receive an Employer Contribution while on layoff as described in Section 3B1, or while eligible for Workers' Compensation payment as described in Section 3B2.
2. Unpaid Leave of Absence. If an employee is on an unpaid leave of absence, 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 University payroll for one (1) working day per pay period.
3. School Year Employment. If an employee is employed on the basis of a school year and such employment contemplates absences from the University payroll during the summer months or vacation periods scheduled by the employer which occur during the regular school year, the employee shall nonetheless remain eligible for an Employer Contribution, provided that the employee appears on the regular payroll for at least one (1) working day in the payroll period immediately preceding such absences and returns to work in the pay period following the normal scheduled absence.
4. An employee who is on an approved FMLA leave or on a Voluntary Reduction in Hours as provided elsewhere in this Agreement maintains eligibility for an employer contribution.

SECTION 4. EMPLOYER CONTRIBUTION For employees eligible for an Employer Contribution as described in Section 3, the Employer Contribution amounts and rules in effect on June 30, ~~2009~~2011, will continue through the ~~2009-2011~~ insurance contract year. The amount of the Employer Contribution will be determined as follows beginning on the first day of the ~~2010-2012~~ insurance contract year. For purposes of this Article, the ~~2010-2012~~ insurance contract year shall be the period beginning January 1, ~~2010-2012~~ and ending December 31, ~~2010-2012~~.

A. Contribution Formula - Medical Coverage.

1. Employee Coverage The employee's cost for employee-only coverage will be ~~ten~~thirteen percent (~~10~~13.0%) of the employee-only rate for the Base Medical Plan. If the employee chooses a plan other than the Base Medical Plan, the

employee's cost will be the standard employee rate established for that plan (i.e., the rate applicable where it has not been modified to be a zone's Base Medical Plan.) The employer shall pay the rate over and above the employee's cost for the Base Medical Plan.

2. Family Coverage. The employee's cost for family coverage will be ~~fifteen-nineteen and one-half percent (1519.5%)~~ of the family rate for the employee's Base Medical Plan. If the employee chooses a plan other than the Base Medical Plan, the employee's cost will be the standard employee's family rate established for that plan (i.e. the rate applicable where it has not been modified to be a zone's Base Medical Plan). The employer shall pay the rate over and above the employee's cost for the Base Medical Plan.

3. Base Medical Plan. For the purposes of Section 4A, Base Medical Plan means the medical plan: (1) with the benefit set established in Section 6A of this article; and (2) operating in the zone(s) containing the employee's permanent residence and work locations. If the employee has more than one Base Medical Plan available based on living and working in two different zones, the employee may choose either plan as their Base Medical Plan during open enrollment. If an employee's residence is outside any of the defined zones, his or her only Base Medical Plan choice will be that plan defined by the employee's work location. A list of each zone's Base Medical Plan for the ~~2010-2012~~ insurance contract year is available from the Employee Benefits Department. During the ~~2010-2012~~ insurance contract year, this list may be changed only if a zone's Base Medical Plan no longer operates in that zone.

B. Contribution Formula - Dental Coverage.

1. Employee Coverage. The employee's cost for employee-only coverage will be ~~ten-twelve percent (1012%)~~ of the employee-only rate for the Base Dental Plan. If the employee chooses a plan other than the Base Dental Plan, the employee's cost will be the standard employee rate established for that plan (i.e., the rate applicable where it has not been modified to be a zone's Base Dental Plan). The employer shall pay the rate over and above the employee's cost for the Base Dental Plan.

2. Family. The employee's cost for family coverage will be ~~forty-eight~~ percent (~~4048%~~) of the family rate for the employee's

Base Dental Plan. If the employee chooses a plan other than the Base Dental Plan, the employee's cost will be the standard employee's family rate established for that plan (i.e. the rate applicable where it has not been modified to be a zone's Base Dental Plan). The employer shall pay the rate over and above the employee's cost for the Base Dental Plan.

3. Base Dental Plan. For the purposes of Section 4A, Base Dental Plan means the dental plan: (1) with the benefit set established in Section 6B of this article; and (2) operating in the zone(s) containing the employee's permanent residence and work locations. If the employee has more than one Base Dental Plan available based on living and working in two different zones, the employee may choose either plan as his or her Base Dental Plan during open enrollment. If an employee's residence is outside any of the defined zones, the employee's only Base Dental Plan choice will be that plan defined by the employee's work location. A list of each zone's Base Dental Plan for the ~~2010-2012~~ insurance contract year is available from the Employee Benefits division. During the ~~2010-2012~~ insurance contract year, this list may be changed only if a zone's Base Dental plan no longer operates in that zone.

- C. Contribution Formula. - Basic Life Coverage. For employee basic life coverage with matching accidental death and dismemberment coverage, the employer contributes one hundred percent (100%) of the cost.

SECTION 5. COVERAGE CHANGES AND EFFECTIVE DATES

- A. When Coverage May Be Chosen. All employees must make their choice of employee medical and dental plans and choice of family coverage (if applicable) within sixty (60) calendar days of the date of initial employment in an insurance eligible position. The employee will automatically be enrolled in the basic life insurance coverage. Employees who become eligible for a full employer contribution must make their choice of employee or family medical and/or dental coverage within sixty (60) calendar days of becoming eligible. Employees who do not make an election within this period will have no coverage, and may not elect coverage until the next open enrollment period.

An employee may change his or her medical or dental plan during the year if the employee changes to a new permanent residence or work location, and as a result of this change, the employee's current plan is no longer available. When an employee receives notification of a work location change between the end of an open enrollment period and the beginning of the next insurance year, the employee may change her or his medical or dental plan within thirty (30) days of the date of the relocation under the same provisions accorded during the last open enrollment period.

An employee or a retired employee, may also add dependent medical or dental coverage following the birth of a child or dependent grandchild, or following the adoption of a child without regard to the 30 day enrollment period.

In addition, an employee or a retired employee may add family health or dental coverage within thirty (30) days of the following event:

1. If an employee or retiree becomes married or enters into a domestic partnership, the employee or the retiree may add his or her spouse or registered same sex Domestic Partner and any dependent children/grandchildren.
2. If the employee's spouse or registered same sex Domestic Partner loses group medical or dental coverage, the employee may add his/her spouse and any dependent children/grandchildren.
3. If the retiree's spouse or registered same sex Domestic Partner involuntarily loses group medical or dental coverage, the retiree may add her or his spouse or registered same sex Domestic Partner and any dependent children/grandchildren

B. When Coverage May Be Canceled.

1. An employee may cancel medical and/or 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 thirty (30) calendar 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 registered same sex Domestic Partner; and

- a significant change of insurance coverage for the employee's spouse or registered same sex Domestic Partner.

Family medical or family dental coverage may also be canceled during the open enrollment period that applies to each type of plan for any reason. Cancellation will take effect on the first day of the following insurance contract year.

2. Effective date of Benefit Termination. Medical coverage termination will take effect on the first of the month following the end of the pay period coinciding with or next following the date of application to cancel coverage, or the loss of eligible employee or dependent status. All other benefit coverage terminations 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 employee or dependent status.
3. Coverage Continuation: Former members are eligible to continue coverage under federal COBRA law, by paying COBRA premiums. Coverage can be continued for up to 36 months for a dependent child or divorced spouse who loses eligibility status. Coverage can be continued for up to 18 months for other individuals who lose eligibility under the plan. Coverage for divorced spouses prior to December 31, 2007 can be continued until the earlier of (1) the date coverage would otherwise end or (2) enrollment date in other group coverage or Medicare.

C. Effective Date of Coverage.

1. Initial Effective Date. The initial effective date of coverage under the Group Insurance Program is the first day of the month following the first day of employment. An employee must be actively at work on the initial effective date of coverage or the effective date will be delayed until the first day of the pay period the employee is actively at work. In no event shall an employee's family coverage become effective before the employee's coverage.

If an employee is not actively at work due to employee or dependent health status or medical disability, medical and dental coverage will still take effect. (Life and disability coverage will be delayed until the employee returns to work.)

If an employee is on paid leave on the date University paid life insurance benefits would otherwise increase, the employee will receive the increased life insurance coverage on that date.

2. Delay in Coverage Effective Date.

a. Basic Life. *If an employee is not actively at work on the initial effective date of coverage, coverage will be delayed until the first day of the pay period coinciding with or next following the employee's return to work. The effective date of a change in coverage is delayed in the event that, on the date the coverage change would be effective, an employee is on an unpaid leave of absence or layoff.*

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b. Medical and Dental. *If an employee is not actively at work on the initial effective date of coverage due to a reason other than hospitalization or medical disability of the employee or dependent, medical and dental coverage will be delayed until the first day of the pay period coinciding with or next following the employee's return to work.*

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

c. 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. During 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 in the following insurance contract year.*

D. Open Enrollment.

1. Frequency and Duration. Open enrollment periods shall last a minimum of thirty (30) calendar days. Open enrollment changes become effective the first day of the following insurance contract year.
 2. Medical. There shall be an open enrollment period for medical coverage in each year of this Agreement. An employee may elect no medical coverage during any open enrollment period. An employee who has elected no medical coverage may elect medical coverage during an open enrollment period. No pre-existing condition limitations will apply.
 3. Dental. There shall be an open enrollment period for dental coverage in each year of this agreement. Employees may elect no dental coverage during any dental open enrollment period. An employee who has elected no dental coverage may elect dental coverage during any dental open enrollment period. No pre-existing conditions will apply.
 4. Eligibility to Participate. An employee eligible to participate in the 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 5D1, make certain changes: (1) a former employee or dependent on continuation coverage, as described in Section 2D, may change plans or add coverage for medical and/or dental plans on the same basis as active employees; and (2) an early retiree, prior to becoming eligible for Medicare, may change medical and/or dental plans as agreed to for active employees, but may not add family coverage.
 5. Materials for Employee Choice. Each year prior to open enrollment, the employer will give eligible employees the information necessary to make open enrollment selections. Employees will be provided a statement of their current coverage each year of the contract.
- E. Coverage Selection Prior to Retirement. An employee who retires and meets eligibility criteria under Section 2.3 may change his/her medical 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 month beginning after the date of retirement.

The employee who has elected no coverage may not add coverage during this period. The retiring employee may only carry into retirement coverage in effect on the date of retirement.

SECTION 6. BASIC COVERAGES.

A. Employee and Family Medical Coverage.

1. Coverage Options. Eligible employees may select coverage under any one of the UPlan medical options offered by the Employer, for employees in that zone. Coverage offered through these plans is subject to change during the life of this Agreement upon approval of the employer after consultation with the Union.
2. Coverage Under the Base Medical Plan. From July 1, 2009 2011 through December 31, 2009-2011 coverage under the current UPlan will continue at the level in effect on June 30, 20092011.
 - a) Effective for the 2010-2012 insurance contract year, the Base Medical Plan will cover allowable charges for the following eligible services subject to the copayments and coverage limits stated. Services provided through this plan are subject to standards of medical necessity and appropriate practice.
 - b) Effective for the 2010-2012 insurance contract year: (Benefit amounts reflect Base Plan amounts only. See Summary of Benefits for a full description of coverages.)
 1. Emergency
In-network: 100% coverage after a ~~\$75~~-\$90 copay. The copay is waived if the patient is admitted within 24 hours.
Out of network: 100% coverage after 80% coinsurance on the first \$2000 of expense per plan year.
 2. Urgent Care
In network: 100% coverage after a ~~\$11~~-\$15 office visit copay.
Out of network: 100% coverage after 80% coinsurance on the first \$2000 of expense per plan year.
 3. Network Hospitals

100% coverage for covered Inpatient services at network hospitals, including medical, mental health, and chemical dependency treatment.

4. Network Services

Preventive care: 100% coverage. Preventive services include, but are not restricted to routine physical exams, routine gynecological exams, routine hearing exams, routine eye exams, and immunizations.

Copays do not apply to lab/diagnostic testing except for a ~~\$25~~\$30 copay for CT and MRI scans.

5. Outpatient Surgery

100% Coverage

6. Certain Outpatient Services

Outpatient mental health and chemical dependency treatment; chiropractic care; physical, speech and occupational therapy; home health care: 100% coverage for covered services after a ~~\$11~~\$15 copay per visit.

7. Prescription Drugs

- ~~\$8~~\$10 copayment per prescription or refill for up to a 30 day supply of Generic Plus drugs. A copay is incurred for each type of insulin.
- ~~\$25~~\$30 copayment per prescription or refill for up to a 30 day supply of all other formulary brand drugs. A copay is incurred for each type of insulin.
- ~~\$50~~\$60 copayment per prescription or refill for up to a 30 day supply of non-formulary drugs.
- If a chemically equivalent generic drug is available and the employee takes the brand drug, the employee pays the generic copay and the difference in cost between the brand drug and generic drug.
- Annual out of pocket (OOP) maximum for prescription drug copayments of \$750 per person or \$1500 per family. Copayments for the cost difference between generic and brand name drugs do not count against this annual OOP maximum.

8. Durable Medical Equipment

80% coverage, including hearing aids.

9. Diabetic Supplies

Eligible diabetic supplies, including test strips and syringes, are covered under the pharmacy benefit and will count toward the pharmacy out-of-pocket maximum. Diabetic monitors are covered at 80% as part of the pharmacy benefit and will count toward the pharmacy out-of-pocket maximum.

10. Ambulance

Eligible ambulance expenses are covered at 80%, including ground or air transport as medically necessary.

11. Out of Network

Covered for Medical Base Plan with ~~\$500~~ \$600 deductible and 70% coinsurance up to the annual out-of-pocket maximum. Pre-arranged services while outside the area are covered as if in-network.

12. Plan Deductibles and Maximums

Deductibles: None

Annual Maximum: Annual out of pocket maximum of \$2,500 per person or \$4000 per family. The prescription out of pocket maximum is separate.

Life time Maximum: The UPlan medical lifetime maximum will be ~~five million dollars (\$5,000,000)~~ perunlimited for each member.

13. Coordination with Workers' Compensation. If an employee has filed a claim for worker's compensation, and if a dispute exists as to whether the employee's injury or disability is work-related, coverage will be provided pursuant to M.S. 176.191, Subdivision 3.

B. Employee and Family Dental Coverage.

1. Coverage Options. For the 2010 insurance year, eligible employees may select coverage under any one of the UPlan dental options offered by the employer for employees in that zone.

2. Coverage Under the Base Dental Plan.

a. Copayments. Effective with the 2010 insurance contract year, the Base Dental Plan will cover allowable charges for the following services subject to the copayments and coverage limits stated. Services provided through the UPlan are subject to the 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.

<u>Services</u>	<u>In-Network</u>	<u>Out-of-Network</u>
Diagnostic/Preventive	100%	None
Fillings	80%	None
Endodontics	80%	None
Periodontics	80%	None
Oral Surgery	80%	None
Crowns	80%	None
Prosthetics	50%	None
Prosthetic Repairs	50%	None
Orthodontics*	80%	None

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

- b. Deductible. An annual deductible of one hundred twenty-five dollars (\$125) per person applies to services received from out of network providers. The deductible must be satisfied before coverage begins.
- c. Annual maximums. UPlan coverage is subject to a one thousand five—eight hundred dollar (~~\$1500~~\$1800) annual maximum in benefits payable (excluding orthodontia) per person. "Annual" means per insurance year.
- d. Orthodontia lifetime maximum. Orthodontia benefits are available to eligible dependent children ages 8 through 18 subject to a two thousand eight hundred dollar (\$2,800) lifetime maximum benefit.

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, with matching accidental death and dismemberment coverage, for all employees eligible for an Employer Contribution, as described in Section 3. The basic life insurance amount is one times the employee's annual

salary, rounded up to the next \$5,000. There is no maximum, and it is provided regardless of the employee's health history.

There is a reduction schedule in basic life if the employee is age 67 or older. At age 67 the amount is reduced to 65%; at age 70 it is reduced to 50%; and at age 75 the life insurance amount is reduced to 25% of the original benefit.

Any premium paid by the University in excess of fifty thousand dollars (\$50,000) coverage is subject to a tax liability in accord with Internal Revenue Service regulations. An employee may decline coverage in excess of fifty thousand dollars (\$50,000) by filing a waiver in accord with Department of Employee Benefits procedures. The basic life insurance policy will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.

2. Extended Insurance. An employee who becomes totally disabled before age 70 shall be eligible to apply for the extended benefit provisions of the life insurance policy until age 70.

See Section C.1. for reduction schedule.

Employees who were disabled prior to July 1, 1983, and who have continuously received benefits 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, and who have twenty (20) years of service as of 12/31/02, shall be entitled to a five hundred dollar (\$500) death benefit payable to a beneficiary designated by the employee.

SECTION 7. OPTIONAL COVERAGES.

A. Life Coverage.

1. Employee. An employee may purchase up to five hundred thousand dollars (\$500,000) additional life insurance, in increments established by the employer, subject to satisfactory evidence of insurability. A new employee may purchase up to

two (23) times annual salary or ~~\$200,000~~\$500,000, whichever is less, in optional employee life coverage within sixty (60) calendar days of hire or the date of first becoming eligible, without evidence of insurability.

2. Spouse. An employee may purchase up to five hundred thousand dollars (\$500,000) 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. Domestic Partner. An employee may purchase up to five hundred thousand dollars (\$500,000) life insurance coverage for his/her registered same sex Domestic Partner in increments established by the employer, subject to satisfactory evidence of insurability. A new employee may purchase either five thousand (\$5,000) or ten thousand dollars (\$10,000) in optional coverage within sixty (60) calendar days of hire without evidence of insurability.
4. 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 Article). Child/grandchild coverage requires evidence of insurability if application is made after the first sixty (60) calendar days of employment or initial eligibility. Child/grandchild coverage commences fourteen (14) calendar days after birth.
5. Accelerated Life. The additional employee, spouse and child life insurance policies will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.
6. Extended Insurance. An employee who becomes totally disabled before age 70 shall be eligible to apply for the extended benefit provisions of the life insurance policy until age 70.

B. Disability Coverage.

1. Short-term Disability Coverage. An employee may purchase short-term disability coverage that provides benefits of from three hundred dollars (\$300) to five thousand dollars (\$5,000) per month, but no more than two-thirds (2/3) of an employee's

salary, for up to one hundred eighty (180) calendar days during total 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 of from three hundred dollars (\$300) to five thousand dollars (\$5,000) 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 purchased. In any event, the minimum is the greater of three hundred dollars (\$300) or fifteen percent (15%) of the amount purchased. The minimum benefit will not be reduced by any other wage replacement benefits. In the event that the employee becomes totally disabled before age seventy (70), the premiums on this benefit shall be waived according to the certificate of coverage.

- C. Continuation of Optional Coverages During Unpaid Leave or Layoff. An employee who takes an unpaid leave of absence or who is laid off may discontinue premium payments on optional policies during the period of leave or layoff. If the employee returns within one (1) year, and applies within two weeks of returning to work, the employee shall be permitted to pick up all optional coverages held prior to the leave or layoff. For purposes of reinstating such optional coverages, the following limitations shall be applicable:

For the first 24 months long-term disability coverage after such a period of leave or layoff during which long-term disability coverage was discontinued, 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 layoff. 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.

The limitations set forth above do not apply to leaves that qualify under the Family Medical Leave Act (FMLA).

SECTION 8. HEALTH PROMOTION AND HEALTH EDUCATION. Upon request of the Union, the employer shall meet and confer on health promotion and education issues. Agenda items shall include but are not limited to smoking cessation, weight loss, stress management, health education/self care, employee participation in programs, and education on related benefits provided through the plans.