

MEMORANDUM OF UNDERSTANDING

Unless otherwise specifically stated below, this Memorandum of Understanding (MOU) shall be in effect from September 1, 2011 through August 31, 2012. All provisions of the Parties' 2010-2014 Professional Staff Agreement not altered by the following remain in full force and effect.

I. Concessions:

- A. Pension: Reduce Employer's contribution from 25% of gross salary to 19.2% of gross salary.
- B. Health Insurance: Reduce the Employer premium payment to 88% of the single or family plan coverage.
- C. Salary Schedule: Freeze schedule at the 2010-11 rates. Delay step increases for eligible employees until March 1 2012.

II. Proposals:

A. Retirement Incentives

Consistent with **Section 13.07** of the Agreement, the following options for staff reduction and retirement shall be available to all eligible employees covered by the Agreement from June 1, 2011 through _____, 2011.

DEFINITION OF RETIREMENT: A staff person whose age is fifty (50) or greater may retire.

PRO-RATED BENEFITS: The pro-rata benefits of Section 21.01 shall be available to an Employee with less than twenty (20) years of service. The pro-rata benefit is equal to years of service divided by twenty (20) multiplied by the dollar amount produced in Section 21.01. Employees with ten (10) or fewer years of service would be credited with ten (10) years of service.

For illustration purposes, an Employee with one (1) to ten (10) years of service would be eligible for fifty percent (50%) of the benefits described in 21.01. An Employee with twelve (12) years of service (12 divided by 20) would be eligible for sixty percent (60%) of the benefits described in 21.01.

Pay Out: The Employer will provide a stipend of one percent (1%) of pay for each year of service to a maximum of twenty-five (25) years as a supplement to early retirement.

B. Recall

Recall: For recall purposes, employees will be recalled in the following order:

1. Qualified employee(s) by seniority laid off by the Employer. Refusal to accept an offer of a recall to a position which is equivalent to or greater than the position from which the Employee was laid off shall terminate the Employee's recall rights.
2. Qualified employees by seniority who were laid off by other UEA Employers. Refusal to accept an offer of a recall to a position with a different Employer shall not terminate the Employee's recall rights.

C. Allow up to 55 days of vacation carryover.

D. Long-term Care and Group Life Insurance – Employees who retire or are laid off shall be allowed to continue coverage at the Employee's expense.

E. Add Trust Secure as an option for post-retirement benefits.

The Parties agree that the savings from the above concessions and any additional revenue from increased membership signups over the projected 2011-12 budget approved by the WEAC RA in April, 2011 will be used to retain/recall bargaining unit staff.