

IAPE TNG/CWA LOCAL 1096

PROPOSAL: HEALTHCARE AND BENEFITS

August 9, 2016

(The following proposal is intended to address only the issues of healthcare coverage and other benefits, currently reflected in Article XII of the collective agreement, and items from the Company's June 21, 2016 healthcare presentation.)

Modify Article XII Section A as follows:

ARTICLE XII – HEALTH INSURANCE AND BENEFITS

A. The Company agrees to provide health insurance consistent with the details found in the Open Enrollment materials distributed by the Company annually, and in connection with the ratification of this Agreement as of July 1, ~~2010~~ 2016. The plans applicable to bargaining unit employees will be the same plans applicable to non-union corporate employees of the Company generally in the US or Canada consistent with the following:

1. **Commitment to maintain comprehensive benefits plans.** For the duration of the Agreement, the Company will continue to provide a comprehensive package of employee benefits including medical, dental, vision, prescription drug coverage, life insurance, disability and wellness benefits. The Company will provide multiple medical plan options similar in design to the current plans ~~offered to non-union available to~~ employees through Aetna as of ~~2010~~ 2016 and employee options will not be limited solely to a high deductible consumer driven health plan/health savings account.

2. **Current (~~2010~~ 2016) medical plan design and premium structure will be maintained through ~~2011 the end of 2016~~.** ~~The Company will make no material change in medical plan design, and will make no change in the premium structure in place for plan year 2010 through the end of calendar year 2011 2017 medical plan design and premium structure, life insurance and disability shall match those benefits discussed and modified during negotiations for this collective agreement. Canadian healthcare benefits shall remain premium-free options.~~

3. **Cap on future employee premium increases.** Beginning calendar year ~~2012~~ 2017 through the term of this Agreement, in the event the Company determines to increase employee premiums, the Company will not increase employee premiums as a percentage of employee's pay by more than ~~one half (1/2) of the percentage of the preceding year's compensatory increase (the minimum increase applicable to unit members)~~ one quarter percent (0.25%) of an employee's salary per year. For example, if

an employee is paying 2.25% of annual salary in premiums, ~~and if the preceding year's minimum compensatory increase was 2%~~, the Company could not increase premiums for that employee to more than ~~3.25%~~ of annual salary in the following plan year for the same coverage with the same number of dependents.

4. **Company will not substantially reduce benefits.** It is understood by the Parties that, except as provided for above, the Company will have the discretion and flexibility to change and modify its benefit plan design and coverages, and that such modifications will apply to members of the bargaining unit as they apply to all non-union and management employees. The Company agrees that it will not substantially reduce the totality of the benefits package. The parties agree that the following factors shall be considered in determining whether a reduction in the totality of the benefits package is substantial: (a) the specific benefit changes; ~~and~~ (b) the reasonableness of the Company's business judgment in making the benefit change(s) in light of prevailing business and market conditions; ~~and (c) additional cost to employees.~~

5. The Company will have the discretion to change and modify plans as a consequence of legislative action, subject to the notice and consultation obligations of #6 below.

6. **Obligation to notify and consult with the Union concerning future changes.** The Company further agrees that in the event of any contemplated material plan changes, it will provide the Union with ~~thirty (30)~~ at least sixty (60) days advance notice wherever possible, and give the Union the opportunity to consult with the Company regarding the impact of changes on bargaining unit employees.

7. **Protection Against Cost Increases.** During the life of this contract, healthcare plan costs shall be subject to the following restrictions:

POS II

- In-network deductible shall not increase by more than \$100 individual/\$200 family
- PCP visit co-payments shall not be increased
- Specialist visit co-payments shall not be increased
- Employee share of emergency room co-insurance shall not be increased, and co-payments shall not increase by more than \$50
- Employee share of in-network coinsurance shall not be increased
- Employee share of in-network out-of-pocket maximum shall not increase by more than \$600 individual/\$1,200 family
- Out-of-pocket maximum type shall remain unchanged (embedded)

- Out-of-network deductible shall not be increased
- Employee share of out-of-network coinsurance shall not increase by more than 10%
- Out-of-network out-of-pocket maximum shall not increase by more than \$2,000 individual/\$4,000 family
- Out-of-network reimbursement method shall remain unchanged (80th % of R&C)
- Employee share of pharmacy plan co-payments shall not be increased
- Pharmacy plan out-of-pocket maximum shall not be increased

CDHP with HSA

- Employer funding amount shall not be reduced by more than \$100 individual/\$200 family
- In-network deductible shall not increase by more than \$100 individual/\$200 family (unless otherwise required under IRS guidelines)
- Employee share of in-network PCP visit, specialist visit and emergency room coinsurance shall not be increased
- Employee share of in-network coinsurance shall not be increased
- In-network out-of-pocket maximum shall not increase by more than \$600 individual/\$1,200 family
- Out-of-pocket maximum type shall remain unchanged (Aggregate)
- Out-of-network deductible shall remain unchanged
- Employee share of out-of-network coinsurance shall not be increased
- Out-of-network out-of-pocket maximum shall not increase by more than \$2,000 individual/\$4,000 family
- Out-of-network reimbursement method shall remain unchanged (80th % of R&C)
- Employee share of pharmacy plan co-payments shall not be increased
- Pharmacy plan out-of-pocket maximum shall remain combined with medical

Low CDHP

- Plan design shall be unchanged from plans discussed during negotiations for this collective agreement
- Co-payments and costs shall not be increased

Dental and Vision Coverage. Employee share of dental and vision costs shall not be increased.

78. **Retiree Medical Benefits.** Unit members will be subject to the same retiree medical plan as non-union employees as of ratification of the contract.

As discussed during August 2, 2016 meeting, revise Dow Jones 2017 benefit plans as follows:

- The Company shall investigate the viability of long-term care as an option for employees
- References to life insurance in the IAPE/DJ collective agreement shall be maintained and will refer to the current (2017) corporate offering.
- References to short- and long-term disability in the IAPE/DJ collective agreement shall be maintained, but will be revised to reflect the Company's planned changes for 2017.
- References to leaves of absence in the IAPE/DJ collective agreement shall be maintained. The Company's plans for 2017 shall be revised to reflect a twelve (12) month limit for education leave.
- The Company's plans for Canadian healthcare shall be adopted, subject to the provisions of Article XII, Section A.2 (the HarperCollins plan or any substitute shall remain premium free for IAPE-represented employees in Canada).