

Summary of Tentative Agreement

ECONOMICS

Term of Contract 3 years

GWI

6-1-09 - 2% (retroactive)

1-3-10 - 1% equity adjustment only for all craft (hourly) jobs

1-3-10 - 1% lump sum to weekly employees.

6-1-10 - 2% - either party may opt to re-open on wages and health care

6-1-11 - 2% - either party may opt to re-open on wages and health care

Pay Inequity affected jobs (groups only).

Overhead Lines

- Lead Line Mechanic pay grade 19/19A
- Sr. Line Mechanic pay grade 17/18

Underline Lines

- Lead Cable Splicer/Mechanic Pressurized Systems pay grade 19/19A
- Lead Cable Splicer/Mechanic pay grade 19/19A
- Cable Splicer/Mechanic A pay grade 17/18

Section 3.04

Local 1900 dues will be deducted weekly

Section 5.12 (a)

Temporary Upgrade 6-01-09 – Increase minimum amount payable to \$1.00/hour (was \$.70)

Section 5.20 - Mutual Assistance

Employees assigned to mutual assistance assignments outside the Pepco service territory shall be paid according to the wage rate and pay provisions in the Local 1900 Labor Agreement, or the wage rate and pay provisions of the Host Utility, whichever are greater, including any out-of-town pay provisions utilized by the Host Utility.

Section 6.02

Sunday Premium 6-1-09 - \$1.75 (was 25%)

Summary of Tentative Agreement

Section 6.11

Meal Allowances 6-01-09 - \$12.00(was \$10.00)

6-01-10 - \$13.00

6-01-11 - \$14.00

Must work 11 hours to eligible for 1st allowance (was 10 hours)

Section 6.13

Old New

Zone Allowances 6-01-09 –(\$1.90)\$2.00/First Zone

6-01-09 – (\$1.80)\$1.90/Subsequent Zones

6-01-10 - \$2.05/First Zone

6-01-10 - \$2.00/Subsequent Zones

6-01-11 - \$2.10/First Zone

6-01-11 - \$2.05/Subsequent Zones

Section 6.16 Permanent/ Temporary Relocation defined

Section 22.08

Savings Plan 6-1-09

New employees are eligible immediately

Immediate match available

Immediate vesting of Company match

Auto-enrollment for new employees in 2010

Summary of Tentative Agreement

Section 4.04 - Pay for Union Negotiating Team

- Up to 5 members of the Union, who are Company employees, shall be granted time off without loss of base pay to participate in future Contract Negotiations between the Company and Local 1900. **(was no pay for negotiating team)**

Section 6.03 - Change of Schedules

- The notice period for avoiding a change of schedule premium was reduced from 56 to 48 hours. **When employee receives 2nd change of schedule in a workweek, it will be paid at double time regardless of notice.** If employee receives **3rd change of schedule within 4 consecutive payroll periods, all hours worked that third workweek shall be at double time** (NA to changes of schedule given in full week increments).

Section 7.01 - Weekly Employees – 40 hours

- Effective 12/27/09, weekly employees will work 40 hours a week.
- Although their weekly pay will not increase for that extra 15 minutes a day, they will get a lump-sum payment of **1% as noted above.+ 2% as noted on first page**

Section 7.01 - 4-10 Hour Schedules

- The Company may establish a workweek of 4 ten-hour work days in any department, occupational group or portion thereof.
- Any such schedule must conform to certain terms on how overtime, vacation, sick leave, etc. is calculated.
- If the schedule affects only a portion of an Occupational Group, the Company will initially solicit volunteers for the alternative workweek schedule. Senior employees in a classification will have priority. If the Company is unable to obtain sufficient volunteers for the alternative workweek schedule, it shall assign employees in inverse classified seniority order to fill the remaining slots on the alternative workweek schedule. 3rd day off will be Double Time

Section 7.02 - Workweek

- Effective around the end of the first quarter 2010, the workweek will become Monday through Sunday, which means that Sunday will usually become the second off day for most employees.

Section 7.05 - Overtime

- Effective as soon as practicable, employees shall be paid double time for all hours worked on their second off day regardless of whether they worked their first off day. **(Was- 4 hours were required on prior day)**
- A working group will be established to resolve any overtime disputes and to ensure that the standby provisions are administered fairly.

Section 7.16 - Callout Incentives

Summary of Tentative Agreement

- Effective when the Company changes the workweek (end of first quarter 2010), they will be eliminated.

Section 7.24 - Comp Time

- Effective 1-1-10, employees shall earn 4 hours of Comp Time for every 160 hours of work. 24 hour cap remains.

Section 7.28 - Zero Out OT List

- Effective 1-1-10, the OT list shall be zeroed out.

Section 8.06 - Off Work

- Any employee who is off work at least one year from the commencement of an absence is subject to having their employment terminated (was 2 years).

Sections 8.07 - Selection of Leads

- On a pilot basis, the Company and Union agree to create a pilot program to select the most qualified employees for Lead positions in certain areas.
- A steering committee will develop the program. It will be made up of equal members of Union and Company personnel.
- The Company will not hold up promotions to any Lead positions while the pilot is being developed.
- If the pilot fails to select superior candidates on an objective and fair basis, it will be revised. If the program does not meet the Company and Union's objectives, it will expire at the end of the 2009 Contract.

Section 8.08 - Posting Procedure

- Will be one week but no postings on Mondays.

Section 8.08 - Entry-Level Pay Grades

- Entry levels pay grades for hourly jobs will be increased to grade 7 (were 6); for weekly jobs will be grade 3 (were 1 or 2). **Increases New Hire Rate.**

Section 10.06 - Retirees as Contractors

- Bargaining-unit employees who retire and who return to work to Pepco through a third party staffing agency will not be allowed to stay as contractors more than one year if they are performing their old job duties. **(was –No prior language-unlimited)**

Section 11.02 - Floating Holidays

- Switched to accruing based on calendar, not contract year basis, for ease of understanding.
- Effective June 1, 2009, employees will receive one floating holiday for use through December 31, 2009. On January 1, 2010, employees will be eligible for two floating holidays for calendar year 2010. On January 1, 2011, employees will

Summary of Tentative Agreement

be eligible for two floating holidays for calendar year 2011. On January 1, 2012, employees will be eligible for two floating holidays for calendar year 2012.

Article 12 12.01 – 12.8 - Vacation

- Effective in 2009, employees hired before July 1 will receive 3 days of vacation in year of hire after being employed 60 calendar days.
- Effective 1-1-10, employees hired before July 1 will receive 2 weeks vacation in year following hire; employees hired after July 1 will receive 1 week vacation in year following hire.
- Employees with more than one year of service may carryover vacation (used to require 5 years). Employees may carryover up to 2 weeks which must be used by end of next calendar year (previously had to use by May 31).

Article 13 - Sick Leave

- Effective 1-1-10, one sick pay system for all employees.
- An employee with *less than* five (5) years of service whose Annual Allowance and Carryover Bank are exhausted shall not be eligible for additional sickness payment until the twentieth consecutive workday of an absence during the remainder of the calendar year.
- An employee with *more than* five (5) years of service whose Annual Allowance and Carryover Bank are exhausted shall not be eligible for additional sickness payment until the 10th consecutive workday of an absence during the remainder of the calendar year. When an employee has received the maximum sick allowances indicated in the Short-Term Disability schedule, he/she shall not be eligible for further allowances until he/she shall have performed his/her normal duties for a continuous period of 26 weeks (was previously 17).
- Article 13 will apply to employees off work due to work-related injuries.
- Doctor note in **advance** future or **triggering event**.

Article 15 - Limited Service (Article 15)

- Employees who no longer can perform their regular job due to work-related injuries will be eligible for placement under Article 15 if they have 5 years of service.
- In future cases, pay protections for employees placed under Article 15 for job-related injuries will be the same for employees with personal injuries.

Article 20 - Cardinal Rules on Safety

- The Company and Union agreed to revise how employees are disciplined for violating the Cardinal Rules on Safety.
- In cases not warranting discharge, the Company will suspend an employee for 5 working days. The employee will also be issued a Decision-Making Leave (DML) under Positive Discipline.
- Effective with ratification of the 2009 Labor Agreement, the Company will cease considering a Cardinal Rule infraction beyond the DML period, which is currently

Summary of Tentative Agreement

eighteen (18) months. **(Was three years probation under Cardinal Rule)** This change will apply to existing as well as future cases.

Article 22 GMU? - Medical

- Active contributions are as follows:
 - 1-1-10 – 16%
 - 1-1-11 – 18%
 - 1-1-12 – 20%**(Was capped at 20% with 15% limit on annual increase)**
- Effective 1-1-10, Kaiser Plan no longer to be offered.
- Effective 1-1-10, well care at 100% with no co-pays
- Deductibles and office visit co-pays increase during term of contract.
- Effective 1-1-10, mandatory mail order – maintenance drugs only **(CVS may be used in place of mail order)**
- Effective 1-1-10, employees who waive medical coverage will receive a credit of \$50 per month.
- Effective 1-1-10, improved mental and nervous coverage.

Article 22 - Life Insurance

- Effective 1-1-10, the method of calculating the life insurance benefit will be based on employee's base salary rounded to next higher \$500. **(Was rounded to the nearest \$500)**

Article 22 - Accidental Death or Dismemberment

- Effective 1-1-10, the Company will offer Company-paid AD&D coverage at two times base pay. **Supplement not previously offered.**

Article 22 - Long Term Disability (LTD) - Effective 1-1-10

- Employees placed on LTD shall pay the same monthly contributions for benefits as active employees pay.
- The \$4,000 maximum benefit shall be eliminated.
- The initial disability definition shall change. During the first 24 months of eligibility, the definition will relate to being unable to perform your own occupation; thereafter, it will be any occupation.
- The monthly benefit shall increase from 65% to 66 2/3%.

Section 24.02 - Strike/Lockout Notice

- If the Contract is terminated, each party agrees to give 72 hours notice (in writing) of the date and time of the commencement of any lockout, strike or work stoppage.

Annex - Job Changes

- There were some job restructurings that resulted in increased pay grades.
- In addition, the grades for some jobs that were increased in pay based on PHI equity considerations.

Summary of Tentative Agreement

Stand Alone - On Call Duty Rep

- In various departments, the parties have previously agreed that Lead employees may be assigned to perform as an “on-call duty representative,” which is a Lead employee who is responsible for, among other things, soliciting employees for emergency overtime. Effective with the change in the workweek in 2010, the parties agree to terminate this assignment.

Stand Alone - Hiring Commitment

- The Company shall hire at least 120 craft workers during the term of the Contract.
(Was- there was no Hiring Commitment)

GMU - Bilingual Call Center Reps

- The parties agree that when posting the Principal Service Representative or the Service Representative A or B positions in Customer Care, the Company shall have the right to require candidates to be bilingual (speak fluent Spanish and English). Such a requirement will be used on some, but not all, postings based on the Company’s determination of need. Candidates for bilingual positions must pass a company-sponsored test to establish they are bilingual. Persons who are awarded positions requiring bilingual skills shall receive \$30 per week stipend.

GMU - Welders in General Shops

- Employees in the Shop Mechanic Occupational Group who acquire and maintain certain welding certifications are eligible for periodic incentives.

GMU - Vehicle Resource Management

- Employees in the VRM who acquire certain ASE certifications are eligible for incentives.

GMU - Standby Provisions

- Effective 1-1-10, the Company may implement a Standby Program in any department, which shall provide 2 hours of pay during the week and 3 hours on weekends or holidays. This Program supersedes any existing Programs.

GMU - Excused with Pay (EWP) – Tardy

- Company agrees to continue to allow up to one hour of one hour of EWP in 15-minute increments for tardy incidents.

GMU - Agent at Home

- The Company agrees to continue the Customer Operations Agent At Home pilot and will explore the feasibility of expanding the pilot during the term of the 2009 Labor Agreement.

Summary of Tentative Agreement

Distribution Engineer and Designer 1-3-20010 change from weekly to Hourly

Underground HV Agreement

Medical Plans – Active Employees – The Medical Plans for active employees will continue with the following changes:

A. During the term of the 2009 Labor Agreement, employees who elect coverage under the PHI Preferred Provider Organization (hereafter PPO) shall pay monthly contributions as follows:

1. Employee contributions shall be as set forth below:

- a) Effective January 1, 2010, employees shall pay 16% of the monthly cost for coverage.
- b) Effective January 1, 2011, employees shall pay 18% of the monthly cost for coverage.
- c) Effective January 1, 2012, employees shall pay 20% of the monthly cost for coverage.

B. During the term of the 2009 Labor Agreement, bargaining-unit employees who elect coverage under the PHI Health Maintenance Organization, or other similar plan such as an EPO or in-network only plan (hereinafter HMO) shall pay monthly contributions as follows:

1. Employee contributions shall be as set forth below:

- a) Effective January 1, 2010, employees shall pay 16% of the monthly cost for coverage.
- b) Effective January 1, 2011, employees shall pay 18% of the monthly cost for coverage.
- c) Effective January 1, 2012, employees shall pay 20% of the monthly cost for coverage.

2. The Company will not offer the Kaiser or Horizon HMO after 2009.

C. The PPO Plan will have the following Plan features:

Summary of Tentative Agreement

1. In Network Services shall be as follows:

a) Office Visits

- 1) Effective 1/1/2010, employees will pay \$20 per office visit for Primary Care Physicians/\$30 for specialists. The balance of the charges will be covered at 100%.
- 2) Effective 1/1/2012, employees will pay \$25 per office visit for Primary Care Physicians/\$35 for specialists. The balance of the charges will be covered at 100%.

b) Deductible

- 1) Effective 1-1-2011, the deductibles will be \$300 per person, \$900 per family. **(Was \$250 per person, \$750 per family)**
 - 2) Effective 1-1-2012, the deductibles will be \$350 per person, \$1050 per family.
- c) Other – Other costs such as laboratory tests, outpatient chemotherapy, radiation, respiratory therapy, and dialysis shall be covered at 90% with the employee paying 10% of the costs after deductible.

d) Out-of-Pocket Maximums

- 1.) **The Out-of-pocket maximums shall not change for the term of this agreement.**

e.) Preventive Care – The following services shall be covered as indicated below:

- 1.) Well Child Care – Plan pays 100% with no deductible. **(Was \$15 co-pay plus \$15 per immunization)**
- 2.) Annual Physical – Plan pays 100% with no deductible. **(Was \$25 co-pay)**
- 3.) Annual Gynecological Exam and PAP Smear – Plan pays 100% with no deductible. **(Was \$25 co-pay)**
- 4.) Mammograms, PSAs, Colorectal and Other AMA-recommended Cancer Screening Tests - Plan pays 100% with no deductible. (note: certain screenings may require pre-authorization). **(\$25 co-pay)**

Summary of Tentative Agreement

f.) Emergency Services – The following services shall be covered as indicated below:

- 1.) Emergency Room – employees pay 10% of costs after deductible.
- 2.) Urgent Care Centers - employees pay 10% of costs after deductible.
- 3.) Convenience Care Clinic – employee pays same as PCP office visit co-pay; effective 1/1/2010 \$20; effective 1/1/2012 - \$25.

g.) Hospital – Inpatient and Outpatient Services - employees pay 10% of costs after deductible.

2. Out of Network Services shall be as follows:

a.) Doctor Services – will be covered at 70% with the employee paying 30% of the costs after deductible.

b.) Deductibles

- 1.) Effective 1-1-2011, the deductibles will be \$550 per person, \$1,650 per family. (**Was \$500 per person, \$1500 per family**)
- 2.) Effective 1-1-2012, the deductibles will be \$600 per person, \$1800 per family.

c.) Other – Other costs such as laboratory tests, outpatient chemotherapy, radiation, respiratory therapy, and dialysis shall be covered at 70% with the employee paying 30% of the costs after deductible.

d.) Out-of-Pocket Maximums

1). The out-of-pocket maximums shall not change for the term of this agreement.

e.) Preventive Care – None.

f.) Emergency Services – The following services shall be covered as indicated below:

- 1.) Emergency Room – employees pay 10% of costs after deductible.

Summary of Tentative Agreement

2.) Urgent Care Centers - employees pay 30% of costs after deductible.

g.) Hospital – Inpatient and Outpatient Services - employees pay 30% of costs after deductible.

D. All HMOs shall offer the same general level of benefits, which are set forth below.

1. Office Visits

a). Effective 1/1/2010, employees will pay \$20 per office visit for Primary Care Physicians/\$30 for specialists. The balance of the charges will be covered at 100%.

b). Effective 1/1/2012, employees will pay \$25 per office visit for Primary Care Physicians/\$35 for specialists. The balance of the charges will be covered at 100%.

2. Deductible – None.

3. Out of Pocket Maximum – None.

4. Emergency Services – The following services shall be covered as indicated below:

1.) Emergency Room – covered at 100% after \$50 co-pay.

2.) Urgent Care Centers - covered at 100% after \$25 co-pay.

3.) Convenience Care Clinic – employee pays same as PCP office visit co-pay; effective 1/1/2010 \$20; effective 1/1/2012 - \$25.

3. Other – Other costs such as laboratory tests, outpatient chemotherapy, radiation, respiratory therapy, and dialysis shall be covered at 100%

6. Preventive Care – covered at 100% after office visit co-pay (see above).

7. Hospitalization – Inpatient and Outpatient – covered at 100%.

8. Out of Network Benefits – None.

E. Prescription:

1. Under the formulary, generic medications will require a co-pay of 10% with no flat-dollar minimum. A Preferred Brand medication will require a

Summary of Tentative Agreement

20% co-pay with \$20 minimum charge. A Non-Preferred Brand will require a 35% co-pay with \$35 minimum charge. All medically necessary drugs that have no generic or Preferred Brand substitute would be covered with a 20% co-pay.

2. Pre-authorization will be required for medications that are subject to abuse or misuse, medications with limited use in therapy and high-cost medications. In such cases, the prescribing doctor will be required to provide information on the reason the medication(s) are medically necessary in the case in question.
 - a. Effective 1/1/2010, Biotech Prescriptions shall be carved out of individual Medical Plans and provided through the Prescription Vendor (currently Caremark).
 - b. Effective 1/1/2010, the Prescription Plan will implement the Caremark Specialty Guideline Management Program. The program will expand and enhance the prescription pre-authorization process.
3. The annual Out-of-Pocket Maximum shall be \$1000 per person; there is no separate family limit. **The \$25 deductible will be eliminated.**
4. Mandatory Mail Order - Effective 1/1/2010, an employee may fill a prescription up to two times at retail for maintenance drugs with coinsurance as described in E.1. above, before being required to use mail order. **(Or CVS)** Mail order coinsurance shall be:
 - a. Generic - \$0
 - b. Formulary Brand – 20%; \$20 minimum
 - c. Non-Formulary Brand – 35%; \$35 minimum

Employees may continue to use retail; however, they will be required to pay as set forth below for a 30-day supply:

- d. Generic – 60%
 - e. Formulary Brand – 20%; \$40 minimum
 - f. Non-Formulary Brand – 35%; \$75 minimum
- F. Employees may not select one plan for him or herself and another plan for his or her spouse or dependents. In other words, all members of the family must be in the same plan.
1. In the event an employee or retiree is age 65 or older and his or her spouse is not yet 65 years old or vice versa, the contribution rate will be that of the employee. In other words, if the employee or retiree is age 65 or older,

Summary of Tentative Agreement

the contribution rate will be one-half the active rate regardless of the spouse's age. Likewise, if the employee or retiree is not yet age 65, the contribution rate shall be the active employee rate, regardless of the spouse's age.

G. Waive Medical Coverage

Effective 1-1-10, employees who elect to waive medical coverage (this includes waiving prescription and Mental Health/Substance Abuse coverage) will receive a credit of \$50 per month providing he/she is not covered under a Company-sponsored medical plan through his/her spouse. Such employees shall be eligible for Employee Assistance Program (EAP) benefits.

H. Mental Health & Substance Abuse

1. The Company will continue the carve out of Mental Health & Substance Abuse (MHSA) and require all medical plans to use the same Mental Health & Substance Abuse Plan Vendor and Plan provisions.
2. It is understood that the Company may need to make additional changes to the Mental Health benefits as the result of the Mental Health Parity and Addiction Equity Act of 2008. The parties agree that the Company may implement such changes, as it deems necessary to comply with the Act, and that the Company will endeavor to ensure that such changes are designed to maintain financial neutrality. In other words, any changes will be accomplished in a manner that, to the extent possible, maintains current benefit levels and does not increase or decrease the cost to the Company. The Company will inform the Union of any such changes before they become effective.
3. In Network Services shall be as follows:
 - a.) Deductible – None
 - b.) Out of Pocket Maximum (PPO Only)–
 - 1) Effective 1/1/2010, the Out-of-Pocket Maximums will be \$1,500 per individual/\$4,500 per family (includes deductible).
 - c.) Inpatient Substance Abuse – The maximum of two confinements for life with maximum of one confinement for drugs up to 60 days duration will be eliminated effective 1/1/2010. The inpatient limits for the Mental

Summary of Tentative Agreement

Health Plan for an employee shall be the same as the inpatient provisions of the medical plan selected by that employee.

d.) Outpatient (PPO Only) – covered at 90%.

4. Out of Network Services (PPO Only) shall be as follows:

a.) Deductible – None.

b.) Out of Pocket Maximums –

1). Effective 1/1/2010, the Out-of-Pocket Maximums will be \$4,000 per individual/\$12,000 per family (includes deductible).

c.) Inpatient Substance Abuse – The maximum of two confinements for life with maximum of one confinement for drugs up to 60 days duration will be eliminated effective 1/1/2010. The inpatient limits for the Mental Health Plan for an employee shall be the same as the inpatient provisions of the medical plan selected by that employee.

d.) Outpatient – covered at 70% based on Company Vendor’s fee schedule.

5. The term “medically necessary” means a service or supply ordered for or rendered in the treatment that ValueOptions determines to be necessary and appropriate for the diagnosed condition.

I. Effective 1/1/2010, eligibility for coverage under the Medical and Life Insurance Plans shall be defined as the first of the month following one full month of service.

II. Retirement Savings Plan

A. Effective as soon as practicable after the ratification of the 2009 Collective Bargaining Agreement, the Company will implement the following changes to the Local 1900 Sub Plan of the PHI Retirement Savings Plan:

i. Employee eligibility for participation and company match will be effective as soon as administratively feasible after date of hire.

ii. Immediate 100 percent vesting in the full value of the employee account, including Company contributions. (**Was five year vesting**)

iii. Auto-enrollment and auto-escalation:

Summary of Tentative Agreement

1. Employees will automatically be enrolled in the Savings Plan upon hire at an initial contribution rate of 3%.
 2. Employees will have the option to decline participation at any time.
 3. Employees' contribution rate will be increased annually by 1% until their contribution rate reaches 6%.
- B. It is understood and agreed that the provisions of Section A.iii immediately above are dependent upon approval of the PHI Administrative Board and subject to administrative rules that will be developed by the Company. It is envisioned that this provision will be implemented in early 2010.
- III. Pre-Tax Spending and Transit Accounts
- A. Other Health Care – the maximum deduction shall be the statutory limit (currently \$10,000).
 - B. Dependent Care - the maximum deduction shall be the statutory limit (currently \$4,000).
 - C. Transportation - the maximum deduction shall be the statutory limit (currently \$120/Month)
 - D. Parking - the maximum deduction shall be the statutory limit (currently \$240/Month).
- IV. Life Insurance
- A. Effective 1/1/2010, the method of calculating the life insurance benefit will be based on the employee's base salary rounded to the next higher \$500.
- V. Accidental Death or Dismemberment
- A. Effective 1/1/2010, the Company will offer company-paid basic ADD coverage at two times base salary, as described in Attachment B.
 - B. Effective 1/1/2010, the Company shall offer employee-paid Supplemental ADD coverage at up to five (5) times base salary, as described in Attachment 2. (**Not offered previously**)
 - C. Effective 1/1/2010, the Company shall offer employee-paid Dependent ADD coverage, as described in Attachment B.

Summary of Tentative Agreement

D. The Union will drop its Supplemental Insurance Proposal dated 6/2/09.

VI. Pension

Effective as soon as practicable after ratification of this agreement, employees must provide a minimum of 30 days notice of intent to retire. Such notice must be made on the Company-provided forms and submitted to both a supervisor and to the Company's administrator, currently Vanguard.

VII. Long Term Disability (LTD)

- A. Effective 1/1/2010, employees placed on LTD, on or after 1/1/2010, shall pay the same monthly contributions for all benefits (medical, dental, etc.) as active employees pay. Contributions will vary based on the type of coverage (PPO or HMO) and persons covered (individual; individual plus one dependent; or, family).
- B. Effective 1/1/2010, employees who become disabled and are awarded long term disability benefits under the plan must elect coverage under Medicare Parts A and B when they become eligible (eligibility is generally predicated on the award of Social Security Disability benefits). Once the LTD employee becomes eligible for and provides proof of coverage under Medicare Parts A and B, the company plan will become secondary to the Medicare coverage and the LTD employee's contribution rate for company sponsored healthcare coverage shall be ½ the active rate.
- C. Effective 1/1/2010, the \$4000 maximum benefit shall be eliminated.
- D. Effective 1/1/2010, the following will apply:
- i. The term "Totally Disabled" means that, during the waiting period and the first 2 years (24 months) that these benefits are payable, the employee must be completely unable to perform the material duties of his or her own occupation; thereafter the term means the inability to engage in any occupation for which the employee is reasonably qualified by education, training and experience.
 - ii. The amount of the monthly benefit (other than while engaged in rehabilitative employment) shall be an amount equal to 66 2/3% of the employee's base monthly salary. Base monthly salary does not include overtime pay, commissions, bonuses or any other special compensation. The base monthly salary on the day immediately preceding the day the employee stopped work due to total disability (first day of waiting period) will be used to calculate the benefit. The benefits will be reduced or offset by amounts

Summary of Tentative Agreement

received from other benefit plans or programs providing similar benefits to those provided under this LTD Plan. Examples of these plans or programs include:

- Disability benefits payable to you or your dependents under the Social Security Act (primary and family Social Security benefits).
- Retirement benefits under the Social Security Act.
- Benefits paid under a Workers' Compensation Act.
- Disability benefits payable under any group insurance plan for which the Company paid in whole or in part.

iii. The LTD benefit will be discontinued at the time the employee no longer meets the definition of "totally disabled" or for any of the following reasons:

- **Termination of Employment** (for reasons other than termination based on a Disability covered under the Plan). Coverage will automatically cease on the date the employee's employment status changes so that the employee no longer qualifies as an eligible employee.
- **Plan Termination.** All coverage under this Plan shall automatically cease immediately upon the discontinuance of this Plan. However, anyone receiving benefits at the time of termination will continue to receive such benefits or their equivalent to the extent such benefits would have been payable under the terms of the Plan in effect at termination.
- **Death.** All coverage under this Plan shall automatically cease immediately upon the date of death.
- **Failure to provide Company Requested proof of injury or illness and/or failure to take a Company Requested medical examination.** All coverage under this Plan shall automatically cease immediately if the employee fails to provide Company Requested proof of injury or illness. Coverage under this Plan shall also automatically cease immediately if the employee fails to take a Company requested medical examination.

E. Employees hired before 1/1/2005, who qualify for LTD and who have fifteen (15) or more years of service at the time they become totally disabled as defined in Section VIII.D.i. above will be eligible for retiree benefits (medical and life) as long as they remain eligible for LTD. Employees hired on or after 1/1/2005, will be eligible to participate in the Retiree Medical Plan without Company subsidy.

Summary of Tentative Agreement

- F. It is understood and agreed the provisions of this Section VIII shall apply prospectively. In other words, these provisions shall only apply to employees whose LTD or related elimination period begins after 1/1/2010. Employees currently on LTD or whose elimination period begins prior to 1/1/2010, shall be subject to the existing LTD rules.

Retiree Medical.

Same as active member.