

MEMORANDUM OF UNDERSTANDING

BETWEEN

COMMONWEALTH OF PENNSYLVANIA

AND

INDEPENDENT STATE STORE UNION

LIQUOR STORE MANAGERS UNIT

July 1, 2011 to June 30, 2015

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MEET AND DISCUSS UNDERSTANDING
AND
MEMORANDUM OF RECOMMENDATIONS

WHEREAS, The Pennsylvania Labor Relations Board determined in Case Nos. PERA-R-6-C and PERA-U-7386-C that Liquor Store Managers and Liquor Store General Managers 1 (A & B) and 2 Supervisory, in the stores of the Pennsylvania Liquor Control Board constitute an appropriate unit of first-level supervisors under the Public Employee Relations Act; and

WHEREAS, The Pennsylvania Labor Relations Board determined in Case No. PERA-U-2699-C that Liquor Subwarehouse Supervisor 1 and 2 should be included in the appropriate unit of first-level supervisors determined in Case No. PERA-R-6-C; and

WHEREAS, The Independent State Store Union is certified by the Pennsylvania Labor Relations Board as the employee organization elected to represent the public employees in that unit (hereinafter "Managers"); and

WHEREAS, The Commonwealth of Pennsylvania and the ISSU have met and discussed in good faith a number of matters deemed to be bargainable for other public employees covered by the Public Employee Relations Act;

NOW, THEREFORE, the following recommendations for adjustments to the wages, hours, terms and conditions of employment for Liquor Store Managers 1, 2, 3, Liquor Store General Managers 1 (A & B), 2 Supervisory; and Liquor Subwarehouse Supervisor will be submitted to the Executive Board, Civil Service Commission, Liquor Control Board and/or the Legislature.

RECOMMENDATION NO. 1

SALARIES

A. Employees shall be compensated in accordance with the pay schedule set forth below:

Liquor Store Manager 1
Liquor Store General Manager 1A

	<u>Effective</u> <u>10/1/2010</u>	<u>Effective</u> <u>7/1/2012</u>	<u>Effective</u> <u>7/1/2013</u>	<u>Effective</u> <u>1/1/2014</u>	<u>Effective</u> <u>7/1/2014</u>
Step A	\$15.93	\$16.09	\$16.17	\$16.25	\$16.58
Step B	\$18.30	\$18.48	\$18.57	\$18.66	\$19.03
Step C	\$20.68	\$20.89	\$20.99	\$21.09	\$21.51
Step D	\$23.20	\$23.43	\$23.55	\$23.67	\$24.14

Liquor Store Manager 2
Liquor Store General Manager 1B
Liquor Subwarehouse Supervisor

	<u>Effective</u> <u>10/1/2010</u>	<u>Effective</u> <u>7/1/2012</u>	<u>Effective</u> <u>7/1/2013</u>	<u>Effective</u> <u>1/1/2014</u>	<u>Effective</u> <u>7/1/2014</u>
Step A	\$17.36	\$17.53	\$17.62	\$17.71	\$18.06
Step B	\$19.90	\$20.10	\$20.20	\$20.30	\$20.71
Step C	\$22.41	\$22.63	\$22.74	\$22.85	\$23.31
Step D	\$24.92	\$25.17	\$25.30	\$25.43	\$25.94

Liquor Store Manager 3
Liquor Store General Manager 2 Sup.

	<u>Effective</u> <u>10/1/2010</u>	<u>Effective</u> <u>7/1/2012</u>	<u>Effective</u> <u>7/1/2013</u>	<u>Effective</u> <u>1/1/2014</u>	<u>Effective</u> <u>7/1/2014</u>
Step A	\$18.80	\$18.99	\$19.08	\$19.18	\$19.56
Step B	\$22.47	\$21.64	\$21.75	\$21.86	\$22.30
Step C	\$24.01	\$24.25	\$24.37	\$24.49	\$24.98
Step D	\$26.66	\$26.93	\$27.06	\$27.20	\$27.74

B. Employees who are promoted within the meet and discuss unit shall be placed at the same step in the new pay scale group.

C. Effective July 1, 2011, employees will continue to be paid in accordance with the October 1, 2010 Pay Schedule in Recommendation 1.A.

D. 1. July 2012. Effective July 1, 2012, the pay rates on the October 1, 2010 pay schedules shall be increased by one percent (1%) as shown in Recommendation 1.A.

2. April 2013. Employees in an active pay status and who are below the maximum step shall be eligible to move to the next step effective the beginning of the first full pay period in April 2013, provided they have been employed continuously by the Commonwealth since April 30, 2012. Full-time employees who are at Step D and who have been employed continuously by the Commonwealth since April 30, 2012 shall receive the annual amount of a 2.25% increase in the form of a one-time cash payment rounded to the nearest dollar.

3. July 2013. Effective July 1, 2013, the pay rates on the July 1, 2012 pay schedules shall be increased by one-half percent (0.5%) as shown in Recommendation 1.A.

4. January 2014. Effective January 1, 2014, the pay rates on the July 1, 2013 pay schedules shall be increased by one-half percent (0.5%) as shown in Recommendation 1.A.

5. April 2014. Effective the beginning of the first full pay period in April 2014, full-time employees who were at Step D as of the day prior to the beginning of the first full pay period in April 2013, and who have been employed continuously by the Commonwealth since April 30, 2013 shall receive the annual amount of a 2.25% increase in the form of a one-time cash payment rounded to the nearest dollar.

6. July 2014. Effective July 1, 2014, the pay rates on the January 1, 2014 pay schedules shall be increased by two percent (2.0%) as shown in Recommendation 1.A.

7. January 2015. Effective the beginning of the first full pay period in January 2015, full-time employees who were at Step D as of the day prior to the beginning of the first full pay period in April 2013, and who have been employed continuously by the Commonwealth since January 31, 2014 shall receive the annual amount of a 2.25% increase in the form of a one-time cash payment rounded to the nearest dollar.

E. The cash payments provided for in this Recommendation shall not be added to the employee's base salary. The cash payments will not be subject to dues and fair share fee deductions.

F. All employees are required to sign-up for direct deposit of paychecks and travel expense reimbursement.

RECOMMENDATION NO. 2

CALL TIME

A manager who is called to the liquor store whenever the store is closed shall receive a minimum of three hours pay, whether or not it is necessary to work for a lesser period of time; provided, however, there shall be no duplication of pay for any part of the minimum hours which occurs during the manager's scheduled shift. Managers receiving call time shall be credited for beginning work when they arrive at the store.

RECOMMENDATION NO. 3

HOURS OF WORK

A. The basic work week shall consist of thirty-seven and one-half (37.5) hours to be worked in five days within a calendar week, including Sundays, except for the week in which Easter Sunday falls.

B. Each manager shall have two days off per week, exclusive of holidays. One of these days shall be Sunday if the store is closed, unless the employee volunteers to work on Sunday or the employee is assigned to work on Sunday after meet and discuss with the Union over the expansion of the number of stores open on Sunday or over operational problems with staffing on Sundays. Where operationally feasible, one of the days off will be Monday or Tuesday, except in those stores routinely closed on a day other than Monday or Tuesday, in which case, one of the days off will be the day the store is closed.

C. When a manager's scheduled day off is a holiday, the manager will be granted another day off within four weeks preceding or following the date of the holiday. If it is not operationally feasible to grant another day off, the manager will be compensated at his regular rate of pay in lieu of the day off.

D. Managers will not be required to schedule a meal period. However, managers may choose to schedule a meal period, if that option is approved by the District Manager in advance. If scheduled, the meal period will be 30 minutes in length.

E. The following system for staffing stores on Sundays will continue until the number of stores open on Sunday is expanded or if there are operational problems with staffing, in which case the LCB will meet and discuss with the Union:

1. All Managers in a store that will be open on Sundays will be canvassed to determine Sunday availability.
2. If there are enough volunteers, Sunday work will be rotated among the volunteers within the store. If there are not enough volunteers, employees outside of the Sunday stores within each supervisory district or county, whichever is smaller, will be canvassed. Additional employees will be assigned in seniority order from the availability list and will be added to the rotation in the store of their choice. A manager who is assigned to the rotation in a store will remain in the rotation for that store.
3. If there are not enough volunteers, employees will be mandated to work in inverse order of seniority within the store.
4. No manager will be required to work more than every third Sunday unless they agree to do so.
5. No meal periods will be scheduled on Sunday.
6. No travel expenses will be paid for travel on Sunday.

RECOMMENDATION NO. 4

ANNUAL LEAVE

A. Subject to the Commonwealth's responsibility to maintain efficient operations, annual leave will be granted at the time requested by the managers. If the nature of the work makes it necessary to limit the number of managers on vacation at the same time, and there is any conflict in selection, the manager in the store with the most Supervisory Unit seniority shall be given his/her choice of annual leave. Each manager shall be guaranteed two weeks of vacation during June, July or August.

B. If a holiday occurs during the work week in which vacation is taken by an employee, the holiday shall not be charged to annual leave.

C. Employees who become ill during their vacation will not be charged annual leave for the period of illness provided satisfactory proof of such illness is furnished to the Employer upon return to work.

D. Employees separated from the service of the Employer for any reason prior to taking their vacation shall be compensated in a lump sum for the unused vacation they have accumulated up to the time of separation.

Effective as soon as practically and legally possible, the Commonwealth will adopt a tax-qualified Leave Payout Plan. All employees who attain age 55 before or during the calendar year they separate from service after adoption of the Leave Payout Plan shall have the leave payouts otherwise payable for accumulated and unused Annual Leave, Personal Leave, Compensatory Leave, Holiday Leave and Sick Leave, up to the maximum allowable by law, deposited in an account in the employee's name, provided however that if the total amount of leave payout is \$5000 or less, this amount shall be paid to the employee in cash. Amounts in excess of the maximum allowable amount will be paid to the employee in cash.

E. Unused annual leave shall be carried over from one calendar year to the next, provided that in no case shall the amount thus carried over exceed forty-five (45) days. However, employees will be permitted to carry over annual leave in excess of the forty-five day limit into the first seven (7) pay periods of the next calendar year. Any days carried over in accordance with this Section which are not scheduled and used during the first seven (7) pay periods of the next calendar year will be converted to sick leave, subject to the 300 day limitation contained in Recommendation No. 7, Section B. Scheduling of those days carried over shall be in accordance with Section A above.

F. Employees shall be eligible for annual leave after 30 days of service with the Employer. Employees hired prior to July 1, 2011 shall earn annual leave as of their date of employment in accordance with the following schedule:

Leave Service Credit	Maximum Annual Leave Entitlement Per Year
<u>Up to 3 Years:</u> Annual Leave will be earned at the rate of 2.70% of all Regular Hours Paid	52.5 hours
<u>Over 3 Years to 15 Years Inclusive:</u> Annual Leave will be earned at the rate of 5.77% of all Regular Hours Paid	112.5 hours
<u>Over 15 Years to 25 Years Inclusive:</u> Annual Leave will be earned at the rate of 7.70% of all Regular Hours Paid	150 hours

Over 25 Years:

Annual Leave will be earned at the rate of 10% of all Regular Hours Paid	195 hours
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Employees hired on or after July 1, 2011 shall be eligible for annual leave after 30 calendar days of service with the Employer in accordance with the following schedule:

Leave Service Credit

**Maximum Annual Leave
Entitlement Per Year**

Up to 3 Years:

Annual Leave will be earned at the rate of 2.70% of all Regular Hours Paid	52.5 hours
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Over 3 Years to 15 Years Inclusive:

Annual Leave will be earned at the rate of 5.77% of all Regular Hours Paid	112.5 hours
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Over 15 Years:

Annual Leave will be earned at the rate of 7.70% of all Regular Hours Paid	150 hours
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Regular hours paid as used in this Recommendation include all hours paid except overtime, call time and full-time out-service training.

Employees shall be credited with a year of service for each 26 pay periods completed in an active pay status, provided they were paid a minimum of one hour in each pay period.

G. Permanent employees who have one or more years of service since their last date of hire may anticipate annual leave to which they become entitled during the then current calendar year unless the Employer has reason to believe that the employee has been abusing his/her leave privileges. Permanent employees with less than one year of service since their last date of hire may not anticipate annual leave.

H. Employees on leave without pay to attend official Union conventions or conferences in accordance with Recommendation No. 10, Section B, shall have that time included in regular hours paid for purposes of earning annual leave entitlement and credited service under Section G above.

I. For the purpose of this Recommendation, the calendar year shall be defined as beginning with the employee's first full pay period commencing on or after January 1 and continuing through the end of the employee's pay period that includes December 31.

RECOMMENDATION NO. 5

HOLIDAYS

A. The following days shall be recognized as holidays.

New Year's Day	Labor Day
Martin Luther King Jr.'s Birthday	Columbus Day
Presidents' Day	Veterans' Day
Primary Election Day	General Election Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Monday shall be recognized as a holiday for all holidays occurring on Sunday.

Effective January 1, 2013, Primary Election Day and General Election Day will be eliminated as holidays.

B. A full-time employee shall be paid for any holiday listed in Section A of this Recommendation, provided he was in an active pay status the last half of his scheduled work day immediately prior and the first half of his scheduled work day immediately subsequent to the holiday.

When a manager's scheduled day off is a holiday, the manager will be granted another day off in accordance with Recommendation No. 3, Section C. If it is not operationally feasible to grant another day off, the manager will be compensated at his regular rate of pay in lieu of the day off.

C. If a holiday is observed while a full-time employee is on any paid leave status, he will receive his holiday pay and the day will not be charged against such paid leave.

D. If an employee works on any of the holidays set forth in Section A of this Recommendation, he shall be compensated at one and one-half times his regular rate of pay for all hours worked on said holiday. In addition, the employee shall receive compensatory time off for all hours worked up to a full shift unless the holiday is worked on the manager's regular day off.

Compensatory time is to be granted within a 120 calendar day period succeeding the date on which the overtime is worked. If a written request is received within 45 days after the date on which overtime is worked, the compensatory time off shall, subject to management's responsibility to maintain efficient operations, be scheduled and granted as requested by the employee. If the Employer does not schedule the compensatory time in accordance with the employee's request, or at some other time, prior to the completion of the 120 calendar day period succeeding the date on which the overtime is worked, the employee shall be compensated at the appropriate rate of pay in lieu of paid time off.

E. Effective as soon as practically and legally possible, the Commonwealth will adopt a tax-qualified Leave Payout Plan. All employees who attain age 55 before or during the calendar year they separate from service after adoption of the Leave Payout Plan shall have the leave payouts otherwise payable for accumulated and unused Annual Leave, Personal Leave, Compensatory Leave, Holiday Leave and Sick Leave, up to the maximum allowable by law, deposited in an account in the employee's name, provided however that if the total amount of leave payout is \$5000 or less, this amount shall be paid to the employee in cash. Amounts in excess of the maximum allowable amount will be paid to the employee in cash.

RECOMMENDATION NO. 6

PERSONAL LEAVE

- A. 1. During calendar years 2011 and 2012, each full-time employee will be eligible for paid personal leave days as follows:
- a. One paid personal leave day will be earned in the employee's first calendar year of employment provided the employee has 300 hours in an active pay status in the calendar year.
 - b. One paid personal leave day per one-half calendar year will be earned in the employee's second calendar year of employment, provided the employee has 300 hours in an active pay status in each one-half calendar year.
 - c. Two paid personal leave days in the first one-half calendar year and one paid personal leave day in the second half calendar year will be earned in the employee's third and subsequent years of employment provided the employee has 300 hours in an active pay status in each one-half calendar year.

- d. Leave service credit earned during all periods of Commonwealth employment will be used to determine whether, for purposes of this Section, an employee is in the first calendar year of employment, the second calendar year of employment or the third and subsequent years of employment.

2. Beginning calendar year 2013, each full-time employee will be eligible for paid personal leave days as follows:

- a. Two paid personal leave days in the first one-half calendar year and one paid personal leave day in the second half calendar year will be earned in the employee's first calendar year of employment provided the employee has 300 hours in an active pay status in each one-half calendar year.
- b. Two paid personal leave days in the first one-half calendar year and two paid personal leave days in the second half calendar year will be earned in the employee's second calendar year of employment provided the employee has 300 hours in an active pay status in each one-half calendar year.
- c. Three paid personal leave days in the first one-half calendar year and two paid personal leave days in the second half calendar year will be earned in the employee's third and subsequent years of employment provided the employee has 300 hours in an active pay status in each one-half calendar year.
- d. Leave service credit earned during all periods of Commonwealth employment will be used to determine whether, for purposes of this Section, an employee is in the first calendar year of employment, the second calendar year of employment or the third and subsequent years of employment.

B. Personal leave shall be scheduled and granted for periods of time requested by the employee subject to management's responsibility to maintain efficient operations. Employees are encouraged to use at least one personal leave day by June 30. Personal leave to which an employee may become entitled during the calendar year may be granted at the Employer's discretion before it is earned. An employee who is permitted to anticipate such leave and who subsequently terminates employment shall reimburse the Employer for those days of personal leave used but not earned.

C. Personal leave days shall be noncumulative from calendar year to calendar year. However, employees will be permitted to carry over personal leave days into the first seven (7) pay periods of the next calendar year. Any days carried over in accordance with this Section which are not scheduled and used during the first seven (7) pay periods of the next calendar year will be lost.

D. For the purpose of this Recommendation, the calendar year shall be defined as beginning with the employee's first full pay period commencing on or after January 1 and continuing through the end of the employee's pay period that includes December 31. For the purpose of this Recommendation, the half calendar year shall be defined as beginning with the employee's first full pay period in January through June 30, and July 1 through the last full pay period of the leave calendar year, which is the pay period that includes December 31.

E. Effective as soon as practically and legally possible, the Commonwealth will adopt a tax-qualified Leave Payout Plan. All employees who attain age 55 before or during the calendar year they separate from service after adoption of the Leave Payout Plan shall have the leave payouts otherwise payable for accumulated and unused Annual Leave, Personal Leave, Compensatory Leave, Holiday Leave and Sick Leave, up to the maximum allowable by law, deposited in an account in the employee's name, provided however that if the total amount of leave payout is \$5000 or less, this amount shall be paid to the employee in cash. Amounts in excess of the maximum allowable amount will be paid to the employee in cash.

RECOMMENDATION NO. 7

SICK LEAVE AND BEREAVEMENT LEAVE

A. 1. Employees shall be eligible to use sick leave after 30 days of service with the Employer. Employees shall earn sick leave as of their date of hire in accordance with the following schedule:

Maximum Sick Leave Entitlement Per Year:

Sick Leave will be earned at the rate of 5% of all Regular Hours Paid	97.5 hours (13 days)
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2. Effective the beginning of the 2012 leave calendar year, employees shall earn sick leave in accordance with the following schedule:

Maximum Sick Leave Entitlement Per Year:

Sick Leave will be 82.5 Hrs. (11 days)
earned at the rate of
4.24% of all Regular
Hours Paid

3. Regular Hours Paid as used in this Recommendation include all hours paid except overtime, call time, and full-time out-service training.

B. Managers may accumulate sick leave up to a maximum of three hundred days.

C. Employees may use not more than five days of sick leave in any calendar year, where sickness in the immediate family requires the employee's absence from work. Immediate family for the purposes of this Section is defined as husband, wife, domestic partner, parent, child, step-child or foster child of the employee or child of the employee's domestic partner. The Employer may require proof of such family sickness.

D. Where a family member's serious health condition requires the employee's absence from work beyond 20 days (150 hours) in a calendar year, permanent employees with at least one year of service may use accrued sick leave, in addition to that provided by Section C above.

1. Employees who meet the eligibility criteria in 2. through 5. below may use accrued sick leave in accordance with the following schedule:

Leave Service Credit	Sick Family Allowance
Over 1 year to 3 years	Up to 52.5 additional hours (7 days)
Over 3 years to 15 years	Up to 112.5 additional hours (15 days)
Over 15 years to 25 years	Up to 150 additional hours (20 days)
Over 25 years	Up to 195 additional hours (26 days)

2. During the initial 20 days (150 hours) of absence, paid annual and personal leave and/or unpaid leave shall be used and may include leave provided under Section C above. The additional sick family leave allowance must be used prospectively, and may not be retroactively charged for any of the initial 20 days (150 hours). A separate 20 day (150 hour) requirement must be met for each different serious health condition and/or family member and for each calendar year, even if not all of the additional days were used during the previous calendar year.

3. The initial 20 days (150 hours) of absence may be accumulated and the additional leave may be used on an intermittent basis.

4. Proof of the family member's serious health condition as defined by the Family and Medical Leave Act must be provided on the Commonwealth's Serious Health Condition Certification form. Proof may be required for each absence during the 20 day (150 hour) period and subsequent additional sick family leave period.

5. Family member for the purposes of this Section is defined as the following persons: husband, wife, domestic partner, child, step-child, foster child or parent of the employee or child of the employee's domestic partner or any other person qualifying as a dependent under IRS eligibility criteria.

E. Employees may use up to five days of sick leave for the death of the employee's spouse, domestic partner, parent, step-parent, child, or step-child or the child of the employee's domestic partner and up to three days of such leave may be used for the death of the following relatives of the employee: brother, sister, foster child, step-sister, step-brother, grandparent, grandchild, step-grandparent, step-grandchild, son- or daughter-in-law, brother- or sister-in-law, parent-in-law, grandparent-in-law, aunt, uncle, or any relative residing in the employee's household or the following relatives of the employee's domestic partner: parent, brother, sister, grandparent or grandchild.

F. Permanent employees who have one or more years of service since their last date of hire may anticipate sick leave to which they become entitled during the then current calendar year unless the Employer has reason to believe that the employee has been abusing his/her leave privileges. Permanent employees with less than one year of service since their last date of hire may not anticipate sick leave.

G. 1. Employees who retire shall be paid for their accumulated unused sick leave in accordance with the schedule below if they retire under conditions set forth in Subsection 2.

<u>Days Available at Retirement</u>	<u>Percentage Buy-Out</u>	<u>Maximum Days</u>
0 - 100	30%	30
101 - 200	40%	80
201 - 300	50%	150
over 300 (in last year of employment)	100% of days over 300	11

2. Eligibility for payment of benefits under Subsection 1 is as follows:
 - a. Superannuation retirement with at least five (5) years of credited service in the State and/or Public School Retirement Systems,
 - b. Disability retirement, which requires at least five (5) years of credited service in the State and/or Public School Retirement Systems, or
 - c. Other retirement with at least twenty-five (25) years of credited service in the State and/or Public School Retirement Systems, or
 - d. After seven (7) years of service, death prior to retirement or separation of service except as provided in Section H.

3. Such payments shall not be made for part days of accumulated sick leave.

4. No payments under this Section shall be construed to add to the credited service of the retiring member or to the retirement covered compensation of the member.

5. Effective as soon as practically and legally possible, the Commonwealth will adopt a tax-qualified Leave Payout Plan. All employees who attain age 55 before or during the calendar year they separate from service after adoption of the Leave Payout Plan shall have the leave payouts otherwise payable for accumulated and unused Annual Leave, Personal Leave, Compensatory Leave, Holiday Leave and Sick Leave, up to the maximum allowable by law, deposited in an account in the employee's name, provided however that if the total amount of leave payout is \$5000 or less, this amount shall be paid to the employee in cash. Amounts in excess of the maximum allowable amount will be paid to the employee in cash.

H. When an employee dies as a result of a work-related accident, the Commonwealth will pay 100% of the employee's unused sick leave. Such payments will not be made for part days of accumulated sick leave.

I. Employees on leave without pay to attend official Union conventions or conferences in accordance with Recommendation No. 10, Section B. shall have that time included in regular hours paid for purposes of earning sick leave entitlement and credited service under Section A. above.

J. A doctor's certificate is required for an absence from work due to sickness for three or more consecutive days. For absences of less than three days, a doctor's certificate may be required where in the opinion of the Employer, the employee has been abusing sick leave privileges.

K. For the purpose of this Recommendation, the calendar year shall be defined as beginning with the employee's first full pay period commencing on or after January 1 and continuing through the end of the employee's pay period that includes December 31.

L. For the purpose of this Recommendation, domestic partner shall be defined as a same sex domestic partner who meets the eligibility criteria established by the Commonwealth.

RECOMMENDATION NO. 8

LIFE INSURANCE AND HOLDUP INSURANCE

A. The present group life insurance program of the Commonwealth shall continue in effect except as modified below. The amount of insurance will be reduced to 65% on the date the insured individual reaches age 70 and to 50% on the date the insured individual reaches age 75.

1. Permanent employees who are granted sick leave without pay, parental leave without pay, or family care leave without pay will continue to receive 100% state-paid coverage under the current life insurance plan for up to six (6) months. Permanent employees who remain on sick, parental, or family care leave without pay for longer than six (6) months may remain in the program for an additional six (6) month period by paying the entire premium. Permanent employees who are granted injury leave (paid and unpaid) will continue to receive 100% state-paid coverage under the current life insurance plan for up to twelve (12) months or, if only paid leave is used, beyond 12 months until the paid leave is exhausted. Those permanent employees who are placed on suspension or who are granted leave without pay for any reason other than sickness, parental, family care or injury leave for longer than one (1) full pay period may remain in the program for up to one (1) year by paying the entire premium.

2. The Employer shall continue to provide each employee who is covered under the currently existing life insurance plan with fully paid accidental death benefits for work-related accidental deaths. The amount of coverage is \$25,000.

B. The present holdup insurance shall continue in effect except that benefits to which an employee may be entitled under that program shall be reduced by any benefits that are payable under the provisions of Subsection 2 above.

Holdup insurance shall provide coverage to employees for personal losses and damages to include money, securities and personal property during robberies while in the course of employment. Maximum coverage for each employee is \$400 per occurrence.

Coverage does not apply to losses caused by the Board, or anyone acting on the express or implied authority of the Board, being induced by any fraudulent scheme, trick, devise or false pretense to part with title to or possession of any property.

RECOMMENDATION NO. 9

HEALTH BENEFITS

A. Pennsylvania Employees Benefit Trust Fund

1. A jointly administered, multi-union, health and welfare Fund has been established under the provisions of an Agreement and Declaration of Trust executed by and between Council 13, American Federation of State, County and Municipal Employees and the Employer. This jointly administered Fund is known as the Pennsylvania Employees Benefit Trust Fund (hereinafter Fund or PEBTF). The Fund shall conform to all existing and future Federal and Commonwealth statutes applicable to and controlling such Health and Welfare Fund. Said Agreement and Declaration of Trust shall provide for equal representation on the Board of Trustees appointed by the unions and the Employer. In addition, the Agreement and Declaration of Trust will allow the Fund to provide benefits to management level and retired employees, as well as employees represented by other unions and other Employers in the Commonwealth of Pennsylvania.

2. The Board of Trustees of the Fund shall determine in their discretion and within the terms of this Memorandum and the Agreement and Declaration of Trust the extent and level of medical plan benefits, supplemental benefits and other benefits to be extended by the Fund.

3. The Employer shall contribute to the Fund the amounts indicated below on behalf of each permanent full-time employee eligible for benefits and covered by this Memorandum effective on the first pay date in July of each fiscal year specified below:

July 2011 – June 2012	\$375 biweekly per employee
July 2012 – June 2013	\$390 biweekly per employee
July 2013 – June 2014	\$425 biweekly per employee
July 2014 – June 2015	\$455 biweekly per employee

4. The Fund shall maintain a reserve sufficient to pay on a cash basis the three (3) next succeeding months of projected claims and expenses. Reserve is calculated as the ending fund balance, meaning the net amount of funds on hand as of the close of any given month. Fund revenues are to be adjusted to reflect the relevant cash amounts that should have been or are to be received or collected by the Fund under the agreement. Fund expenses are to be adjusted for any expense which should have been paid for the period. At each bimonthly meeting of the Board of Trustees, the Fund's actuary will present their financial projection to the Finance Committee including a report that will show the projected reserve level at the end of the succeeding 24 months, or through the end of the current agreement if this latter period is less than 24 months. The report will concisely state the assumptions and factors used in making these projections.

The report will be available to all trustees of the Fund. If the average amount of the projected reserve for any future quarter (e.g. July-September) is less than a three (3) month reserve as defined above, the actions below will be triggered:

- a. The first day of the quarter during which the average reserve would be less than three (3) months will be considered the “target date” for additional funding;
- b. At least six (6) months prior to the target date, the Fund’s actuary will review the projection and confirm that a funding adjustment is needed and the amount of such adjustment. If the need for a funding adjustment occurs in the first nine (9) months, this subparagraph shall not apply;
- c. Should the Commonwealth not dispute the finding by the Fund’s actuary that an adjustment is necessary, the Commonwealth will implement the funding adjustment at least ten (10) calendar days prior to the target date.
- d. If either the Chairman of the Board, Secretary of the Board, any four (4) management or any four (4) union Trustees of the Board dispute the findings of Fund’s actuary, the Chairman and the Secretary of the Board of Trustees will select a neutral actuary within five (5) business days to resolve the dispute and will forward their respective positions and any supporting documentation to the neutral actuary within five (5) business days of such selection. The neutral actuary may communicate and ask questions of the Fund’s actuary provided, however, if such communications occurs, the Finance Committee will have access to the discussions.
- e. The neutral actuary shall render a decision within 30 calendar days of the receipt of said positions/documentation, which decision will be final and binding on the parties and must be implemented within 10 (ten) business days of its receipt by the parties.
- f. The adjustment must be sufficiently large so as to restore the size of the reserve to a minimum of three months within 30 days following the target date.
- g. Once the reserve exceeds the three (3) month equivalent, the contribution rate shall be reduced to the amount provided under this Section unless the parties agree that a new rate is necessary to maintain a three (3) month reserve.

h. It is understood and agreed to by the parties that the process outlined above is designed to ensure adequate funding for the PEBTF and not intended to place the financial status of the Fund in jeopardy.

5. The Employer shall make aggregate payments of Employer contributions together with an itemized statement to the Fund within one month from the end of the month in which the contributions were collected.

6. All benefits extended by the Fund must be designed to be excludable from the "regular rate" definition of the Fair Labor Standards Act, unless hereinafter required by federal law to be included.

7. No dispute over eligibility for benefits or over a claim for any benefits extended by the Fund shall be subject to the grievance procedure established in any Memorandum of Understanding.

8. It is expressly agreed and understood that the Employer does not accept, nor is the Employer to be hereby charged with any responsibility in any manner connected with the determination of liability to any employee claiming any of the benefits extended by the Fund. It is expressly agreed that the Employer's liability, in any and every event, with respect to benefits extended by the Fund shall be limited to the contributions indicated under Subsections 3 and 4 above.

B. The provisions of Sections C through G shall be modified to the extent the medical plan benefits, supplemental benefits and other benefits as determined and extended by the Fund and/or the Retired Employees Health Program are modified for current and/or future employees and annuitants as provided for in Section A (employees) and/or Section F (annuitants) of this Memorandum, respectively.

C. The Fund shall continue to provide each permanent full-time active employee medical plan benefits, supplemental benefits and other benefits as determined and extended by the Fund. In addition it shall provide dependency coverage where the dependents of the employee qualify. Enrollment and continued coverage in Fund benefits is further subject to the following conditions:

1. Subject to the provisions of Section C.2., employees will contribute a percentage of their biweekly gross base salary toward the cost of coverage as provided below:

July 2011 – June 2012	3.0%
July 2012 – June 2013	3.0%
July 2013 – June 2014	3.0%
July 2014 – June 2015	5.0%

Employee contributions shall be effective the first full pay period in July of the periods specified above. Biweekly gross base salary as used throughout this Recommendation excludes premium or supplemental payments such as overtime, shift differentials, higher class pay, etc.

2. An employee will be eligible for an Employee Contribution Waiver if the employee and his/her qualifying dependents, as determined by the Trustees, participate in the Get Healthy Program as established from time-to-time by the Fund. In accordance with Section A.2., the Fund shall be solely responsible for establishing all requirements and conditions of the Get Healthy Program, including rules and policies for the requirements for qualifying for the Employee Contribution Waiver and for making determinations regarding whether an employee and dependents have fulfilled the conditions for such Waiver.

The Employee Contribution Waiver will consist of a waiver of a portion of the employee's required contribution to the cost of health care as a percentage of biweekly gross base salary as follows:

	<u>Waiver Amount</u>	<u>Employee contribution with Waiver</u>	<u>Employee contribution without Waiver</u>
July 2011 – June 2012	1.5%	1.5%	3.0%
July 2012 – June 2013	1.5%	1.5%	3.0%
July 2013 – June 2014	1.5%	1.5%	3.0%
July 2014 – June 2015	3.0%	2.0%	5.0%

Employee Contribution Waivers shall be effective the first full pay period in July of the periods specified above.

3. There will be an evaluation process with respect to the reserve levels of the Fund to determine if an employee contribution is necessary. Under this process, if the Fund's actuary certifies that a three (3) month reserve of projected claims and expenses has been achieved and will be maintained for at least six (6) months, the Trustees will evaluate whether employee cost sharing for employees hired before August 1, 2003, can be reduced or eliminated, provided that at no time shall any such reduction or elimination of cost sharing result in the reserve being reduced below the three (3) months of total projected claims and expenses. Should the Trustees, after evaluating the employee cost sharing, decide that contributions by employees hired before August 1, 2003 will be reduced or eliminated, the reserve will be reviewed on a six (6) month basis by the Fund's actuary. If the actuary certifies that the amount of the reserve has dropped below the three (3) month level, such contributions will resume immediately at the levels established in this Memorandum, without any action on the part of the parties or the PEBTF Board of Trustees. This

Subsection shall be read and administered in a manner consistent with Section A.4. of this Recommendation.

4. a. For the first six (6) months of employment, the employee will be offered single coverage in the least costly medical plan offered and available in his/her area, with no supplemental benefits. The employee may opt to purchase medical coverage for the employee's qualifying dependents in the same medical plan as the employee, and/or may opt to purchase a more costly plan in the area by paying the difference in cost between the least costly and the more costly plan, in addition to the employee contribution.

b. After completing six (6) months of employment, the employee and his/her qualifying dependents will be eligible for coverage under the Fund's supplemental benefits, and the employee will be permitted to cover his/her qualifying dependents under the least costly medical plan at no additional cost. If a more costly medical plan is selected, the employee will be required to pay the cost difference between the least costly and more costly plan, in addition to the employee contribution.

c. Nothing herein shall be construed to limit the authority of the Board of Trustees to modify or adopt these or other eligibility rules.

5. Only employees who elect to enroll for PEBTF coverage, including those who enroll only for supplemental benefits, are subject to the employee contributions in this Recommendation. An employee who is only enrolled as a spouse of another PEBTF covered employee is not subject to any required employee contributions.

6. Employee contributions under this Recommendation will be paid to the Fund on a biweekly basis as soon as is practicable using the Employer's standard methods for transferring money. The parties intend that these contributions will be submitted in a more accelerated manner than the Employer contributions. Any employee contributions made pursuant to this Recommendation will be made on a pre-tax basis.

D. 1. Permanent employees who are granted sick leave without pay (Recommendation 10), parental leave without pay (Recommendation 30), or family care leave without pay (Recommendation 31) may continue to receive benefits as determined and extended by the Fund for up to six months. Permanent employees who are granted injury leave (paid or unpaid) may continue to receive benefits as determined and extended by the Fund for up to 12 months, or if only paid leave is used, beyond 12 months until the paid leave is exhausted.

2. Those permanent full-time employees who are placed on suspension or who are granted leave without pay for any reason other than sickness, parental leave, family care leave or injury leave for longer than one full pay period or who are on leave longer than the applicable period specified in D.1. above, will be permitted to continue coverage on a direct pay basis at a rate to be determined by the Fund but no greater than the COBRA rate.

3. The Employer shall continue to make full contributions to the Fund for permanent full-time employees for the period of time for which they are entitled to benefits under Section D.1.

4. The continuation of benefits under this Section is subject to the employee's payment of any required employee contribution under Section C.

E. Spousal Eligibility

1. For employees hired on or after August 1, 2003: If the spouse of an employee is covered by any PEBTF health care plan, and he/she is eligible for coverage under another employer's plan(s), the spouse shall be required to enroll in each such plan, which shall be the spouse's primary coverage, as a condition of the spouse's eligibility for coverage by the PEBTF plan(s), without regard to whether the spouse's plan requires cost sharing or to whether the spouse's employer offers an incentive to the spouse not to enroll.

2. For employees hired before August 1, 2003: Effective October 1, 2003, if the spouse of an employee covered by any PEBTF health plan also is eligible for coverage under another employer's plan(s), the spouse shall be required to enroll in each such plan, provided that the plan in question does not require an employee contribution by the spouse or the spouse's employer does not offer an incentive to the spouse not to enroll. Once covered by another employer's plan, that plan will be the spouse's primary coverage, and the PEBTF plan will be secondary.

3. Nothing herein shall be construed to limit the authority of the Board of Trustees to modify or adopt these or other spousal eligibility rules.

F. 1. The Employer shall allow each individual who was eligible as an active employee under the Fund's health benefits plan to elect coverage upon retirement under the Retired Employees Health Program (hereinafter REHP). In addition, dependency coverage shall be allowed where the dependents of the annuitant qualify under such Program.

2. Employees who retire on or after July 1, 2007, and who elect REHP coverage, shall be eligible for the medical and prescription benefits in effect for active employees, provided that the Employer will modify the REHP plan of benefits from time-to-time to conform to the medical and prescription benefits in effect for the active employees. Annuitants who are eligible for Medicare will participate in Medicare supplemental medical plans, and those annuitants who are eligible to enroll in Medicare Part B will not receive benefits through the REHP for benefits which are provided by Medicare Part B. It is understood that the REHP plan of benefits may be amended or modified by the Employer from time-to-time.

3. Employees who retire on or after July 1, 2007, and elect REHP coverage shall be required to contribute to the cost of coverage. The annual retiree contribution rate shall be a percentage of the employee's final annual gross salary at the time of retirement from State service equal to the active employee contribution rate in effect on the date of retirement, and will be payable monthly at the rate of one-twelfth of the annual retiree contribution rate.

Effective January 1, 2012, the annual retiree contribution rate during the term of this agreement for employees who retire on or after July 1, 2011 shall be three (3) percent of the employee's final average salary at the time of retirement, as determined by the methodology utilized by the State Employees' Retirement System to calculate pension benefits, and will be payable monthly at the rate of one-twelfth of the annual retiree contribution rate. Effective January 1, 2012, the methodology utilized by the State Employees' Retirement System to calculate pension benefits will also be applied to determine the annual retiree contribution rate for employees who retired on or after July 1, 2007 through June 30, 2011 in those situations where said methodology results in a lower retiree contribution rate than results from the use of final gross annual salary; in situations where use of final gross annual salary yields a lower contribution rate for such former employees, it shall continue to be used. Further, effective January 1, 2012, the annual retiree contribution rate for all present and future Medicare eligible retirees who have a contribution rate of three (3) percent will be reduced to one-and-one-half (1.5) percent of the appropriate base (final gross annual salary or final average salary) when a retiree becomes eligible for Medicare coverage, and will be payable monthly at the rate of one-twelfth of the annual retiree contribution rate.

4. The REHP is developed and administered in a cost effective and beneficial manner by the Fund, subject only to the prior approval of the Office of Administration and in accordance with the terms and conditions of the REHP Participation Agreement between the Employer and the Fund.

5. The Employer shall continue to pay the cost of coverage, subject to the required retiree contribution rates, for annuitants who retire under a., b., c., or e. below and who have elected REHP coverage.

- a. Retirement at or after superannuation age with at least 15 years of credited service (20 years of credited service if retired on or after July 1, 2008) in the State and/or Public School Retirement Systems, except that
 - (1) an employee who leaves State employment prior to superannuation age and subsequently retires at or after superannuation age must have 25 years of credited service in the State and/or Public School retirement systems,

- (2) an employee who is furloughed prior to superannuation age and subsequently retires at or after superannuation age during the recall period must have 15 or more years of credited service (20 or more years of credited service if retired on or after July 1, 2008) in the State and/or Public School Retirement Systems,
- (3) an employee who leaves State employment prior to superannuation age and is subsequently rehired and then retires at or after superannuation age must have 15 or more years of credited service (20 or more years of credited service if retired on or after July 1, 2008) in the State and/or Public School Retirement Systems with at least three years of credited service from the most recent date of reemployment. However, if the departure from State employment was due to furlough and the employee returns during the recall period, this three year requirement will not apply. If the employee had qualified, other than through disability retirement, for Employer paid coverage in the REHP prior to the most recent rehire period, this three year requirement will not apply.
- (4) an employee who leaves State employment subsequent to superannuation age and is subsequently rehired and then retires must have 15 or more years of credited service (20 or more years of credited service if retired on or after July 1, 2008) in the State and/or Public School Retirement Systems with at least three years of credited service from the most recent date of reemployment. However, if the departure from state employment was due to furlough and the employee returns during the recall period, this three year requirement will not apply. If the employee had qualified, other than through disability retirement, for Employer paid coverage in the REHP prior to the most recent rehire period, this three year requirement will not apply.

- b. Disability retirement, which requires at least five years of credited service in the State and/or Public School Retirement Systems, except that, if an employee had previously qualified based on an approved disability retirement, then returns and retires under a normal or early retirement, he or she must retire at or after superannuation age with 15 or more years of credited service (20 or more years of credited service if retired on or after July 1, 2008) in the State and/or Public School Retirement Systems or 25 years of credited service in the State and/or Public School Retirement Systems or
- c. Other retirement with at least 25 years of credited service in the State and/or Public School Retirement Systems, except that an employee who leaves State employment, is subsequently rehired and retires must have at least 25 years of credited service in the State and/or Public School Retirement Systems with at least three years of credited service from the most recent date of reemployment. However, if the departure from State employment was due to furlough and the employee returns during the recall period, this three year requirement will not apply. If the employee had qualified, other than through disability retirement, for Employer paid coverage in the REHP prior to the most recent rehire period, this three year requirement will not apply.
- d. All employees who had at least 15 years of credited service as of June 30, 2008, or who had 13 years of credited service and were within one year of superannuation age as of June 30, 2008, whether it had been purchased as of that date or was eligible to be purchased as of that date, shall be eligible to elect REHP coverage upon reaching superannuation age with 15 years of credited service rather than 20. The three-year rehire rule will not apply to such employees.
- e. For purposes of eligibility for REHP coverage under this Section, credited service earned on or after July 1, 2007, will be limited to service as a Commonwealth employee which otherwise counts as credited service under the State and/or Public School Retirement, TIAA-CREF or other approved retirement systems' rules in effect from time to time. Employees hired on or after July 1, 2007 who have earned credited service under the State and/or Public School Retirement, TIAA-CREF or other approved retirement systems' rules with another employer will not have that service counted for

purposes of eligibility for REHP coverage, unless they were employed by the Commonwealth prior to July 1, 2007. If it is determined by the State and/or Public School Retirement Systems that a Commonwealth employee is eligible for additional credited service for military service, such credited service will be included in the determination of eligibility for REHP coverage. The phrase "Commonwealth employee" shall be limited to service earned through an employing agency eligible to participate in the Commonwealth's Life Insurance Program.

G. When an employee dies as a result of a work-related accident, the Fund shall continue to provide medical plan benefits and supplemental benefits, as determined and extended by the Fund, to the spouse and eligible dependents of the employee until the spouse remarries or becomes eligible for coverage under another Employer's health plan. Annual certification of non-coverage will be required.

The medical plan benefits and supplemental benefits will be converted to the REHP at the time when the employee would have reached age 60.

H. The parties will evaluate the health plans offered under the Fund, and take action as necessary, in order to ensure that a tax and/or penalty is not assessed against the Commonwealth pursuant to the Affordable Health Care Act as a result of the impact upon employees of any such plans.

RECOMMENDATION NO. 10

LEAVES WITHOUT PAY

A. A manager with more than one year of service shall be entitled to a leave of absence not to exceed one year for any reason mutually acceptable to the Employer and the Union. Such leaves may be extended for up to an additional year by mutual agreement between the Employer and manager.

B. Union officials or elected delegates shall be granted up to six (6) weeks' leave without pay each year without loss of seniority credit where such time is necessary to enable them to attend official Union conventions or conferences.

C. An employee elected to a statewide office (President, Vice President, Secretary or Treasurer) in the Union shall be granted, at the written request of the employee, a leave of absence without pay for the maximum term of office, not to exceed one year. Such leave may be renewed or extended by written mutual consent of the Union and Employer.

D. 1. After completing one year of service, permanent employees shall be granted, upon written request, up to six (6) months of sick leave without pay with benefits, on a rolling twelve month year basis, provided the employee has at least 1250 hours of actual work time within the twelve months preceding the commencement of the leave. If the illness or disability is due to a serious health condition as defined by the Family and Medical Leave Act, leave shall be granted for less than two consecutive weeks. The request, which shall be submitted in advance of leave if circumstances permit, shall include proof of illness or disability in the form of a doctor's certificate and shall state a prognosis and expected date of return.

If requested and properly documented as medically necessary, leave under this Section shall be approved on an intermittent or reduced-time basis during the first twelve weeks of absence per rolling twelve month year. After twelve weeks of absence, whether taken intermittently, on a reduced-time basis, or continuously, subsequent leaves in the rolling twelve month year shall not be approved for periods of less than two consecutive weeks except as described in Subsection D.4. below.

2. Employees shall be required to use all accrued paid sick leave upon commencement of sick leave without pay. Such sick leave used will run concurrently with and reduce the six month entitlement to leave without pay with benefits. Employees shall not be required to use annual, personal, compensatory or holiday leave upon the commencement of sick leave without pay; however, if annual, personal, compensatory or holiday leave is used, it also will run concurrently with and reduce such entitlement.

3. Effective during the first pay period of leave calendar year 2012, Subsection D.2. applies except that employees may choose to retain up to ten days of accrued sick leave. The choice to retain or not retain sick leave cannot be made retroactively, and saved days will be measured based on accrued sick leave available at the commencement of the absence. Saved days may be used by employees at any time during the first 12 weeks of the six month entitlement to leave without pay with benefits. Such sick leave used will run concurrently with and reduce the six month entitlement to leave without pay with benefits. Days saved and requested for intermittent or reduced-time absences for periods less than two consecutive weeks after the first 12 weeks of the six month entitlement to leave without pay with benefits will be reviewed for approval under the provisions of Recommendation 7. Such use will not be counted against the six month entitlement to leave without pay with benefits.

4. Intermittent or reduced-time sick leave without pay may be approved for absences after the first 12 weeks of the six month leave entitlement to leave without pay with benefits when due to a catastrophic illness or injury of the employee that poses a direct threat to life or to the vital function of major bodily systems or organs, and would cause the employee to take leave without pay or terminate employment. All accrued and anticipated leave must be used before granting leave without pay under this Subsection. Such leave without pay used will run concurrently with and reduce the six month entitlement to leave without pay with benefits.

5. One aggregate six month entitlement of leave without pay with benefits will be provided for sick leave without pay used under this Section, parental leave without pay used under Recommendation 30, Section A.1., and family care leave without pay used under Recommendation 31, Section A. Leave used under these Recommendations, as well as military exigency leave used under Section I below, will be deducted from the six month entitlement and run concurrently.

6. After the employee has used an aggregate of six months of leave without pay with benefits under this Section, Recommendation 30, Section A.1., Recommendation 31, Section A, and/or military exigency leave under Section I below, the Employer is not required to grant subsequent leave without pay with benefits until such time that the employee again becomes eligible for some portion of the six month entitlement under the rolling twelve month year, provided that the employee has 1250 hours of actual work time within the twelve month period preceding commencement of the leave.

7. The continuation of benefits under this Section is subject to the employee's payment of any required employee contribution under Recommendation 9, Section C.

8. This Section shall not apply to a work-related injury.

E. Upon request of the employee, an extension of up to an additional six months of leave without pay shall be granted provided the employee provides proof of continuing illness or disability in the form of a doctor's certificate which shall state a prognosis and expected date of return. The extension shall be without benefits and shall be contiguous to the termination of the initial six months of leave without pay with benefits. It shall not be used on an intermittent or reduced-time basis. Upon certification from the employee's doctor that the employee is able to return to work, the employee shall be offered a position in the same classification and seniority unit for which a vacancy exists and to which there are no seniority claims and which the agency intends to fill. If such a position is not available, the employee shall be offered, during the remainder of the six-month period, any position in the same classification series, or a position previously held, within the same geographical/organizational limitation as the seniority unit, for which a vacancy exists and to which there are no seniority claims and which the agency intends to fill. If the employee refuses an offer of a position in the same classification, the employee's rights under this Section shall terminate. If the employee accepts a position in a lower classification or a position previously held, the employee will be offered a position in the same classification if there is a vacancy in that classification during the remainder of the six-month period in the seniority unit, provided there are no seniority claims to the position, and the agency intends to fill the position.

This section shall not apply to work-related injuries.

F. Upon the expiration of any approved leave of absence without pay, except as provided in Section E above, Recommendation No. 22, Section G, Recommendation 30, Section C and in Recommendation 31, Section E, the employee is entitled to return to a position in the same or equivalent classification within the agency, subject to the furlough provisions of Recommendation No. 11, Seniority.

G. It is understood by both parties that the provisions of Sections D, E, and F are consistent with the Family and Medical Leave Act of 1993, 29 USC Sections 2601 et seq.

H. State-paid coverage for life insurance and state payments toward coverage for health benefits as provided in Recommendations 8 and 9 will continue for the period of time the employee is on sick leave without pay with benefits under Section D of this Recommendation.

I. After completing one year of service, employees shall be eligible to use unpaid military exigency or military caregiver leave. Military exigency absence provides 12 weeks of leave within a rolling calendar year. Military caregiver absence provides 26 weeks of leave within a single 12 month period. Both military exigency leave and military caregiver leave may be used intermittently or on a reduced time basis.

RECOMMENDATION NO. 11

SENIORITY

A. Classification seniority for the purpose of store assignment under Recommendation No. 23 is defined as the length of unbroken service with the Employer in the employee's current classification. Service in the following classifications shall be considered equivalent for this purpose:

Liquor Store General Manager 1A and Liquor Store Manager 1
Liquor Store General Manager 1B and Liquor Store Manager 2
Liquor Store General Manager 2A and Liquor Store Manager 3

B. Supervisory Unit seniority for the purpose of furlough and vacation selection is defined as the length of unbroken service with the Employer in the classifications covered by this Memorandum and in Liquor Store General Manager 2 Management positions, Liquor Store General Manager 3 positions and unbroken service prior to September 5, 1978 in the Liquor Store Clerk 2 classification.

C. The following shall constitute a break in service (as referred to in Sections A and B above): resignation, separation for just cause, retirement, absence without leave for five (5) consecutive working days, failure to report within ten (10) consecutive working days of recall, expiration of recall period, failure to report after leave, promotion out of the supervisory unit and acceptance of other permanent employment while on leave. This shall not restrict the Employer's right to take whatever personnel action it deems warranted for any of the above. If service is broken by any of the above, the employee shall lose Supervisory Unit and Classification seniority. If an employee returns to work within two years after such break in service, he/she shall be entitled to credit for seniority purposes the time accrued up to the time break in service occurred, but shall not be entitled to any credit for the time represented by such break in service.

Employees who are furloughed and who file applications for retirement benefits which are subsequently approved, will be considered to have a break in service as of the date of the approval of benefits by the State Employees' Retirement Board.

D. Layoffs or furloughs shall be made in inverse order of Supervisory Unit seniority within the same class in the same county.

E. A manager affected by a furlough implemented in accordance with Section D. above may bump laterally or down into another manager position if he/she has greater Supervisory Unit seniority than the employee within the county with the least amount of Supervisory Unit seniority. The terms "laterally" and "down" in the context of this Section refer respectively to a position assigned an equivalent or lower rate of pay. Nothing in this Section shall be construed to require the bumping of employees between stores and warehouses/sub-warehouses or vice versa. An employee who refuses a bump under this Section shall forfeit all further bumping rights under this Section and recall rights under Section H of this Recommendation to positions in all classifications except the one from which the employee was furloughed.

F. Seniority credit for each employee is maintained as a total number of days. Employees will accrue seniority in accordance with the following procedure: The number of regular hours paid each biweekly pay period plus the number of hours of military leave without pay; leave without pay for union business in accordance with Recommendation No. 10, Section B, leave without pay for work-related injuries in accordance with Recommendation No. 22, sick leave without pay in accordance with Recommendation No. 10, Sections D and E, parental leave without pay in accordance with Recommendation No. 30, Section A, and family care leave without pay in accordance with Recommendation No. 31, will be accumulated. This total number of hours will be divided by 7.5 and rounded up to the next higher day. The result will be added to the employee's accumulated total.

G. Employees who served in the Armed Forces of the United States during periods of war in which the United States was or is engaged as listed below shall, if they have not previously done so, be responsible for providing proof of military service to the Human Resource Office in order to receive seniority credit in accordance with the Veteran's Preference Act 51 Pa. C.S. 7101. Employees shall be responsible for providing proof of military service within sixty (60) days of their first day of work or 60 days after discharge or release from active duty during a current period of war. Failure to provide the required proof of service during the time period shall bar the employee or Union from claiming credit for such service at a later date. Applicable periods of war are as follows:

1. World War II – December 7, 1941 - September 22, 1945
2. Korea – June 25, 1950 - July 27, 1953
3. Vietnam – August 5, 1964 - January 28, 1973
4. Persian Gulf – August 2, 1990 – August 31, 1991
5. War on Terrorism, September 11, 2001 to date determined by the Adjutant General (Department of Military and Veterans Affairs) pursuant to 51 Pa.C.S. 7101.

H. 1. The Commonwealth shall establish a preference list for those persons who have been furloughed or laid off under the provisions of this Recommendation in the inverse order of such layoff or furlough. This list shall remain in effect for the following periods and shall be used in the order of seniority to fill vacancies in the county within the same or lower class from which the persons on the preference list were furloughed or laid off:

- a. one year, for employees with less than one year of service;
- b. two years, for employees with more than one year but less than three years of service;
- c. four years, for employees with more than three years of service.

2. During the period that employees are on a recall list, they shall keep the Employer informed of any changes in address. The Employer shall not be held liable if an employee is not offered recall because of failure to notify the Employer of a change of address. An employee who is not offered recall because of failure to notify the Employer of a change of address and who subsequently informs the Employer of the current address shall be returned to the recall list and shall be offered the next opportunity for recall, provided the employee's recall period has not expired.

3. An employee who refuses an offer of permanent, full-time employment in a lower classification for which the employee has seniority rights shall forfeit recall rights to that and any lower classification; if the employee refuses an offer of employment in the classification from which the employee was initially furloughed, the employee shall forfeit all recall rights.

4. During the recall period, employees may be offered recall to either temporary or part-time positions. If an employee refuses an offer of either temporary or part-time recall, the employee forfeits all further recall rights to the type of employment refused. The employee would retain recall rights to permanent full-time employment for which the employee is eligible.

I. The Commonwealth shall provide the Union with a list showing the Classification seniority, Supervisory Unit seniority and initial hire date for each employee by county. This list shall be revised annually. The Union shall have the right to post such lists in the State Liquor Stores. In addition, the Commonwealth shall provide the President of the Union with a statewide civil service promotion list for manager classes represented by the Union and all changes thereto.

J. Employees who formerly occupied classifications within this supervisory unit and who are not now in this unit and who are affected by furlough may not bump into classifications previously held in this unit.

RECOMMENDATION NO. 12

OVERTIME AND TEMPORARY ASSIGNMENT

A. Non-Exempt Managers

1. a. For managers who are non-exempt under the Fair Labor Standards Act, overtime shall be paid in accordance with the provisions of that Act at the rate of one and one-half times the manager's regular hourly rate of pay for hours worked in excess of 40 per week, except as provided in Section G.1. below.

b. By mutual agreement between the Employer and the employee, compensatory time at the appropriate rate may be granted in lieu of overtime pay. Such compensatory time is to be granted within the 120 calendar day period succeeding the date on which the overtime is worked. If a written request is received within 45 days after the date on which the overtime is worked, the compensatory time off shall, subject to management's responsibility to maintain efficient operations, be scheduled and granted as requested by the employee. If the Employer does not schedule the compensatory time in accordance with the employee's request, or at some other time prior to the completion of the 120 calendar day period succeeding the date on which the overtime is worked, the employee shall be compensated at the appropriate rate of pay in lieu of paid time off.

B. Exempt Managers

1. For managers who are exempt from the overtime provisions of the Fair Labor Standards Act, it is understood that circumstances may require additional periods of work beyond an employee's basic work week. Consistent with operational requirements, future schedules may be varied to compensate for those additional hours.

2. Whenever an exempt manager is required to "double out" (work their regular shift plus the shift of another manager) or work a scheduled day off, the manager will be compensated at his/her regular hourly rate for hours worked over 37.5.

C. Whenever an employee is required by the Employer to work in excess of 10 hours in a day, excluding situations where an employee is required to "double out", the employee will be paid the appropriate rate for all hours worked in excess of 10.

D. Requests by employees to use compensatory time shall not be unreasonably denied.

E. The following items will be regarded as hours worked for the purpose of computing overtime pay under Sections A and C of this Recommendation:

1. Hours worked.
2. Paid Holidays.
3. Annual Leave.
4. Personal Leave.
5. Compensatory Leave.

F. When the Employer determines, based on operational needs, overtime hours will be worked by a manager, the Employer will attempt to equalize the available overtime among managers within a supervisory district or county, whichever is smaller. An employee must submit a completed request form to the District Manager indicating their willingness to work overtime, which will remain in effect until the employee withdraws the written statement. If an employee routinely refuses overtime opportunities, that employee will not be considered for further overtime.

G. 1. Whenever a non-exempt manager is assigned to replace a temporarily absent exempt manager who is compensated at a higher rate for a period in excess of 10 consecutive working days, the manager shall be compensated, beginning with the 11th consecutive day worked in temporary assignment, for regular hours worked in the higher class, at an amount equal to the corresponding pay step of the temporary position. Managers will be compensated for overtime hours in accordance with Section B. above.

2. Whenever an exempt manager is assigned to replace a temporarily absent manager who is compensated at a higher rate for a period in excess of 10 consecutive working days, the manager shall be compensated, retroactive to the time the assignment took place, at an amount equal to the corresponding pay step of the temporary position.

H. Effective as soon as practically and legally possible, the Commonwealth will adopt a tax-qualified Leave Payout Plan. All employees who attain age 55 before or during the calendar year they separate from service after adoption of the Leave Payout Plan shall have the leave payouts otherwise payable for accumulated and unused Annual Leave, Personal Leave, Compensatory Leave, Holiday Leave and Sick Leave, up to the maximum allowable by law, deposited in an account in the employee's name, provided however that if the total amount of leave payout is \$5000 or less, this amount shall be paid to the employee in cash. Amounts in excess of the maximum allowable amount will be paid to the employee in cash.

I. Employees hired prior to July 1, 2012, shall be paid, in addition to their regular hourly rate, \$6.00 per hour for all hours worked on Sunday.

Employees hired on or after July 1, 2012, shall be paid, in addition to their regular hourly rate, \$1.00 per hour for all hours worked on Sunday.

RECOMMENDATION NO. 13

DISCHARGE, DEMOTION, SUSPENSION AND DISCIPLINE

A. The Commonwealth shall not demote for disciplinary reasons, suspend, discharge or take any other disciplinary action against any manager without just cause. A manager may appeal a disciplinary demotion, suspension or discharge beginning at the second step of the grievance procedure within 15 working days of the date of its occurrence.

B. Any action instituted under Section A of this Recommendation shall be implemented within a reasonable period of time after the event giving rise to such disciplinary action or knowledge thereof.

C. The provisions of Section A of this Recommendation shall not apply during the initial 180 calendar days of probationary employment. The probationary period for promotions into or within this unit will be 180 calendar days in length and the provisions of Section A shall not be applicable if an employee is demoted within that time for failure to successfully complete the probationary period. In such case, employees have the right to return to their former classification during this period. The probationary period can be extended by written agreement between the Employer and the Union for an additional period during which time Section A shall not apply. Periods of leave without pay and period of time during which the employee is using paid leave to supplement worker's compensation, shall not count toward the initial 180 calendar

days or any extension period.

D. The Employer will attempt to discipline employees in such a manner so as not to embarrass the employee before the public or other employees. It must be kept in mind, however, that where insubordination or flouting of authority by an employee in public and in the presence of other employees takes place, the Employer shall not be restricted by the operation of this Section.

E. 1. Upon request, an employee shall be entitled to Union representation throughout the grievance procedure.

2. Upon request, an employee shall be entitled to Union representation during any meeting or investigatory interview in which allegations are to be made which the employee reasonably believes could lead to discipline.

3. Upon request, an employee shall be entitled to Union representation during any meeting held for the purpose of imposing discipline.

F. A signature on any form shall not constitute an admission against any employee's interest in connection with disciplinary action. Disciplinary action must be for just cause.

G. The Employer and the Union agree to continue the alternate forms of discipline in lieu of suspension actions program in accordance with the sideletter dated May 1, 1998.

RECOMMENDATION NO. 14

UNION ACTIVITIES

A. Union representatives shall be permitted to investigate and discuss grievances during working hours on the Liquor Control Board's premises. If the Union representative is an employee of the Commonwealth, he/she shall notify the District Supervisor or his/her designee of the time off required from his/her regular duties to handle such grievances, and he/she shall be granted such reasonable time as will not adversely affect the operation of the store. No more than one Union representative in addition to the aggrieved employee shall be present at grievance meetings or hearings.

Bona fide Union officials may enter the Employer's establishment on their own time to satisfy themselves that this Memorandum is being observed.

B. The Commonwealth will provide a reasonable number of employees with time off, as required, to attend meet and discuss meetings.

C. The Commonwealth shall provide space on bulletin boards to the Union for the announcement of meetings, election of officers of the Union and any other material related to Union business. The Union shall not post material detrimental to the labor-management relationship nor of a political or controversial nature.

D. Each manager shall be entitled to wear prominently upon his/her person Union buttons or emblems. The button/emblem shall not be detrimental to the labor-management relationship nor of a political or controversial nature.

E. The Commonwealth shall grant up to four days' leave with pay each calendar year to members of the Executive Board of the Union in order that they may attend Board meetings. Requests for leave under this Section must be submitted at least two calendar weeks in advance of the meeting date.

RECOMMENDATION NO. 15

GRIEVANCE PROCEDURE

All grievances or disputes which may arise concerning the interpretation or application of the Recommendations contained in this Memorandum which have been implemented or approved shall be handled by the following procedure.

Grievances which can be adjusted only at a given level of management may, by mutual agreement, be initially presented at the appropriate step of the grievance procedure.

Step One: Within fifteen working days of the alleged grievance, the manager and/or the Union representative will present the grievance in writing to the Regional Manager. The Regional Manager shall investigate the grievance and shall reply to the manager and Union within fifteen working days.

Step Two: If the disposition at the first step is deemed unfavorable, within fifteen working days the Union chief executive or his/her representative shall appeal in writing to the Human Resource Director of the Pennsylvania Liquor Control Board. The Human Resource Director or his/her representative shall meet with the appropriate Union chief executive officer or his/her representative within seven days of receipt of the appeal in an attempt to resolve the grievance. The Human Resource Director shall then reply to the Union within fifteen working days in writing.

Step Three: If the disposition at the second step is unfavorable, within fifteen working days the chief executive officer of the Union or his/her representative shall appeal in writing to the Bureau of Labor Relations, Office of Administration. The Bureau of Labor Relations, Office of Administration shall review the grievance and shall afford the manager or the Union

representative, together with a representative of the Commonwealth, an opportunity to appear and present oral argument. The Bureau of Labor Relations, Office of Administration, shall reply to the Union within fifteen working days of receipt of the written appeal. The decision of the Bureau of Labor Relations, Office of Administration, shall be final and binding, except for grievances involving disciplinary demotion, discharge or suspension.

Step Four: An appeal from an unfavorable decision at Step Three in the case of discharge, disciplinary demotion, or suspension may be initiated by the Union serving upon the Commonwealth a notice in writing of its intent to proceed to arbitration within fifteen working days after receipt of the Step Three decision.

The arbitrator is to be selected by the parties jointly within seven days after the notice has been given. If the parties fail to agree on an arbitrator, either party may request the American Arbitration Association to submit a list of seven possible arbitrators.

The parties shall within seven days of the receipt of said list communicate for the purpose of selecting the arbitrator by alternately striking one name from the list until one name remains. The Commonwealth shall strike the first name.

Each case shall be considered on its merits and the Memorandum shall constitute the basis upon which the decision shall be rendered. The decision at Steps One and Two shall not be used as a precedent for any subsequent case.

The decision of the arbitrator shall be final and binding on both parties. The arbitrator shall be requested to issue his/her decision within 30 days after the hearing or receipt of the transcript of the hearing.

All of the time limits contained in this Recommendation may be extended by mutual agreement. If the Union fails to proceed to the next step in the time limit provided and no extension is mutually agreed to, the decision at the prior step is thereby deemed acceptable to the grieving party.

All fees and expenses of the arbitrator shall be divided equally between the parties except where one of the parties of this Memorandum requests a postponement of a previously scheduled arbitration meeting which results in a postponement charge. The postponing party shall pay such charge unless such postponement results in a settlement of the grievance in which event the postponement charge shall be divided equally between the parties. A postponement charge resulting from a joint postponement request shall be shared equally by the parties. Each party shall bear the costs of preparing and presenting its own case. Either party desiring a record of the proceedings shall pay for the record and make a copy available without charge to the arbitrator. In the interest of expediting the resolution of grievances involving discharges, the parties agree to explore alternative approaches and methods, including such procedures as the use of pre-selected arbitration panels, providing for the issuance of decisions within reduced periods of time, and

limitations upon the length of written briefs.

A Civil Service employee may file his/her grievance under either the Civil Service appeal procedure or the Memorandum grievance procedure. If an appeal is filed under the Civil Service appeal procedure, while proceedings are taking place under the Memorandum procedure, then the Memorandum grievance procedure shall cease and shall not be permitted to be reinstated. If an appeal is filed under the Civil Service appeal procedure, the employee shall not be entitled to institute proceedings under the Memorandum grievance procedure, all rights to so do being waived by the exercise of an option by the employee to utilize the Civil Service procedure.

RECOMMENDATION NO. 16

DISCRIMINATION

Both the Employer and the Union shall not discriminate against any manager on the basis of race, religious creed, color, sex, age, national origin, ancestry, marital status, disability, political affiliation, Union membership, AIDS or HIV status or sexual orientation.

RECOMMENDATION NO. 17

DUES DEDUCTIONS

A. The Commonwealth shall deduct the Union membership dues from the pay of those managers who individually authorize in writing that such deductions be made. The rate at which dues are to be deducted shall be certified to the Employer by the Union, and the Employer shall deduct Union dues at this rate for each regular bi-weekly pay period for which the member is paid. Such deductions shall be transmitted by the Commonwealth to the Union by the last day of the succeeding month after such deductions are made. Authorizations previously received and not revoked prior to the date this Memorandum is executed shall be irrevocable during the period of this Memorandum, provided that an employee may resign his membership and revoke his check-off authorization by sending a letter of resignation to the Union postmarked during the fifteen (15) day period prior to the expiration date of this Memorandum. A copy of this resignation shall be forwarded to the agency.

B. The Employer further agrees to deduct a fair share fee bi-weekly from all employees in this unit who are not members of the Union.

Authorization from non-members to deduct fair share fees shall not be required. The amounts to be deducted shall be certified to the Employer by the Union, and the aggregate deductions of all employees shall be remitted together with an itemized statement to the Union by the last day of the succeeding month, after such deductions are made.

C. Where an employee has been suspended, furloughed or discharged and subsequently returned to work, with full or partial back pay, or has been reclassified retroactively, the Employer shall, in the manner outlined in Sections A and B above, deduct the Union membership dues and fair share fees that are due and owing for the period for which the employee receives back pay.

D. At the beginning of each month, the Employer shall inform the Union of all employees who left the supervisory unit during the preceding month.

E. The Union shall indemnify and hold the Commonwealth harmless against any and all claims, suits, or judgments brought or issued against the Commonwealth as a result of any action taken or not taken by the Commonwealth under this provision.

RECOMMENDATION NO. 18

CASH RESPONSIBILITY

A. Each manager handling cash shall be held responsible for any personal shortage (cash or cash equivalent) provided:

1. The manager is given his/her own register till.
2. The manager must be given the opportunity to count his/her cash at the beginning and close of his/her shift, and given the register readings that are taken at the beginning and close of his/her shift.
3. Only one such manager is empowered to ring up on the cash drawer for which the manager is responsible.
4. The manager is provided with means of locking the cash drawer when the register is unattended.

B. A joint committee of no more than three representatives appointed by the Union and three representatives appointed by the Commonwealth (including one representative from the Office of Administration) shall be established to review the provisions of this Recommendation as well as other issues related to cash shortages and cash responsibility.

RECOMMENDATION NO. 19

PEACE AND STABILITY

A. During the term of this Memorandum, there shall be no strikes, stoppages of work, walkouts, slowdowns, or refusal to work or perform any part of a manager's duties.

B. The Commonwealth will not engage in any lockout during the term of this Memorandum.

RECOMMENDATION NO. 20

POLICY CHANGES

The Commonwealth shall inform the Union of all contemplated changes of policy which affect wages, hours, terms and conditions of employment, at least fifteen working days prior to the effective date of such policy change, and shall meet and discuss on such contemplated changes with the Union representative(s) upon request.

RECOMMENDATION NO. 21

LABOR-MANAGEMENT COMMITTEES

A. Committees composed of representatives of the Union and the Liquor Control Board shall meet at the district level to resolve problems dealing with the implementation of this Memorandum and to discuss other labor-management problems that may arise. Such meetings shall be held at the request of the Union, provided that the Employer shall not be required to meet more than bi-monthly.

B. Three regional safety committees, comprised of equal representatives of Union and Management, shall meet on a quarterly basis for the purpose of discussing issues affecting the safety of employees.

C. A committee of no more than three representatives of the Union and three representatives of the Employer shall be established to meet annually to discuss appropriate changes to the dress code.

RECOMMENDATION NO. 22

WORK-RELATED INJURIES

A. An employee who sustains a work-related injury, during the period of this Memorandum, as the result of which the employee is disabled, if so determined by a decision issued under the operation of the Workers' Compensation Program, shall be entitled to use accumulated sick, annual, or personal leave or injury leave without pay. While using accumulated leave, the employee will be paid a supplement to workers' compensation of full pay reduced by an amount that yields a net pay, including workers' compensation and social security disability benefits, that is equal to the employee's net pay immediately prior to the injury. Net pay prior to injury is defined as gross base pay minus federal, state, and local withholding, unemployment compensation tax, social security and retirement contributions. One full day of accumulated leave will be charged for each day the supplement is paid. Accumulated leave and injury leave without pay may be used for an aggregate of 12 months or for the duration of the disability, whichever is the lesser, except that, if only accumulated leave is used, it may be used beyond 12 months until exhausted or until the disability ceases, whichever occurs sooner. In no case, however, will the aggregate of 12 months extend beyond three years from the date the injury occurred. If no leave is available under this Section, the provisions of Section J. may apply.

The employee election to use or not use accumulated leave under this Section cannot be changed more than once.

B. An employee who works a reduced number of hours (part-time) due to partial disability may use leave in accordance with Section A. Pay for accumulated leave used will be calculated in accordance with Section A, based on the net amount of lost earnings.

C. Retirement credited service for the period of time that the employee is using leave under this Recommendation, shall be determined in accordance with the State Employees' Retirement Code.

D. At the expiration of the leave under Section A, if an employee continues to receive workers' compensation, the employee will be placed on leave without pay in accordance with Section G below and will not be entitled to receive state-paid coverage for life insurance and state payments toward coverage for health benefits.

E. An employee is required to refund to the Employer the amount of any overpayment. In no case shall an employee be entitled to full pay and workers' compensation and/or social security for the same period. The Employer shall recover any amount in excess of the paid supplement to workers' compensation as described in Section A. Failure to apply for or report social security or other applicable disability benefits to the Employer will result in the termination of the leave under Section A.

F. State-paid coverage for life insurance and state payments toward coverage for health benefits as provided in Recommendation Nos. 8 and 9 will continue for the period of time that the employee is on leave under Sections A and J.

G. An employee has the right to return to a position in the same or equivalent classification held before being disabled, for a period of up to three years from the date the injury occurred provided the employee is fully capable of performing the duties of that position, subject to the furlough provisions of Recommendation No. 11, Seniority. This guarantee expires if the disability ceases prior to the expiration of the three year period and the employee does not return to work immediately or if the employee retires or otherwise terminates employment. During the period of time between the end of the leave under Section A or Section J and the end of the guarantee in this Section, the employee will be on leave without pay.

H. The compensation for disability retirement arising out of work-related injuries shall be in accordance with the State Employees' Retirement Code.

I. An employee who sustains a work-related injury, during the period of this Memorandum of Understanding, if so determined by a decision issued under the operation of the Workers' Compensation Program, may use sick, annual, or personal leave for the purpose of continued medical treatment of the work-related injury in accordance with Recommendation Nos. 4, 6, and 7. If no paid leave is available, an employee may use leave without pay. Each absence shall not exceed the minimum amount of time necessary to obtain the medical treatment. Employees shall make reasonable efforts to schedule medical appointments during non-work hours or at times that will minimize absence from work. Verification of the length of the medical appointment may be required. This section is not applicable to any absence for which workers' compensation is payable. When workers' compensation is payable, the provisions of Section A shall apply.

J. An employee who is disabled due to a recurrence of a work-related injury after three years from the date the injury occurred, or before three years if the leave entitlement in Section A has been depleted, shall be entitled to use accumulated leave and injury leave without pay while disabled for a period of up to 12 weeks. To be eligible to use injury leave without pay, the employee must have been at work at least 1250 hours within the previous 12 months. The 12 week period will be reduced by any other leave used within the previous 12 months that was designated as leave under the provisions of the Family and Medical Leave Act. If only accumulated leave is used, it may be used beyond 12 weeks until exhausted or until the disability ceases, whichever occurs sooner. While using accumulated leave, the leave will be charged and paid in accordance with Section A.

K. It is understood by both parties that the provisions of this Recommendation are consistent with the Family and Medical Leave Act of 1993, USC Sections 2601 et seq. and that leave granted in accordance with Sections A and J shall be designated as leave under the provisions of the Act.

RECOMMENDATION NO. 23

STORE ASSIGNMENT

A. In affecting the permanent transfer of an employee to the same class or to an equivalent class as defined in Recommendation 11, Section A, between stores within a county, the Employer shall consider, in addition to ability and other operational efficiency considerations, both Classification seniority and any pending requests for voluntary demotion. An employee shall not be eligible for voluntary transfer to another store if he/she has been in his/her present store for less than three months. Employees shall be transferred only for operational reasons that are not arbitrary or capricious.

B. Effective July 1, 2012, employees desiring to transfer to another store may submit a list of seven preferred stores to the appropriate Regional Manager between June 1 and June 30 and between December 1 and December 31 of each year. Requests must be postmarked no later than June 30 and December 31. All requests will be purged at the end of each six month period when new requests are submitted. Prior to filling a vacancy, preference requests will be reviewed and considered. The final decision will be at the sole discretion of management.

The parties agree to meet and discuss regarding the implementation of an electronic submission process for store transfer requests during the course of this Memorandum.

C. Ten working days prior to each store reclassification, the Union will be notified of the grade of the store. The Union will be notified one week prior to the distribution of the e-mail announcing store grade changes.

D. The Employer will notify employees by electronic mail of any new store openings which have been approved. Any employee interested in transferring to the new store must notify the appropriate Regional Manager in writing of their interest in being transferred. Prior to filling the vacancy, preference requests will be reviewed and considered. The final decision will be at the sole discretion of management. The written request must be submitted within thirty (30) days after the Union is notified of the new store opening.

RECOMMENDATION NO. 24

TRAVEL AND MEAL EXPENSES

A. A manager who, upon request by a District Manager, consents to utilize his/her personal vehicle to transfer stock merchandise to another store shall be reimbursed in accordance with the Commonwealth's Travel Expense Regulations for each mile in excess of the number of miles which the manager normally travels to and from work.

B. A manager who is required to attend a training session or who is temporarily transferred from one store to another shall be reimbursed in accordance with the Commonwealth's Travel Expense Regulations under the following conditions:

1. If travel is within city limits, the manager will be reimbursed for mileage in excess of ten miles beyond that which he/she normally travels from residence to store of regular assignment.
2. If travel is other than within city limits, the manager will be reimbursed for mileage in excess of the number of miles which he/she normally travels from residence to store of regular assignment.

C. When a one-day illness of other managerial personnel requires a manager, with approval of his/her District Manager, to work a full double shift without notice of said requirement prior to the start of his/her regular shift, he/she shall be reimbursed for a meal in an amount actually expended and not to exceed \$8.00.

D. The headquarters store for an employee who regularly works in two stores will be the store in which the employee spends the majority of time. On the days the employee works in a store other than the employee's headquarters store, the employee will be paid for all miles in excess of those traveled to the headquarters store at the mileage allowance established by the Commonwealth Travel Expense Regulations.

E. For the purpose of this Recommendation, travel expenses shall be paid in accordance with the Commonwealth's Travel Expense Regulations. The mileage allowance shall be the General Services Administration rate. If the General Services Administration increases or decreases the mileage allowance for employees under its jurisdiction, the mileage allowance for employees under this Memorandum will be increased or decreased on the effective date of the General Services Administration change.

RECOMMENDATION NO. 25

CIVIL LEAVE

A. Permanent employees who have not volunteered for jury duty and are called for jury duty or are not a party in a civil or criminal court proceeding but are subpoenaed as a witness to attend such a court proceeding, shall be granted leaves with pay while attending court. Evidence of such duty in the form of a subpoena or other written notification shall be presented to the employee's immediate supervisor as far in advance as practicable.

B. Permanent employees who are subpoenaed as witnesses or who are parties in the following administrative hearings shall be granted leave with pay while attending such hearings: Unemployment Compensation Board of Review Referee, Workers' Compensation Referee, and Workers' Compensation Appeal Board.

Permanent employees who are subpoenaed as witnesses before the State Civil Service Commission and the Pennsylvania Human Relations Commission shall be granted leave with pay while attending such hearings.

Evidence of such duty in the form of a subpoena or other written notification shall be presented to the employee's immediate supervisor as far in advance as practicable.

C. The term "court" as used in this Recommendation is intended to mean only the following courts: Minor Judiciary Court, Courts of Common Pleas, Commonwealth Court and the United States District Court.

RECOMMENDATION NO. 26

PERSONNEL RECORDS

A. There shall be an official personnel file for each employee. The contents of an employee's personnel file, excluding pre-employment information, will be available for examination by the employee within a reasonable period of time after the employee's request. Such examination shall be on the employee's own time, and at the location where the personnel file is maintained and shall be conducted in the presence of the human resource officer or designee. Material shall not be removed from or added to the folder nor shall its contents be altered in any way. Employees are entitled to have a representative with them while reviewing their own file. If there is any disagreement as to the contents of the personnel file, an employee shall have the right to submit a statement concerning any materials in the employee's file and any such statement shall then become part of the personnel file. If comments are placed in the file during an exit interview, the employee shall have the right to submit a statement concerning those comments which shall then become a part of the personnel file. After a period of two years, upon the employee's request, a written reprimand or reference to an oral reprimand shall be removed from the employee's official personnel folder, if no intervening incidents of the same or a similar nature have occurred.

If an employee is disciplined and subsequently, through utilization of the grievance procedure, is completely exonerated and the disciplinary action is rescinded, all material pertaining to the disciplinary action shall be removed from the employee's Official Personnel Folder and will not be referred to by a supervisor in any future rating of that employee.

B. The Commonwealth agrees to abide by Management Directive 505.18, Maintenance, Access and Release of Information, as amended.

RECOMMENDATION NO. 27

MISCELLANEOUS

A. The Employer will consider requests for legal defense in accordance with Title 4 Pennsylvania Code Chapter 39 and Management Directives 205.6 and 630.2.

A representative of the PLCB will be provided to accompany any employee who may be required to testify for the Commonwealth at an official hearing.

B. In the event the Public Employe Relations Act is amended during the term of this Memorandum, the parties agree to meet and discuss concerning the amendment to determine whether or not this Memorandum should be amended to incorporate changes permitted by amendments to the Act.

C. General Managers must be present during the quarterly inspection by the District Manager. The General Manager will sign, date and discuss the inspection report with the District Manager. General Managers may also provide written comments on the PLCB 245 inspection report.

D. Employees will not be required by the Employer to transport liquor or wine in their personal vehicles.

RECOMMENDATION NO. 28

CHILD CARE

The Employer and the Union agree to meet and discuss over establishing Child Care Facilities.

RECOMMENDATION NO. 29

POLITICAL ACTION COMMITTEE DEDUCTIONS

A. The Employer agrees to deduct from the paycheck of employees covered by this Memorandum voluntary contributions to the Union's Political Action Committee. The Employer shall make such deductions only in accordance with the written authorization of respective employees which shall specify the amount, frequency and duration of the deductions.

B. The Employer shall transmit the monies deducted in accordance with this Recommendation to the Union's Political Action Committee in accordance with the procedures agreed to by the Employer and the Union.

C. The Union shall reimburse the Employer for the Employer's actual cost for the expenses incurred in administering this Recommendation.

D. The Union shall indemnify and hold the Commonwealth harmless against any and all claims, suits, orders, or judgments brought or issued against the Employer as a result of the action taken or not taken by the Employer under the provisions of this Recommendation.

RECOMMENDATION NO. 30

PARENTAL LEAVE

A. General

1. After completing one year of service, all permanent employees of the Employer who become parents through childbirth or formal adoption or placement of a child with an employee for foster care shall be granted up to six months of parental leave without pay with benefits upon request on a rolling twelve month year basis, provided the employee has at least 1250 hours of actual work time within the twelve months preceding the commencement of the leave. Leave under this Section may be approved on an intermittent or reduced-time basis during the first twelve weeks of absence. After twelve weeks of absence, subsequent leaves may be approved on a reduced-time basis; subsequent leaves taken intermittently or continuously in the rolling twelve month year shall not be approved for periods less than two consecutive weeks.

2. One aggregate six month entitlement of leave without pay with benefits will be provided for parental leave without pay used under Section A.1., sick leave without pay used under Recommendation 10, Section D.1., and family care leave without pay used under Recommendation 31, Section A. Leave used under these Recommendations, as well as military exigency leave used under Recommendation 10, Section I, will be deducted from the six month entitlement and run concurrently.

3. After the employee has used an aggregate of six months of leave without pay with benefits under this Section, Recommendation 10, Section D.1., Recommendation 31, Section A, and/or military exigency leave used under Recommendation 10, Section I, the Employer is not required to grant subsequent leave without pay with benefits until such time that the employee again becomes eligible for some portion of the six month entitlement under the rolling twelve month year, provided that the employee has at least 1250 hours of actual work time within the twelve month period preceding commencement of the leave.

4. Upon request of the employee, an extension of up to an additional six months of leave without pay shall be granted. The extension shall be without benefits and shall be contiguous to the termination of the initial six months of leave without pay with benefits. It, shall not be used on an intermittent or reduced-time basis.

5. The continuation of benefits under this Section is subject to the employee's payment of any required employee contribution under Recommendation 9, Section C.

B. Granting Leave

1. An employee shall submit written notification to the immediate supervisor stating the anticipated duration of the leave at least two weeks in advance if circumstances permit. Parental leaves shall begin whenever employees request on or after the birth, adoption or foster care placement. However, it may be used prior to the date of custody or placement when required for adoption or placement to proceed. No parental leave shall be granted beyond one year from the date of birth, of assuming custody of an adopted child or of placement of a foster child.

2. In no case shall an employee be required to leave prior to parental leave unless he/she can no longer satisfactorily perform the duties of his/her position.

3. During the first six months of absence under Section A.1. of this Recommendation the duties of the employee's position shall either be performed by remaining staff and the position kept vacant or they shall be performed by a substitute employee.

C. Re-employment

During the first six months of absence under Section A.1. of this Recommendation, every employee has the right to return to the same position in the same classification held before going on parental leave, or to an equivalent position with regard to pay and skill.

During any extension period, under Section A.4. of this Recommendation, the employee, upon written request to return to work, shall be offered a position in the same classification and seniority unit for which a vacancy exists and to which there are no seniority claims and which the agency intends to fill. If such a position is not available, the employee shall be offered, during the remainder of the six-month period, any position in the same classification, in a lower classification in the same classification series, or a position previously held, within the same geographical/organizational limitation as the seniority unit, for which a vacancy exists and to which there are no seniority claims and which the agency intends to fill. If the employee refuses an offer of a position in the same classification, the employee's rights under this Section shall terminate. If the employee accepts a position in a lower classification or a position previously held, the employee will be offered a position in the same classification if

there is a vacancy in that classification during the remainder of the six-month period in the seniority unit, provided there are no seniority claims to the position, and the agency intends to fill the position.

D. Seniority Rights

1. Upon return from parental leave, an employee shall retain all seniority and pension rights that had accrued up to the time of leave. Seniority shall continue to accrue during parental leave.

2. Employees who utilized unpaid parental/childbirth leave prior to July 1, 1993 may apply to have seniority credit reinstated for the unpaid parental/childbirth leave utilized. Upon notification by the Employer, employees shall have sixty (60) days to apply for seniority credit for their use of unpaid parental/childbirth leave prior to July 1, 1993. Upon verification by the Employer, seniority credit for unpaid parental leave utilized prior to July 1, 1993 shall be reinstated. The reinstatement shall occur by June 30, 2012, and shall be applied on a prospective basis.

E. Annual, Personal, Sick, Compensatory and Holiday Leave

1. An employee shall be required to use all accrued paid sick leave for the period that she is unable to work as certified by a physician upon commencement of parental leave without pay. Such sick leave used will run concurrently with and reduce the six month entitlement to leave without pay with benefits and shall be used in accordance with Recommendation 10, Section D. Employees shall not be required to use annual, personal, compensatory or holiday upon the commencement of leave without pay; however, if annual, personal, compensatory or holiday leave is used, it also will run concurrently with and reduce such entitlement. Unused leave shall be carried over until return. An employee shall not earn annual, personal and sick leave while on parental leave without pay.

2. Effective during the first pay period of leave calendar year 2012, Subsection E.1. applies except that employees may choose to retain up to ten days of accrued sick leave. The choice to retain or not retain sick leave cannot be made retroactively, and saved days will be measured based on accrued sick leave available at the commencement of the absence. Saved days may be used by employees at any time during the first 12 weeks of the six month entitlement to leave without pay with benefits as certified by a physician for the period that she is unable to work; such sick leave used will run concurrently with and reduce the six month entitlement to leave without pay with benefits. Days saved and requested for intermittent or reduced-time absences for periods less than two consecutive weeks after the first 12 weeks of the six month entitlement to leave without pay with benefits will be reviewed for approval under the provisions of Recommendation 7; such use will not be counted against the six month entitlement to leave without pay with benefits.

F. Benefits

State-paid coverage for life insurance and state payments toward coverage for health benefits as provided in Recommendations 8 and 9 will continue for the period of time the employee is on parental leave without pay with benefits under Section A.1. of this Recommendation.

G. Guidelines established by the Secretary of Administration regarding parental leave and benefits while on parental leave are published through the Directives Management System (reference Management Directive 530.30).

H. It is understood by both parties that the provisions of this Recommendation are consistent with the Pennsylvania Human Relations Act 43 P.S. Section 951 et seq. and the Family and Medical Leave Act of 1993, 29 USC Sections 2601 et seq.

RECOMMENDATION NO. 31

FAMILY CARE LEAVE

A. After completing one year of service, permanent employees shall be granted, upon written request, up to six months of family care leave without pay with benefits, on a rolling twelve month year basis, for the purpose of attending to the medical needs of the employee's spouse, domestic partner, parent, son or daughter or other person qualifying as a dependent who has a serious health condition, as defined by the Family and Medical Leave Act, provided the employee has at least 1250 hours of actual work time within the 12 months preceding the commencement of the leave. Leave under this Section shall be approved on an intermittent or reduced-time basis during the first twelve weeks of absence per rolling twelve month year. After twelve weeks of absence, whether taken intermittently, on a reduced-time basis, or continuously, subsequent leaves in the rolling twelve month year shall not be approved for periods less than two consecutive weeks.

The request, which shall be submitted at least two weeks in advance if circumstances permit, must include documentation supporting the need for Family Care Leave.

One aggregate six month entitlement of leave without pay with benefits will be provided for family care leave without pay used under this Section, sick leave without pay used under Recommendation 10, Section D.1., and parental leave without pay used under Recommendation 30, Section A.1. Leave used under these Recommendations, as well as military exigency leave used under Recommendation 10, Section I, will be deducted from the six month entitlement and run concurrently.

After the employee has used an aggregate of six months of leave without pay with benefits under this Section, Recommendation 10, Section D.1. Recommendation 30, Section A.1., and/or military exigency leave under Recommendation 10, Section I, the Employer is not required to grant subsequent leave without pay with benefits until such time that the employee again becomes eligible for some portion of the six month entitlement under the rolling twelve month year, provided that the employee has at least 1250 hours of actual work time within the twelve month period preceding commencement of the leave.

The continuation of benefits under this Section is subject to the employee's payment of any required employee contribution under Recommendation 9, Section C.

B. State-paid coverage for life insurance and state payments toward coverage for health benefits as provided in Recommendation Nos. 8 and 9 will continue for the period of time the employee is on family care leave without pay with benefits under Section A of this Recommendation.

C. Upon request of the employee, an extension of up to an additional six months of leave without pay shall be granted provided the employee provides proof of the family member's continuing illness or disability. The extension shall be without benefits and shall be contiguous to the termination of the initial six months of leave without pay with benefits. It shall not be used on an intermittent or reduced-time basis.

D. 1. If eligible for paid sick leave, an employee shall be required to use all applicable paid sick family and additional sick family leave upon commencement of family care leave without pay. Such sick leave used will run concurrently with and reduce the six month entitlement to leave without pay with benefits. Employees shall not be required to use annual, personal, compensatory or holiday leave upon commencement of leave without pay; however, if annual, personal, compensatory or holiday leave is used, it also will run concurrently with and reduce such entitlement.

2. Effective during the first pay period of leave calendar year 2012, Subsection D.1. applies except that employees may choose to retain up to ten days of accrued sick leave to be used as sick family and/or additional sick family, in accordance with Recommendation 7, Sections C and D. The choice to retain or not retain sick leave cannot be made retroactively, and saved days will be measured based on accrued sick leave available at the commencement of the absence. Saved days may be used by employees for absences appropriate for the use of such leave at any time during the first 12 weeks of the six month entitlement to leave without pay with benefits; such sick leave used will run concurrently with and reduce the six month entitlement to leave without pay with benefits. Days saved and requested for intermittent or reduced-time absences for periods less than two consecutive weeks after the first 12 weeks of the six month entitlement to leave without pay with benefits will be reviewed for approval under the provisions of Recommendation 7; such use will not be counted against the six month entitlement to leave without pay with benefits.

E. An employee shall have the right to return to the same position in the same classification held before going on Family Care Leave, or to an equivalent position with regard to pay and skill for absences under Section A of this Recommendation. After commencing the extension period under Section C of this Recommendation and upon receipt of a written request to return to work, the employee shall be offered a position in the same classification and seniority unit for which a vacancy exists and to which there are no seniority claims and which the agency intends to fill. If such a position is not available, the employee shall be offered, during the remainder of the six-month period, any position in the same classification, in a lower classification in the same classification series, or a position previously held, within the same geographical/organizational limitation as the seniority unit, for which a vacancy exists and to which there are no seniority claims and which the agency intends to fill. If the employee refuses an offer of a position in the same classification, the employee's rights under this Section shall terminate. If the employee accepts a position in a lower classification or a position previously held, the employee will be offered a position in the same classification if there is a vacancy in that classification during the remainder of the six-month period in the seniority unit, provided there are no seniority claims to the position, and the agency intends to fill the position.

F. For the purpose of this Recommendation, parent shall be defined as the biological, adoptive, step or foster parent of the employee or an individual who stood in loco parentis to an employee when the employee was a son or daughter.

For the purpose of this Recommendation, son or daughter shall be defined as the employee's biological, adopted, or foster child, step-child, legal ward, or child of a person standing in loco parentis or a biological or adopted child of the employee's domestic partner who is

- (a) under 18 years of age; or
- (b) 18 years of age or older and incapable of self-care because of a mental or physical disability.

G. It is understood by both parties that the provisions of this Recommendation are consistent with the Family and Medical Leave Act of 1993, 29 USC Sections 2601 et seq.

H. For the purpose of this Recommendation, domestic partner shall be defined as a same sex domestic partner who meets the eligibility criteria established by the Commonwealth.

RECOMMENDATION NO. 32

ROBBERY

A. The Employer will continue to take necessary security measures to minimize the exposure of employees to bodily harm in stores, including but not limited to cameras, guards, special police arrangements and training.

B. Whenever there is an armed robbery or a robbery where the employee is physically threatened, the store shall be closed to conduct an investigation.

C. The ISSU office will be notified when a store robbery occurs. If a robbery occurs in a state store, all state stores in the surrounding area will be notified.

D. When an employee is required to testify at an official hearing, the District Manager or an employee from the Regional Office will accompany the employee to the hearing, upon the employee's request.

E. The Employer shall not hold any employee responsible for losses resulting from robberies unless the employee is implicated therein or unless the employee's actions are in violation of established cash handling procedures and/or established store procedures.

RECOMMENDATION 33

LEAVE DONATION PROGRAM

A. Permanent employees may donate annual and personal leave to a designated permanent employee in the employee's agency who has used all accrued and anticipated paid leave for the current leave calendar year. The leave is to be used for the recipient's own catastrophic or severe injury or illness or for the catastrophic injury or severe injury or illness of a family member. The leave also may be used as bereavement leave if the employee's family member dies and the employee has no accrued or anticipated sick leave available, subject to the limitations in Recommendation No. 7, Section E.

B. Recipients

1. Recipients must be permanent employees in bargaining units that have agreed to participate in this program.

2. Family member is defined as a husband, wife, domestic partner, child, step-child, foster child, child of a domestic partner, parent of the employee or any other person qualifying as a dependent under IRS eligibility criteria or the child of the employee's domestic partner.

3. A catastrophic illness or injury that poses a direct threat to life or to the vital function of major bodily systems or organs, and would cause the employee to take leave without pay or terminate employment, must be documented on a Family and Medical Leave Act Serious Health Condition Certification form. Donated leave may not be used for work-related injuries or illnesses, minor illnesses, injuries, or impairments, sporadic, short-term recurrences of chronic, non-life threatening conditions, short-term absences due to contagious diseases, or short-term recurring medical or therapeutic treatments, except for conditions such as those listed above.

4. A severe illness or injury must also be documented on a Medical Condition Certification to Receive Leave Donations Form.

5. The absence due to the catastrophic or severe illness or injury of the employee or catastrophic illness or injury of a family member must be for more than 20 workdays in the current leave calendar year. The 20-workday absence may be accumulated on an intermittent basis if properly documented as related to the same catastrophic or severe illness or injury. Annual, personal, sick (for employee's own serious health condition), sick family (for the serious health condition of a family member), holiday, compensatory, or unpaid leave may be used during the accumulation period. A separate accumulation period must be met for each catastrophic or severe illness or injury and for each leave calendar year in which donated leave is used. Donated leave may not be applied to the required 20-workday accumulation period.

6. All accrued leave must be used as follows before any donation may be received:

- a. For an employee's own catastrophic or severe injury or illness, all accrued annual, sick, personal, holiday, and compensatory leave and all anticipated annual and sick leave for the current leave calendar year must be used.
- b. For the catastrophic injury or illness of a family member, all accrued annual, personal, holiday, and compensatory leave and all anticipated annual leave for the current leave calendar year must be used. All five days of sick family leave and any additional sick family leave for which the employee is eligible must be used.

7. Up to 12 weeks of donated leave per leave calendar year may be received for all conditions of the employee and family members cumulatively, but donations may not be received in more than two consecutive leave calendar years. Donated leave is added to the

recipient's sick leave balance on a biweekly basis. Recipients do not repay the donor for donated leave. Leave usage is monitored closely to ensure that donated leave is used only for absences related to the catastrophic or severe illness or injury.

8. The recipient's entitlement to leave under the Family and Medical Leave Act will be reduced, where applicable, by donated leave that is used. Entitlements to sick leave without pay (for an employee's own illness) or family care leave without pay (for a family member's illness) will also be reduced.

9. Donated leave may be used on an intermittent basis. However, each absence may be required to be medically documented as due to the same catastrophic or severe illness or injury.

10. An employee is not eligible to receive donations of leave if, during the previous six months, the employee has been placed on a written leave restriction, or has received a written reprimand or suspension related to attendance.

11. Donated leave that remains unused once the employee is released by the physician for full-time work, when the family member's condition no longer requires the employee's absence, or at the end of the leave calendar year, must be returned to the donors in inverse order of donation. However, if at the end of the year, the absence is expected to continue beyond the greater of 20 workdays or the amount of annual and sick leave that could be earned and used in the following leave calendar year, donated leave may be carried into the next year.

C. Donors

1. A donor may voluntarily donate annual and personal leave to an employee within the donor's agency who meets the requirements of the Leave Donation Program. Donations may be made to multiple employees, as long as the minimum donation is made to each employee.

2. Donations must be made in increments of one day (7.5 hours), but not more than five days can be donated to any one employee in the same leave calendar year. The donor's annual leave balance after donation cannot be less than the equivalent of five workdays of leave (37.5 hours). Anticipated personal leave may not be donated.

3. The donation is effected by the completion and submission of a Request to Donate Leave to the agency Human Resource Office. Leave is deducted from the donor's annual and/or personal leave balance at the time of donation and transferred to the recipient in order by the date and time the Request to Donate Leave form is received.

4. Unused donations are returned to the donor if: the recipient or family member recovers, dies, or separates before the donor's leave is used; or if the recipient does not use the leave by the end of the leave calendar year, and is expected to either return to work within 20

workdays or to have sufficient anticipated leave available in the new year to cover the absence. In accordance with Section 1 above, an employee whose family member dies and who does not have accrued or anticipated sick leave available, may use donated leave as bereavement leave, subject to the limitations in Recommendation No. 7, Section E.

D. The provisions of this Recommendation are not grievable under Recommendation No. 15 of this Memorandum.

E. For the purpose of this Recommendation, domestic partner shall be defined as a same sex domestic partner who meets the eligibility criteria established by the Commonwealth.

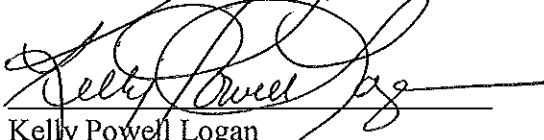
F. Notwithstanding the requirement in Sections A and C of this Recommendation that annual and personal leave donations be from a permanent employee in the employee's agency, in the event that an employee does not receive sufficient donations from employees within the employee's own agency, the employee needing the donations will be permitted to seek donations from permanent employees in other agencies under the Governor's jurisdiction within a reasonable geographic distance through the requesting employee's designated local Human Resource contact. An exception to the reasonable geographic distance limitation will be allowed for relatives of the employee who wish to make donations.

G. For the purpose of this Recommendation, domestic partner shall be defined as a same sex domestic partner who meets the eligibility criteria established by the Commonwealth.

The above recommendations are subject to the approval of the appropriate board or commission or the enactment of implementing legislation by the Legislature of the Commonwealth of Pennsylvania. It is understood that this Memorandum and the recommendations contained herein, whether or not implemented in whole or in part, do not and shall not constitute a collective bargaining agreement or contract binding on the parties, but shall represent a meet and discuss understanding and Memorandum of Recommendations effective July 1, 2011, except as herein provided, through June 30, 2015.

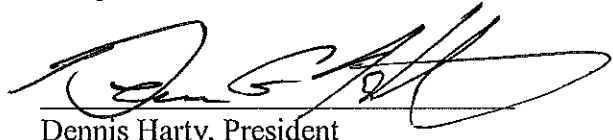
This Meet and Discuss Understanding and Memorandum of Recommendations is executed by the parties hereto. Sept 17 2012
Date

Commonwealth of Pennsylvania



Kelly Powell Logan
Secretary of Administration

Independent State Store Union



Dennis Harty, President
Independent State Store Union

APPENDIX A

FIRST LEVEL SUPERVISORY
LIQUOR STORE MANAGERS UNIT

Class Code

Class Title

02140	Liquor Store Manager 1
02150	Liquor Store Manager 2
02160	Liquor Store Manager 3
02480	Liquor Store General Manager 1A
02481	Liquor Store General Manager 1B
02490	Liquor Store General Manager 2 Supervisory
02760	Liquor Sub-Warehouse Supervisor

APPENDIX B

November 8, 1993

Mr. Edward Cloonan
President, ISSU
P.O. Box 863
Harrisburg, PA 17108

Dear Mr. Cloonan:

This letter is to confirm our understanding concerning information maintained in employee personnel files.

Specifically, it is agreed that whenever an employee is disciplined and subsequently, through the utilization of the grievance procedure, is completely exonerated of all charges and the disciplinary action is rescinded, all records pertinent to the disciplinary action will be removed from the employee's official personnel file as well as the personnel files maintained by the Regional and District Offices.

Sincerely,

Sheryl Saxe-Dowling
Commonwealth, Chief Negotiator

cc: Charles T. Sciotto
Gerald A. LeClaire
Ron Rowe

APPENDIX C

November 8, 1993

Mr. Edward Cloonan
President, ISSU
P.O. Box 863
Harrisburg, PA 17108

Dear Mr. Cloonan:

This letter is to confirm our understanding regarding store key security.

A formal record keeping system will be implemented which documents core/key assignments as well as the issuance and return of store keys.

The District Manager will administer the key security system which will include the maintenance of a PLCB Key Log at each store location.

If you have any questions, please feel free to call me.

Sincerely,

Sheryl Saxe-Dowling
Commonwealth, Chief Negotiator

cc: Charles T. Sciotto
Gerald A. LeClaire
Ron Rowe

APPENDIX D

June 15, 1999

Mr. Edward Cloonan, President
Independent State Stores Union
Federal Square Station
P.O. Box 863
Harrisburg, PA 17108

Dear Mr. Cloonan:

This letter is to confirm our understanding concerning Recommendation No. 12, Section C.

In those stores which have extended hours on Mondays and Tuesdays and in which the present practice is to schedule Managers for 8.75 hours, such practice will continue as long as the store hours remain unchanged.

It is understood that if additional stores have their hours extended on Monday and Tuesday, the provisions of this letter will apply.

Sincerely,

Sheryl Saxe-Dowling
Commonwealth Chief Negotiator

cc: Charles T. Sciotto
Donald O. Adams
Larry Toth

APPENDIX E

September 17, 1996

Mr. Edward Cloonan, President
Independent State Stores Union
P.O. Box 863
Harrisburg, PA 17108

RE: Holidays

Dear Mr. Cloonan:

The following is provided to confirm our agreement on the referenced subject. Specifically, if legislation is enacted allowing the Agency to maintain store operations on any of the Holidays provided for in Recommendation 5 of the Memorandum of Understanding between the parties, the Commonwealth will Meet & Discuss with the Union regarding the potential impact of such legislation.

If you have any questions, please don't hesitate to call me.

Sincerely,

Sheryl Saxe-Dowling
Chief Negotiator

cc: Charles T. Sciotto
Christ J. Zervanos
Ronald Rowe

APPENDIX F

March 16, 2004

Mr. Edward Cloonan, President
Independent State Store Union
P.O. Box 863
Harrisburg, PA 17108

RE: Personal Leave

Dear Mr. Cloonan:

Pursuant to our recent discussions on the referenced subject, the following confirms our understanding regarding use of Personal Leave:

Employees may request personal leave on an hourly basis. Such requests will be approved at the sole discretion of the Employer subject to management's responsibility to maintain efficient operations.

Should you have any questions, please contact Dale Wetzel, Bureau of Labor Relations.

Sincerely,

Nancy Dering Martin
Deputy Secretary for Human Resources and Management

cc: Secretary Robert S. Barnett
Donald O. Adams
Robert Molin

APPENDIX G

March 16, 2004

Mr. Edward Cloonan, President
Independent State Store Union
P.O. Box 863
Harrisburg, PA 17108

RE: Persian Gulf War

Dear Mr. Cloonan:

Pursuant to our recent discussions on the referenced subject, the following confirms our understanding regarding seniority credit for military service during the Persian Gulf War:

When an official ending date for the Persian Gulf War is declared, Section G. of Recommendation No. 11 will be amended to allow employees who served in the Armed Forces of the United States during that war to receive seniority credit.

Should you have any questions, please contact Dale Wetzel, Bureau of Labor Relations.

Sincerely,

Nancy Dering Martin
Deputy Secretary for Human Resources and Management

cc: Secretary Robert S. Barnett
Donald O. Adams
Robert Molin



RECEIVED
MAY - 1 1998
ISSU STATE OFFICE

CHARLES T. SCIOTTO
DEPUTY SECRETARY FOR EMPLOYE RELATIONS

May 1, 1998

Edward Cloonan, President
I.S.S.U.
P.O. Box 863
Harrisburg, PA 17108-0863

RE: Alternative Discipline Program

Dear Mr. Cloonan,

This will confirm the parties' agreement to implement an Alternative Discipline Program as described below. It is understood that the tenets of Recommendation 13, Paragraph A regarding just cause will continue to apply. Appeal procedures will not be affected by the Alternative Discipline Program.

For employes exempt from the overtime pay provisions of the Fair Labor Standards Act and not eligible for premium overtime pay pursuant to the provisions of the parties' memorandum of understanding, use of the Alternative Discipline Program will be permitted for all categories of misconduct.

For non-exempt employes the Alternative Discipline Program will be applied only to disciplinary actions which would normally arise from situations involving time and attendance infractions and/or work performance problems. The following guidelines will be used in determining the areas of applicability:

1. Time and attendance:
habitual or patterned problems with absenteeism; lateness or repeated emergency absences.

2. Work performance:
"overall" unsatisfactory performance as annotated on the employe's performance evaluation,
or
instances of unsatisfactory work performance on a specific work product or work project.

The Alternative Discipline Program will differ from the traditional progressive disciplinary steps by replacing suspensions without pay with the following Level 1 and Level 2 letters.

Level 1 Letter

Signed by the Agency Head or designee, this letter will identify the employe's alleged misconduct, alert the employe that continuation of this problem may result in more severe disciplinary action, and identify the employe's appeal rights.

This letter will clearly state that this action is in lieu of the traditional suspension without pay, but has the effect of such a suspension.

It is understood that the circumstances of any particular disciplinary situation may justify this level being repeated or skipped.

Level 2 Letter

This letter, signed by the Agency Head or designee, will identify the employee's alleged misconduct, alert the employee that this is his/her final notice and that failure to correct this problem may result in termination, and identify the employee's appeal rights.

This letter will clearly state that this action is in lieu of the traditional suspension without pay, but has the effect of such a suspension.

It is understood that the circumstances of any particular disciplinary situation may justify this level being repeated or skipped.

Copies of all Level 1 and Level 2 letters issued to employees shall be sent to the Union's headquarters in Harrisburg.

The parties also recognize that special or unusual situations could develop which do not readily lend themselves to the Alternative Discipline Program. These situations could include, among others, occasions where the circumstances of alleged conduct are such as to require the employee's immediate removal from the workplace and situations where an employee is suspended without pay pending investigation of suspected misconduct. Consequently, if the Commonwealth deems circumstances warrant it, a traditional suspension without pay could be imposed in lieu of the Level 1 or Level 2 letters, after appropriate notification is given to the Union.

Sincerely,



Charles T. Sciotto

Deputy Secretary for Employee Relations



Edward Cloonan, President
I.S.S.U.

5-04-98

Date

copy: Secretary Thomas G. Paese
Christ J. Zervanos
Larry Toth
Robert Koch