



## Memorandum

**Date:** December 1, 2021

**To:** Members of the Legislative Coordinating Commission

**From:** Michelle Weber, Executive Director, Legislative Coordinating Commission

**Subject:** Summary of Proposed Changes to the Legislative Coordinating Commission Legislative Plan for Employee Benefits and Policies (LCC Benefit Book)

This memo summarizes proposed changes to the LCC Benefit Book which establishes health insurance benefits, vacation and sick leave accrual policies, and numerous other benefits for employees in the House, Senate, and joint offices and commissions. The insurance, vacation, severance, and sick leave policies are effective January 1, 2022, if adopted by the LCC. Other provisions, at the discretion of the appointing authority, are effective when they are adopted by the respective rules committees of the House and Senate.

The proposed changes reflect the work of a House, Senate, and LCC staff working group. The members of the working group are provided at the end of this summary. The summary is divided into three sections: Insurance Chapter, reflecting the Legislature's participation in the State Employee Group Insurance Program (SEGIP); Policy Changes; and Technical Changes.

### **Insurance Chapter** (pages 33-57)

Under Minnesota Statutes section 43A.18, subdivision 6, the LCC is responsible for establishing insurance coverage for staff and members of the Legislature. Because the Legislature has traditionally decided to purchase insurance coverage through SEGIP, the LCC must adopt the insurance coverage that will become effective January 1, 2022.

The health, dental, life, and disability benefits provisions are initially bargained through a coalition that includes exclusive representatives from all of the state's unions. Final bargaining is completed between the state and the exclusive representatives for AFSCME and MAPE. As a result, the insurance provisions are generally consistent from contract to contract; however, some minimal changes for financial and

benefit issues (like eligibility and modifications to state contributions) may be bargained from contract to contract.

Minnesota Management and Budget (MMB) and the employee representatives negotiated the following insurance provisions:

1. Provides benefit coverage effective after 30 days of employment rather than 35 days.
2. No changes to the underlying medical plan design.
3. Coverage for 3D mammograms will be treated the same as 2D mammograms under the medical plan.
4. Emergency room out of pocket costs were changed as follows: Cost Level 2 from \$100 to \$125; Cost Level 3 from \$100 to \$150; and Cost Level 4 from 25% coinsurance to \$350 copay. All other copayments and applicable deductible payments were removed. No other changes to out-of-pocket costs.
5. Removes the requirement for a member to have a referral to visit an eye doctor for an eye injury when they had their annual exam within the past year. This language reduces the number of steps a member must take to see a doctor in this situation.
6. Removed outdated language on the \$5 reduction to office visit copays for participating in a Wellbeing survey. Clarifies that an employee completing qualified activities in the Wellbeing program will receive a \$70 credit to the employee's deductible which was implemented in CY 2021.
7. Permits MMB and the Joint Labor Management Committee to make temporary plan changes to insurance benefits in the event of certain natural disasters and other major emergencies. Also, recognizes that MMB may make changes unilaterally if required under another authority, including state or federal law, regulation, order or rule.
8. Removes an outdated reference to Long-term Care Coverage.

The Subcommittee on Employee Relations (SER) provided interim approval of the AFSCME and MAPE collective bargaining agreements that included these insurance provisions on October 1.

Medical premiums are planned to increase by approximately 3% in CY 2022. These premiums are determined by MMB and are not negotiated.

MMB is planning to offer a medical insurance premium holiday for the month of March 2022. This premium holiday is being provided due to greater than projected SEGIP reserves. Neither employees nor agencies will pay a medical premium during this month. Other premiums for dental, life, vision, short and long-term disability, and pre-tax accounts will continue to be collected.

## **Policy Changes**

The Legislative staff working group is proposing the following policy changes to the LCC Benefit Book:

1. **Workplace Safety (pages 5-7):** Provides information about workplace safety, and direction regarding reporting of concerning activities.

2. Post Retirement Option (pages 9, 11, 15, 21, 22 ): Under this statutory provision, employees who retire may be appointed to limited term, limited hour positions. These appointments are at the discretion of the appointing authority. Benefits such as vacation and sick leave accrual, floating holidays, are provided at the discretion of the appointing authority.
3. Vacation Leave Bank (page 12): Provides new employees with an advanced vacation leave bank of up to 80 hours upon initial hire. The bank is reduced as vacation leave is accrued. Vacation leave bank hours are not compensated upon the employee's separation and cannot be used for conversion to deferred compensation.
4. Phased Retirement (pages 20-21): Permits an appointing authority the discretion to grant a phased retirement to an employee who meets certain criteria for age and length of service. The employee must have provided notice of retirement no more than six months from the date of phased retirement and must work no less than 50% time.

## Technical Changes

The draft contains technical updates to statutory references and links to websites. The following technical changes are also included:

1. Classification Status of Certain Employees (page 1): Clarifies language by recognizing that the Legislative Auditor and the Director of the Legislative Budget Office have six-year appointment terms.
2. Lactation Rooms (page 5): Updates provision regarding access to lactation rooms and that time used for lactation does not reduce an employee's compensation.
3. Service Award Program (page 8): Deletes unnecessary language.
4. Holiday Pay (page 10): Clarifies that part time employees earn holiday pay at a rate consistent with their work schedule.
5. Vacation Leave (page 11): Eliminates a minimum work requirement period for employees who return to work as a temporary employee when determining vacation leave accrual rates.
6. Vacation Leave, Transfers and Reappointments (page 13): Clarifies that a new employee's vacation leave balance is transferred when the employee is appointed from a Minnesota state government entity that participates in SEGIP. Provides a grandparent provision for employees who were appointed prior to the change.
7. Vacation Leave, Length of Service (pages 13-14): Clarifies that service for Minnesota state government is one of several units of government used to determine accrual rates for vacation leave. Deletes outdated transition language.
8. Sick Leave (page 15): Eliminates a minimum work requirement period for employees who return to work as a temporary employee when determining the sick leave accrual rate. Clarifies that emergency sick leave is available only for regular employees.
9. Sick Leave Use, Parental Leave for Birth and Adoption (pages 16 and 17): Eliminates an outdated transition provision.
10. Sick Leave, Transfers and Reappointments (page 18): Clarifies that a new employee's sick leave balance is transferred when the employee is appointed from a Minnesota state government entity that participates in SEGIP. Provides a grandparent provision for employees who were appointed prior to the change.

11. Severance Pay, Length of Service Determination (page 20): Clarifies the method for determining length of service when considering an employee's prior service to other appointing authorities. Provides a grandparent provision for employees who were appointed prior to the change.
12. Severance Pay, Annuity Eligible (page 20): Clarifies that employees eligible for full severance pay include those who separate and are annuity eligible.
13. Accrual of Vacation and Sick Leave (page 25): Clarifies that accrual of vacation and sick leave continue during a leave of absence at the employee's scheduled rate.
14. Paid Leaves of Absence (pages 26-27): Clarifies several paid leave of absence provisions:
  - a. Modifies voting leave to include time for early in-person voting.
  - b. Modifies election judge leave to include required training.
  - c. Clarifies blood donation leave to limit this leave to no more than six hours in a 12-month period, at a location away from the workplace.
  - d. Clarifies that paid parental leave is available only to regular employees.
15. Deferred Compensation (page 58): Clarifies that employee contributions are subject to IRS limits or 100% of their includible compensation, whichever is less.
16. Conversion of Accumulated Vacation to Deferred Compensation (page 59):
  - a. Clarifies that for House employees only non-exempt overtime may be converted to deferred compensation (in addition to vacation and compensatory time).
  - b. Clarifies that the appointing authority must determine when a contribution of conversion of hours is paid to the employee's account.
17. Meal Allowances (page 64): Clarifies that lunch meal expenses may only be reimbursed if the employee is away from their home or temporary workstation, and the work assignment extends over the normal noon meal period.

Please feel free to contact me at [michelle.weber@lcc.leg.mn](mailto:michelle.weber@lcc.leg.mn) if you have any questions.

### **Benefit Book Staff Working Group**

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Attached: Proposed 2022 LCC Benefit Book