

**STATE OF NEW JERSEY**  
**AND**  
**AFSCME NEGOTIATIONS**  
**MEMORANDUM OF AGREEMENT**  
**NOVEMBER 6, 2023**

This constitutes the memorandum of agreement made and entered into this 6<sup>th</sup> day of November 2023, by and between the State of New Jersey AFSCME New Jersey Council 63 and its affiliated locals American Federation of State, County and Municipal Employees, AFL-CIO (Health, Care and Rehabilitation Services Unit) (collectively, the “Union”).

**WHEREAS**, the collective negotiations agreement between the State of New Jersey and the Union expired June 30, 2023; and

**WHEREAS**, the parties desire to enter into a successor collective negotiations agreement;

**NOW THEREFORE**, the Union and the State enter into the following Memorandum of Agreement (“MOA”):

- A. The terms of this Agreement shall be July 1, 2023 through June 30, 2027;
- B. This MOA modifies the terms of the parties’ July 1, 2019-June 30, 2023 collective negotiations agreement as set forth below. Any terms of the parties’ 2019-2023 agreement, not expressly modified by this MOA, remain in full force and effect and shall be incorporated into the parties’ July 1, 2023-June 30, 2027 agreement.

**C. ECONOMIC PROVISIONS**

1. **REALIGNMENTS**

Effective the first full pay period on or after July 1, 2024, employees serving in ranges 1-8 will migrate to Range 9. Placement will be at the step closest to their

salary at the time of migration (but not lower than their current salary and not lower than Step 2). The across-the-board increase for the first pay period on or after July 1, 2024 will be applied after migration is completed. Employees who migrate from a lower range to range 9 will retain their anniversary date.

New employees hired on or after July 1, 2024 will not be hired below Range 9 Step 2, but placement will consistent with Civil Service Commission requirements and practices.

2. **ACROSS-THE BOARD INCREASES TO BASE SALARY**

*12 month employees*

Effective the first full pay period on or after July 1, 2023, each employee covered by this agreement shall be entitled to a **3.5%** across-the-board increase applied to the employee's current base salary. Full time employees on the active payroll as of July 1, 2023 who earn less than \$39,900 in base salary as of the day before that date shall receive a cash bonus not included in base salary of the differential of the amount of their across the board increase and the amount of the across the board increase calculated on a base salary of \$39,900. This bonus shall be paid on or about July 31, 2023. **Example: employee with a base salary of \$25,000 as of the first full pay period after July 1, 2023, receives a 3.5 % across the board or a \$875.00 increase to base salary. Employee receives a \$521.50 bonus. (3.5% of \$39,900 = \$1,396.50-875.00=\$521.50).**

Effective the first full pay period on or after July 1, 2024, each employee covered by this agreement shall be entitled to a **3.5%** across-the-board increase applied to the employee's current base salary. Full time employees on the active payroll as of July 1, 2024 who earn less than \$39,900 in base salary as of the day before that date shall receive a cash bonus not included in base salary of the differential of the amount of their across the board increase and the amount of the across the board increase calculated on a base salary of \$39,900. This bonus shall be paid on or about July 31, 2024. **Example: employee with a base salary of \$25,000 as of the first full pay period after July 1, 2024, receives a 3.5 % across the board or a \$875.00 increase to base salary. Employee receives a \$521.50 bonus. (3.5% of \$39,900 = \$1,396.50-875.00=\$521.50).**

Effective the first full pay period on or after July 1, 2025, each employee covered by this agreement shall be entitled to a **3.5%** across-the-board increase applied to the employee's current base salary. Full time employees on the active payroll as of July 1, 2025 who earn less than \$39,900 in base salary as of the day before that date shall receive a cash bonus not included in base salary of the differential of the amount of their across the board increase and the amount of the across the board increase calculated on a base salary of \$39,900. This bonus shall be paid on or about July 31, 2025. **Example: employee with a base salary of \$25,000 as of the first full pay period after July 1, 2025, receives a 3.5 % across the board**

**or a \$875.00 increase to base salary. Employee receives a \$521.50 bonus. (3.5% of \$39,900 = \$1,396.50-875.00=\$521.50).**

Effective the first full pay period on or after July 1, 2026, each employee covered by this agreement shall be entitled to a **3.5%** across-the-board increase applied to the employee's current base salary. Full time employees on the active payroll as of July 1, 2026 who earn less than \$39,900 in base salary as of the day before that date shall receive a cash bonus not included in base salary of the differential of the amount of their across the board increase and the amount of the across the board increase calculated on a base salary of \$39,900. This bonus shall be paid on or about July 31, 2026. **Example: employee with a base salary of \$25,000 as of the first full pay period after July 1, 2026, receives a 3.5 % across the board or a \$875.00 increase to base salary. Employee receives a \$521.50 bonus. (3.5% of \$39,900 = \$1,396.50-875.00=\$521.50).**

### 10 month employees

For ten (10) month employees, the foregoing increases that are effective the first full pay period **on or** after July 1, 2023, July 1, 2024, July 1, 2025, and July 1, 2026 for twelve (12) month employees shall be applied to the base salary of ten (10) month employees, effective the first full pay period **on or** after September 1, 2023, September 1, 2024, September 1, 2025, and September 1, 2026.

### 3. STEP 11

Effective the first full pay period on or after July 1, 2025, employees who have been at the tenth step of the same step range for 24 months or longer shall be eligible for movement to the eleventh step providing their performance warrants this salary adjustment. An eleventh step shall be established for each salary range by adding the specified increment for each range in the Salary Schedule in the Appendix to this Agreement to the tenth step of each range.

### 4. CMA

Maintain status quo

### 5. HEALTH BENEFITS

a. *REOPENER LANGUAGE:* Schedule A.

b. *EYE CARE:*

Increase prescription lens/contacts reimbursement increases to \$80.00.

Increase bifocals or complex prescriptions reimbursements increase to \$90.00.

Increase eye exam reimbursement increases to \$45.00.

6. **BEREAVEMENT**

Beginning July 1, 2024, an annual one (1) day bank of time will be established for bereavement leave. Each year thereafter, the one (1) bereavement day per year will be available on January 1. The bereavement day will be used before an employee's use of sick leave. The bereavement leave day does not accumulate and unused time will not be carried over or paid out upon separation. Bereavement may be used for immediate family members as defined by N.J.A.C. 4A:1-1.3. The State may request proof of death.

The parties understand that the 1day bank will be created by Civil Service Commission.

7. **OVERTIME**

See attached – Schedule B.

8. **HOLIDAYS**

Add Juneteenth

9. **APPENDIX 2**

Add the following:

Certified Nurse's Aide (CNA)- Range H13 – Title Code - 12704

Senior Certified Nurse's Aide (CNA)- Range H15 – Title Code – 12705

D. **NON-ECONOMICS**

1. **ARTICLE 5- POLICY** – Schedule C.

2. **RECRUITMENT AND RETENTION**

***CREATE SIDE LETTER.*** Within 90 days of the ratification of this **2023-2027** agreement, **department representatives** ~~the State and AFSCME will collaborate~~ **meet and discuss about** ~~on~~ how to further recruit new employees and better retain existing employees. ~~in all departments including but not limited to, increasing career advancement opportunities within the existing title series.~~ **Nothing in this side letter is intended to require agreement by any of the parties.**

3. **ARTICLE 38- MEALS, HOUSING AND PARKING PRACTICES**

**REVISE SECTION A(1) AS FOLLOWS.** Resident or non-resident employees shall have the option of purchasing all, none, or any number of meals per day on a

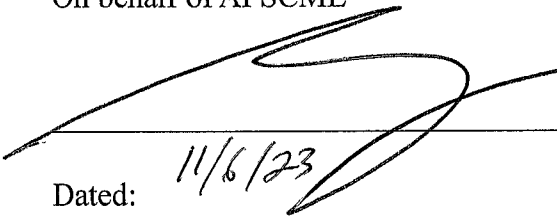
monthly basis as contracted for on a voluntary basis. ~~with the exception of Food Service personnel who will be required to take at least one (1) meal per day unless excused for valid medical reasons.~~

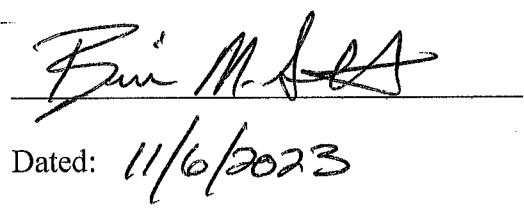
E. The parties agree to modify dates in the 2019-2023 Agreement, as necessary, to conform those dates to the 2023-2027 Agreement.

F. The terms of this MOA, inclusive of the attached schedules, are subject to ratification by AFSCME.

On behalf of AFSCME

On behalf of the State of New Jersey

  
Dated: 11/6/23

  
Dated: 11/6/2023

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Dated:

**Schedule A**  
**APPENDIX III**  
**HEALTH CARE REOPENER**

*BMS 11/6/2023*  
*[Signature] 11/6/2023*

**1. Re-opener**

- a. The actual premium cost for the new PPO, inclusive of medical and prescription costs, will be tracked each plan year following the plan's initial offering in plan year 2019.
- b. In addition, the new PPO premium cost increases will be monitored and compared to the national, regional and state trending of healthcare costs.
- c. Upon request of the Union, and after the Commission's review of the mid-year report, if any, the Union and the State shall meet annually between March 1 and April 15 to discuss utilization and costs (actual and projected) for plans in which the Union's active and retiree members are enrolled. Such meeting shall include representatives from the Treasury-Division of Pension and Benefits. This meeting will include any interested Union(s).

**d. Calculations:**

- i. The Baseline Premium shall be the blended<sup>1</sup> premium for the current plan year plus 1%. For example, in plan year 2024 the baseline premium shall be the new PPO Plan's blended premium in plan year 2023 plus 1%.
- ii. The Union and the State shall annually calculate the "Adjusted Premium Increase" ("API"). The API shall be calculated by (a) subtracting the percent of across-the-board salary increases received by Union-represented State employees, not compounded, between July 1 to December 31 of the preceding year, from (b) the percent by which the new PPO renewal premium exceeds the Baseline Premium. For example, if the 2024 new PPO renewal premium is 6% more than the Baseline Premium and if employees have received a 4%, non-compounded, across-the-board salary increases since July 1, 2023, the API is 2%.

**e. Annual Process for Applying the Escalator/De-escalator**

- i. Every year, the parties will review if the blended renewal premium for the new PPO in a plan year exceeds the "Baseline Premium." If so, the Union and the State shall enter into negotiations to lower the premium and/or reduce the rate of premium increases. Such negotiations will commence upon receipt of the SHBP's actuary's rate renewal recommendation premium for the upcoming plan year in or around the preceding July. The parties agree that the negotiations will involve the Union and any other interested State

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<sup>1</sup> Blended premium includes medical and prescription rates, for all levels of coverage.

### 11.6.23 State Proposal to AFSCME

bargaining unit(s). The initial meeting of the parties may also include representatives from the Division of Pension and Benefits as it relates to the rate renewal recommendation(s). A copy of the actuary's renewal recommendation report, issued in or around July, will be provided to the Union in advance of the meeting. If an agreement is reached, Union(s) and the State shall jointly seek approval from the State Health Benefits Commission or Plan Design Committee, as appropriate, to implement the parties' agreement.

- ii. If Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Baseline Premium by the September 1 preceding the start of the next plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Baseline Premium. For example, if the API is 2%, then the Escalator is also 2%, which is applied to the employee's contribution rate. If an employee's contribution rate is 5% of base salary, then by applying the Escalator, the contribution rate will increase to 5.1% of base salary. Any increase in employee contributions will be effective the first pay period of the new plan year.
- iii. If the renewal premium is below the Baseline Premium by 6% or more, Union and the State shall discuss options to share the savings in reduced costs, or to improve the quality of the new PPO through design changes or other measures. If Union and the State do not agree to either reduce costs or improve the quality of the new PPO or agree upon a reduction in the employee contribution rates—by September 1 preceding the start of the plan year then contribution rates shall be reduced by the application of a De-escalator. The De-escalator shall be the amount of the decrease in new PPO renewal premium below 6% of the Baseline Premium. For example, if the **2024** premium is 6.5% below the Baseline Premium, employee contribution rates shall be reduced by 0.5%. If an employee's contribution rate is 5% of base salary, then by applying the De-escalator the employee's new contribution rate shall be 4.975%. Any decrease in employee contributions will be effective the first pay period of the plan year.
- iv. The escalator or de-escalator for each plan year shall be calculated using the above methodology as described in paragraphs e(i) to e(iii) above.

**Schedule B**  
**ARTICLE 19**  
**SCHEDULING OF OVERTIME**

A. It is agreed that overtime work shall be shared by all employees in the appropriate job classification within any work unit without discrimination. The opportunity to work overtime shall be extended to each employee on a rotational basis provided the employee is capable of performing the work. ~~before mandating an assignment.~~ **The State will seek volunteers capable of performing the work before mandating an assignment. If an overtime assignment is mandated, it will be made on a rotating basis in inverse order of seniority.**

B. Each employee is expected to be available for a reasonable amount of overtime work. An employee who refuses an overtime assignment with a reasonable excuse will not be subjected to disciplinary action.

C. On a semi-annual basis commencing with the implementation of this provision, the distribution of overtime shall be evaluated and assignments of overtime made thereafter shall reflect the approximate equalization of overtime for each employee in the work unit by job classification.

For the purpose of determining approximate equalization of overtime, any overtime assignment offered, whether or not worked, will be considered as if it were worked.

To the extent that a disproportionate distribution of overtime exists because of special ability or inability to perform the work assignments, those hours will not be considered in the semi-annual equalization. This provision will not be abused.

D. Lists showing the rotational order of each employee and the total overtime worked and refused by each employee shall be maintained in the work unit. Such lists shall be made available for inspection on request to Union officers, stewards and employees concerned.

E. Employees in titles not included in Appendix II will not be utilized to work overtime assignments except when no Health, Care and Rehabilitation Services Unit employees who are capable of performing the work or who have the proper license that is needed are available to work such assignment.

Tentative Approval

  
\_\_\_\_\_  
State of New Jersey

11 / 6 / 2023  
Date

  
\_\_\_\_\_  
AFSCME

11 / 6 / 2023  
Date



## SCHEDULE C

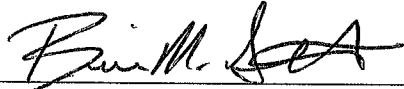
### ARTICLE 5

#### POLICY AGREEMENTS

- A. The Union will not engage in, or support, any strike, work stoppage, slowdown, or other job action.
- B. No lockout of employees shall be instituted or supported by the State during the term of this Contract.
- C. These agreements are not intended to limit the freedom of speech of the Union or its members.
- D. 1. A committee consisting of State and Union representatives may meet for the purpose of reviewing the administration of this Contract and to discuss problems which may arise. A maximum of five (5) employee representatives of the Union may attend such quarterly meetings.
2. Said committee meetings shall be some time during the months of March, June, September and December. The goal of the Committee will be to ensure that the Collective Negotiations Agreement is complied with throughout all of the Departments covered by this Agreement. These meetings are not intended to bypass the grievance procedure or to be considered collective negotiation meetings but are intended as a means of fostering good employee relations through communications between the parties.
3. Either party may request a meeting and shall submit a written agenda of topics to be discussed seven (7) days prior to such a meeting.
4. Upon request of the Union Local, Institutional Management shall schedule a Labor Management meeting sometime during the months of March, June, September and December. These quarterly meetings are to discuss local contract administration problems and improve communications. The Local President or his or her designee, a Council representative and up to four (4) other Local Union officials may attend such meetings. Management shall provide a short-written summary of the meetings to the Union's Local President.
5. Employee representatives who attend such meetings during their scheduled work shift/**workday** shall be granted time off to attend without loss of pay. If any employee representative who attends the meeting is scheduled to work on another shift on the date of said meeting or attends the meeting on his/her normal day off he/she shall be granted compensatory time for the time spent at the meeting.
- E. The State and the Union agree that the working environment should be characterized by mutual respect for the common dignity to which all individuals are entitled. It is agreed that verbal and/or physical harassment of an employee is inappropriate.
- F. The State is committed to a workplace environment which is free from sexual harassment. Policies concerning this matter which include instruction to employees who wish to

bring complaints have been promulgated by all departments. Each employee in this bargaining unit shall be provided with a copy of those policies.

Tentative Approval



\_\_\_\_\_  
State of New Jersey

11/6/2023  
Date



\_\_\_\_\_  
AFSCME

11/6/2023  
Date