



## **Tentative Agreement--Question and Answer CWA Local 1103**

### **What is a Flexible Spending Account?**

A health Flexible Spending Account allows employees to be reimbursed for medical expenses. Flexible Spending Accounts are usually funded through voluntary salary reduction agreements with your employer. No employment or federal income taxes are deducted from your contribution. The employer may also contribute.

### **What are the benefits of a Flexible Spending Account?**

- You do not pay federal income tax or employment taxes on the salary you contribute or the amounts your employer contributes to the FSA.
- Contributions made by your employer can be excluded from your gross income.
- No employment or federal income taxes are deducted from the contributions.
- Withdrawals may be tax free if you pay qualified medical expenses.
- You can withdraw funds from the account to pay qualified medical expenses even if you have not yet placed the funds in the account.

### **Balance in an FSA**

Flexible Spending Accounts are “use-it-or-lose-it” plans. This means that amounts in the account at the end of the plan year cannot be carried over to the next year. However, the plan can provide for a grace period of up to 2½ months after the end of the plan year. If there is a grace period, any qualified medical expenses incurred in that period can be paid from any amounts left in the account at the end of the previous year. Your employer is not permitted to refund any part of the balance to you.

### **When to Contribute**

At the beginning of the plan year, you must designate how much you want to contribute. Then, your employer will deduct amounts periodically (generally, every payday) in accordance with your annual election. You can change or revoke your election only if there is a change in your employment or family status that is specified by the plan.

## **Health Reimbursement Account (HRAs)**

A Health Reimbursement Account (HRA) must be funded solely by an employer. The contribution cannot be paid through a voluntary salary reduction agreement on the part of an employee. Employees are reimbursed tax free for qualified medical expenses up to a maximum dollar amount for a coverage period. An HRA may be offered with other health plans, including FSAs.

### **What are the benefits of an HRA?**

- Contributions made by your employer can be excluded from your gross income.
- Reimbursements may be tax free if you pay qualified medical expenses.
- Any unused amounts in the HRA can be carried forward for reimbursements in later years

### **What is an HRA/FSA debit card?**

The debit card with access to a Health Reimbursement Account (HRA) or Flexible Spending Account (FSA) is a convenient option your employer may offer to you. The debit card allows you to access the funds in your account without having to complete and file forms. You can use the card whenever you incur an eligible expense at a qualified provider (such as office visit copay or a prescription at a pharmacy). You can pay with your debit card instead of paying from your wallet and waiting for reimbursement later from your HRA or FSA.

### **If I have an HRA and an FSA, which account will be used?**

The HRA and FSA, while separate accounts, provide reimbursement of qualified medical expenses as defined by your employer and the IRS (i.e., deductibles, coinsurance, and prescription expenses). Should you have both accounts, expenses eligible under both plans will be reimbursed through the FSA first, then default to the HRA.

### **How much is the maximum that I can contribute?**

For tax years beginning after 2012 your contribution to your flexible spending arrangement made through a salary reduction is limited to \$2,500.00 beginning in tax years after 2013 the limit will be subject to a cost-of-living adjustment.

**Why use an HRA or FSA? What's the advantage of using the accounts?**

Both can help mitigate the impact of large, unforeseen medical bills that would otherwise threaten your family's short term finances. You can pay with your debit card instead of paying from your wallet and waiting for reimbursement later from your HRA or FSA.

**What medical expenses can be reimbursed from the HRA?**

Qualified medical expenses include those expenses defined by your employer that comply with section 213(d) of the Internal Revenue Code. These expenses may include deductibles, coinsurance, prescription drugs, vision care and dental care. To determine if an expense is eligible for reimbursement under your employer's plan, please refer to your employer's summary plan description or contact VZ Benefits. (Examples of covered items include Co-pays, prescriptions, prescription eye glasses, and dental work such as braces.)

**Can I use my debit card to pay for mail-order prescriptions?**

You can use the debit card for qualified mail-order prescriptions by providing the card information to the mail order pharmacy, similar to any other mail-order transaction using a credit card for payment.

**If a Member and their spouse work for Verizon, will they each get the \$850.00 put into an HRA.**

Yes, each Verizon employee will get the \$850.00.

**The \$850.00 HRA, can we use it for other medical services such as for vision and dental?**

Yes. However, it cannot be used for premium payments.

**The \$850.00 HRA, if we don't use it, are we penalized?**

No, this is different from a Flexible Spending Account which must be used by March of the following year. The \$850.00 HRA can be rolled over into the following year and even the year after that for the life of the contract.

**Are Retiree's eligible to apply for HSA or FSAs?**

No

**The Health Risk Assessment, will this have to be filled out by the employee's covered dependents or just the employee?**

Employee's only.

**Medical Benefits and Insurance Terms that may be helpful:**

- Premium: The monthly fee for your insurance.
- Deductible: How much you must kick-in for care first, before your insurer pays.
- Co-pay: Your cost for routine services to which your deductible does not apply.
- Co-insurance: The percentage you must pay for care after you've met your deductible
- Out-of-pocket maximum: The absolute max you'll pay annually.

**In regards to medical benefits, if both spouses are employed by Verizon are they both mandated to have insurance and do they both have to pay premiums?**

No. An employee whose spouse also works for Verizon has the option to "opt out" of having coverage.

**Is there a Premium or Out of Pocket Maximum applicable to our Dental or Vision Plans?**

No. Dental and Vision plans have not changed.

**Is the \$40.00 spousal surcharge still mandated?**

No

**Under the prescription drug benefit, in the mail order section, does the after three (3) fills of a prescription from a pharmacy mean that it only applies to long term maintenance drugs?**

No. Any prescription that requires more than 3 fills. Normally this would be maintenance drugs, but occasionally it could be a short term prescription.

**Under the prescription drug benefit, if I have a daily maintenance medication that is a narcotic and cannot be filled in NY as a 90 day script, will I still be charged for not using mail order?**

On drugs that are restricted by law (narcotics) to only a 30 day supply—the process will be the same—the employee will put in for a 90 day supply by mail and *Express Scripts* (formerly *Medco*) will send the first 30 day supply and then follow up the next two months automatically with 30 days' supply—it will be treated as a 90 day mail order. Express Scripts will send the 2<sup>nd</sup> and 3<sup>rd</sup> month's supply in time so there is no break in days.

**Can you define the difference between Single Source & Multi-Source drugs?**

**Single-source brands:**

Single-source brand drugs are branded products that have patent protection. As a result, no other drug company is permitted to manufacture a generic equivalent. The product is typically available from only one manufacturer or source, generally the innovator.

**Multisource drugs:**

Multisource drugs are branded products for which the patent protection has expired. As a result, generic equivalent drugs are available in the marketplace, and the drug product is available from multiple sources.

Generic medications must adhere to the same stringent FDA standards and regulations as the brand in order to qualify as a generic equivalent. Once competing generics are available, the original brand drug becomes known as a multi-source brand

**Is it true that the Work and Family Committee will receive six (6) Million dollars?**

Yes, there will be a total payout of 6 million dollars.

**"Green Circled" members, will they continue to be green circled in this contract?**

No change to the "Green Circle" process, they will continue to be "Green Circled" for the life of the contract.

**Is retiree medical for life or will the Union have to bargain that every contract?**

It is not for life and will have to be bargained every contract.

**What does the new *Absence from Duty* policy mean?**

Employees may take up to four (4) incidental absence days in a calendar year which shall not be charged against an employee's record for purposes of determining attendance performance on the company's applicable absence control plan (Exempt Days). Incidental absence days, in excess of the four (4) Exempt Days, may be treated in accordance with the company's applicable absence control plan.

**Any changes to FMLA with the new absence plan?**

FMLA is a federal law and not a company policy, so the new absence policy changes have no effect on FMLA. However, *payment* for days scheduled but not worked during the period of seven consecutive calendar days or less beginning with the first day of each absence due to an employee's personal illness or off-duty accident will be capped at ten days.

**The Lump Sum Payments for employees using 4 days or fewer of paid or unpaid incidental absence in a calendar year, will that be paid in a separate check or in regular paycheck?**

To be determined

**If you get hurt on the job and need intermittent FMLA, will the absence(s) be paid or non-paid if it is over the capped 10 days?**

This is a very complicated scenario, but the absence(s) described in the example would likely be considered an incidental absence under the plan, no different than today. Therefore, the absence(s), unless FMLA approved, would be subject to the Modified Absence Control Plan and since the example is specific to absence(s) over the capped ten (10) days it likely would not be paid.

**How long are the absence steps under the ACP?**

Generally 6 Months. Retrogression is one step at a time.

**What happens if you use your 10 days up and need to go out again for a non-job illness?**

If the absence is protected under FMLA there would be no stepping involved, if it's not FMLA protected you would be subjected to the ACP, but in either case you would not be paid beyond the 10 days unless at some point it converted to sickness disability.

**Is it still 8 days before disability kicks in?**

That depends on the type of disability. Accident Disability commences on day one (1) and Sickness Disability commences on the eighth (8) calendar day.

**Will you get paid for a disability absence?**

There are no changes to either the Accident or Sickness Disability Plans, so yes; you would be paid for certified disability absences according to the rules of the plans

**How many disability steps will there be before getting fired?**

Under the Modified Absence Control Plan a step is a step and termination happens when an employee is placed on Step Five (5).

\*There is **no** such thing as a disability step. The confusion is caused by a scenario called **“Subject to Disabilities.”** **Subject to Disabilities** means that an employee who has two non-FMLA disabilities within a 24 month period (no other absences) is subject to disabilities and the retrogression period is 12 months to move to the lower step and an additional 12 months to move still lower.

**How will steps under the MACP be administrated?**

First four (4) days of incidental absence will not be subject to the MACP. Incidental absence days, in excess of the four (4) Exempt Days, may be treated in accordance with the company’s applicable absence control plan. All chargeable absences beyond the first four (4) days will be administered the same as before.

A chargeable absence is any absence of any duration, paid or unpaid, that is subject to the Absence Control Plan, and is recorded and charged against an employee’s record for the purpose of determining attendance performance. Example: non-FMLA sickness and disability absence, absence of a half-tour or more, or any unexcused time without pay.

**Is the 1st raise of 2 ¼ percent retro?**

No

**Does the calculation for lump sum pension change with the new contract?**

No



**Will all the members who were laid off be offered their jobs back before new hires are made?**

No. The company would not agree to bring back any laid off Members. However, the Union is waiting on a decision from an arbitrator to determine if the company violated Article 55 of the CBA before proceeding to layoffs

**Do we still have Excused Work Days (EWD)?**

Yes. The company did try to eliminate four Holidays and replace them with an employee's present EWD's during bargaining, however they were not successful.

**Are holiday's changing?**

No. (See directly above)

**Is it true that the company and union agreed to specific types of misconduct during a strike that would be just cause for termination?**

To be clear, the Union did not bargain away any Membership rights or protections pertaining to the National Labor Relations Act or strike related behavior. The examples of strike related misconduct listed in the tentative agreement are not protected under the NLRA.

**The Next Step Program will end on May 31, 2016, which is nine (9) months after the expiration of the contract.**

It is guaranteed to go until May 31, 2016.

**If an employee is already enrolled in a degree program using the tuition assistance program will they be subject to the \$8,000 cap?**

Yes, they will be subject the \$8,000.00 cap.



**In the Tuition Assistance Plan, medical and aviation education are now excluded from tuition reimbursement, does that also include education in Medical Technician and Therapist degrees as well?**

Yes, any degree or program related to the medical or aviation field are excluded. However, any Member in these programs presently will be grandfathered and allowed to continue until completion.

**The actual vote for contract ratification, is it individual Members, Local, or per capita?**

The vote is by individual and it is the total CWA vote. So every Local gives their count to the national union and it is all added up - total yes - total no. Every vote counts! All CWA Locals in District 1 and District 2-13 - added up with one result.

**Is the Verizon Wireless contract a separate and distinct contract with its own vote or is it added to the overall total?**

It is a separate and distinct vote.

\*This question and answer document is only a guide to provide assistance to Local 1103 Members. The views expressed in the question and answer document are those of the Local 1103 Executive Board only. They have not been approved by the CWA National Union and are not binding on the Company. The questions and answers have been researched to the best of our ability and shall serve as a general reference, but in no way does this document substitute for actual contractual language or any plan documents that may have been referenced within.