

# STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

Office of Labor Relations

September 25, 2008

Robert Krzys  
Attorney at Law  
557 Prospect Avenue  
Hartford, CT 06105-2922

Dear Bob:


This will confirm our discussions and agreement regarding the following issue:

During the discussions of the implementation of PA 08-147, the parties became aware of an issue surrounding the present practice of including the value of the health insurance coverage in the "salary or "covered earnings" under the State Employees Retirement System for employees with domestic partners. The parties agree that the issue of including the value of the health insurance coverage in the final average earnings of employees with domestic partners shall be submitted to arbitration before the neutral chair of the Health Care Cost Containment Committee, Roberta Golick. In any such arbitration, the parties agree not to raise arbitrability.

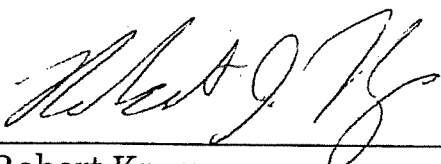
In addition, the parties have been informed that the Office of the State Comptroller has determined the value of such benefits is the individual rate based upon the type of coverage selected for each additional individual who does not satisfy the IRS dependent rules. For example, presently, if an employee with Anthem BlueCare POE adds one such dependent, his/her W-2 earnings would be increased by \$5,682.12 or \$218.54 bi-weekly. If the employee were to add two such dependents, his/her W-2 earnings would be increased by \$11,735.52 or \$451.37 bi-weekly. The amounts would increase as the cost of coverage increases.

Kindly sign a copy of this letter indicating your concurrence with the content hereof.

Very truly yours,

  
Linda J. Yelmini  
Director of Labor Relations

On behalf of the State Employees Bargaining Agent Coalition, I hereby indicate agreement with the first paragraph of this letter. The second paragraph is informational only, and my signature does not indicate agreement or disagreement with the Comptroller's methodology for determining the imputed income.

  
\_\_\_\_\_  
Robert Krzys Date