

**ADDENDUM #1
to 2018-2023 Agreement**

**M & A ELECTRIC POWER COOPERATIVE
and
LOCAL UNION NO. 702**

The Cooperative and the Union hereby agree to revise Section 10.04 of the current 2018-2023 Agreement between the parties, for the specific purpose of eliminating the Prepaid Health Insurance Account (PHIA) option, as follows:

~~Section 10.04 The Cooperative agrees to continue the established Prepaid Health Insurance Account (PHIA) and to pay all associated administrative costs for such plan. Employees may choose to establish and contribute pre-tax dollars to this PHIA, the contents of which may only be used after retirement or termination from the Cooperative to pay premiums for continuing health insurance under the bargaining unit employees' then current group plan. Employees may also choose to "bank" the approved dollar value of unused sick leave and vacation into the PHIA. No withdrawals from the PHIA may be made prior to retirement or termination. Any cash amounts withdrawn from the PHIA after retirement or termination will be subject to all applicable taxes which will be paid by the employee.~~

At the end of each calendar year, an employee may choose to exchange for pay any or all unused personal sick leave in that year for 25% 50% of its book value, payable in the final payroll distribution of the year, or transfer the unused sick leave earned in that year for 50% of its book value to that employee's PHIA.

At the end of each calendar year, an employee may choose to exchange for pay any or all unused family sick leave in that year for 25% 50% of its book value, payable in the final payroll distribution of the year, or transfer the unused family sick leave earned in that year for 50% of its book value to that employee's PHIA.

All employees shall be required to use at least one week (5 days) of earned vacation per year. Upon termination, payment will be made for any unused vacation leave, and for any vacations earned during the year of termination that would have been available for use the next year. Such earned vacation shall be pro-rated for the time actually worked during that year. At the end of each calendar year, an employee may choose to transfer exchange for pay any or all unused vacation for 100% of its book value, to that employee's PHIA payable in the final payroll distribution of the year.

This ADDENDUM shall be considered effective as of January 1, 2020, so as not to allow any further "banking" into any employee's PHIA during calendar year 2020. In addition, all amounts remaining in any employee's PHIA as of December 1, 2020, will be paid out to the employee or retiree in taxable wages during December 2020.

M & A ELECTRIC POWER
COOPERATIVE

IBEW LOCAL UNION 702

BY: Daryl Sorrell
Daryl Sorrell,
General Manager

BY: Steve Hughart
Steve Hughart,
Business Manager

Date 10-26-2020

Date 10-23-2020