2013 - 2015

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

STATE OF MONTANA

DEPARTMENT OF REVENUE

AND

MPEA / MEA-MFT

LOCAL #4993

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AGREEMENT
Between
STATE OF MONTANA
DEPARTMENT OF REVENUE
And
MPEA / MEA-MFT
LOCAL #4993

PREAMBLE

THIS AGREEMENT is made and entered into this 25 day of Sept., 2013, between the State of Montana, Department of Revenue, hereinafter referred to as the "Employer," and the Montana Public Employees Association (MPEA) and Montana Education Association - Montana Federation of Teachers (MEA-MFT), hereinafter referred to as the "Union". The above parties agree that the purposes of this Agreement are: to promote sound working relationships between the Employer, the employees and the Union; to provide an orderly means for resolving grievances under the Agreement; and to ensure efficient operation of state government and the continuous provision of vital public services.

Therefore, with respect to all the parts of this Agreement which have been designed through good faith negotiations between the signatories, the Employer and the Union hereby agree to be bound as follows:

ARTICLE 1 - RECOGNITION

Section 1. Recognition. The Employer recognizes the Union as the sole and exclusive bargaining agent for all employees within the bargaining unit as defined and certified by the board of Personnel Appeals, except management officials, supervisory employees, confidential employees, temporary or seasonal employees, short-term employees, and part-time employees who work less than 20 hours per week.

ARTICLE 2 - EMPLOYEE RIGHTS

Section 1. Probationary employees. The Employer shall have six months after an employee's first official work day during which to assess the employee's fitness to hold any position covered by this Agreement. This time period shall be designated as the probationary period. At any time during the probationary period, the employee may be terminated from employment with no recourse to the grievance procedure. A probationary period shall be utilized for the most effective adjustment of a new employee and for the elimination of any employee whose performance does not, in the judgment of the employee's supervisor, meet the required standard of performance.

Section 2. Permanent employees. When an employee successfully completes the probationary period, they are designated a "permanent" employee.

Section 3. Right to representation. An employee may request the presence of a representative of his or her choice during an investigatory interview which the employee reasonably believes may result in disciplinary action. The right to select a representative to be present shall not cause undue delay of the interview or undue hardship on the agency due to travel and/or expense; however the Employer agrees to give as much advance notice as possible of such investigatory interviews. It is understood that verbal warnings do not constitute formal discipline and are not grounds for invoking the right to representation.

Section 4. Just cause. The Employer may not discipline or discharge any permanent employee without just cause. In case of suspension or discharge, the Employer will ensure that the employee is afforded due process. Due process requires that an employee be informed, in writing, of the reason(s) for the disciplinary action and provided with an opportunity to respond to the charges prior to implementation of discipline. Employees and their selected union representatives will be given a minimum of 3 working days written notice from the Human Resource office of any due process hearing. Formal discipline shall not be conducted via state email. In a case of discharge, the Employer will notify the Union of the action taken.

Section 5. Appeals. A permanent employee may appeal their suspension without pay, discipline, or discharge, through the grievance procedure.

Section 6. Personnel files. No disciplinary information shall be placed in an employee's personnel file that does not bear either the signature or initials of the subject employee to indicate that he or she has been shown the material or a statement by a supervisor that the employee has been shown the material and refused to sign it. An employee may attach a written response to any formal disciplinary materials which are to be placed in his or her personnel file which must be submitted no later than 20 working days after being presented with such disciplinary material. An employee may obtain a copy of any document in his or her personnel file upon written request.

Section 7. Performance appraisals. Whenever performance appraisals are prepared, a copy of the results of the evaluation shall be provided to the employee. The immediate supervisor shall discuss the evaluation with the employee and note by signature retained in the personnel file that the evaluation has been discussed with the employee. If the employee desires to submit a written response to the performance appraisal, he or she must do so within 10 working days of having been shown the completed appraisal. The contents and results of performance appraisals are not grievable.

Section 8. Letter upon termination. Employees who terminate their service will be furnished, upon request, a letter stating their classification and length of service.

Section 9. Job sharing. Positions which are currently filled by bargaining unit members shall not be made into a job sharing position except by mutual agreement or until the position becomes vacant.

Section 10. Job documents. Employees may request and receive a copy of their current position description and classification information and/or any other classification documents at any time.

Section 11. Personnel file compliance. Disciplinary documents or formal performance appraisals which are placed in a unit member's personnel file but which are not in conformance with the requirements of Section 6 and/or Section 7 of this Article may not be used to support formal disciplinary action.

Section 12. An employee who believes material is incorrect and should be removed from their personnel file shall have the right to appeal it through the grievance procedure.

Section 13. Letters of caution, consultation, warning, admonishment, and reprimand shall be considered temporary contents of the personnel file of an employee and shall be destroyed no later than 18 months after they have been placed in the file unless such items can be used in support of possible disciplinary action arising from more recent employee action or behavior patterns or is applicable to pending legal or quasi-legal proceedings.

ARTICLE 3 - MANAGEMENT RIGHTS

In recognition of 39-31-303, MCA, the parties to this Agreement recognize the right and duty of the agency to manage, direct, and control its business in all particulars, except where such right is expressly and specifically modified by the terms of this Agreement, in such areas as, but not limited to:

A. Directing employees;
B. Hiring, promoting, transferring, assigning, and retaining employees;
C. Relieving employees from duties because of lack of work or funds or under conditions where continuation of such work would be inefficient or nonproductive;
D. Maintaining the efficiency of government operations;
E. Determining the methods, means, job classifications, and personnel by which the agency operations are to be conducted;
F. Taking whatever actions may be necessary to carry out the missions of the agency in situations of emergency; and
G. Establishing the methods and processes by which work is to be conducted.

It is further agreed and understood that the Agency (Employer) has the right and duty to formulate, modify, and enforce rules, regulations, and procedures in support of the

above management rights. All rules regulations and policies of the Department in existence as of the ratification of this contract shall remain in full force and effect, provided that such rules regulations and policies are not in conflict with the express terms of this Agreement.

ARTICLE 4 - UNION RIGHTS

Section 1. Requests for information. Upon written request, the Employer shall provide one copy of any public information relevant to contract negotiations, or necessary to the proper enforcement of this Agreement, to the Union, providing such information is normally available and accessible. The Employer may charge reasonable and customary fees for such services.

Section 2. Representation. A written list of the accredited officers and representatives of the Union shall be furnished to the agency director immediately after their election and the agency director shall be notified of any changes of said representatives. The internal business of the Union shall normally be conducted by employees during their non-duty hours. Any business which must be done during work time must be approved by management in advance. Whenever possible, Union staff will conduct their business during lunch hours, regular breaks, and/or after regular work hours.

Section 3. Union president leave time. The Union president will be given up to 50 hours per year release time to work on issues of mutual benefit to the Union and the Employer and to promote collaborative work efforts and problem solving. Release time must be pre-approved through the President's supervisory chain of command and must be coordinated through the human resource office.

Section 4. Staff visitation. Union staff will be allowed to visit the work site of the employees during work hours and confer on employment relations matters, provided that such visitations shall be coordinated in advance with Management and shall not unduly disrupt work in progress.

Section 5. Records inspection/authorization. Union representatives may be allowed to inspect an employee's personnel and/or payroll file upon presentation of the authorization from the subject employee. Such representatives may also obtain copies of such materials subject to the same requirement for specific written authorization with the exception of medical information unless the issue involves such matters.

Section 6. Policy manual. The Union President and Vice President will be provided a copy of the current Department of Revenue policies and procedures manual and will be advised whenever changes in policy are being considered, leaving 10 working days for comment and discussion prior to changes being implemented.

Section 7. Union Postings In work units where bulletin boards are available, the Union shall be allowed space of not less than 10 inches x 12 inches. This is agreed so

long as the materials posted are informative in nature to Union business, and are neither derogatory toward management nor inflammatory in nature. Agency email and/or intranet may also be used with prior management approval.

Section 8. Use of facilities. The Union may be allowed to use the Employer's facilities for Union meetings contingent upon availability and management approval. The Union shall be liable for any damages as a result of such use.

ARTICLE 5 - EMPLOYER-UNION RELATIONS

Section 1. Labor-Management Committee. The Employer and the Union agree to the establishment of a Labor-Management Relations Committee. The purpose of this Committee is to discuss any item of concern to either party and to improve communications between the Employer and the members of the bargaining unit. This Committee shall not take the place of the grievance procedure or the collective bargaining process, but shall be a forum to facilitate communication and the sharing of ideas. For special circumstances the Union and Management may request that additional employees and management staff attend.

1. The Union shall appoint seven member employees;
2. Management will appoint seven members to the Labor/Management Relations Committee as determined by the director.

Section 4 2. Release time. The bargaining unit members will receive paid release time to attend meetings when scheduled during normal work hours. Travel expenses will be reimbursed as per department policy for the seven bargaining unit members.

ARTICLE 6 - HOURS AND COMPENSATION

Section 1. Conditions relative to and governing wages and salaries are contained in Addendum A of this Agreement.

Section 2. Nothing in this Agreement will preclude any employee from exercising the right to file a classification appeal with the Board of Personnel Appeals.

Section 3. Nothing in this Agreement shall be construed as a guarantee or limitation of the number of hours to be worked per day, days per week, or for any other period of time, except as may be specifically provided for herein.

Section 4. A regular work week shall consist of five regular workdays, Monday through Friday inclusive, totaling 40 hours.

Section 5. The Employer agrees to give equal consideration to telework arrangements, alternate work schedules, inclusive of four 10-hour day and/or other flex hour arrangements, in accordance with agency policy when such schedules benefit the operational needs of the agency.

Section 6. In work areas where a regular work week is not feasible, employees may be assigned to a designated work week by mutual agreement. In the event that mutual agreement cannot be reached with any employee, the employee with the least seniority within a classification will be assigned to the duty.

Section 7. Employees on a regular or alternative work schedule shall not have their work schedule changed unless given 5 working days' notice of change, except in emergency situations.

Section 8. No full-time or permanent part-time employee will be replaced by a work-study JTPA program employee.

Section 9. As per the statute regarding state employee pay, bargaining units must ratify a completely integrated collective bargaining agreement prior to receiving a negotiated increase in pay.

Section 10. The Pay Plan Rules as promulgated by the Department of Administration shall be in effect for all members of the bargaining units covered by this Agreement for the term of this Agreement.

Section 11. If an employee is selected and given written authorization by a Management designee to temporarily fill a vacancy in a higher graded job, he/she shall be paid at the higher grade with the exact rate of temporary pay to be set by the Pay Plan rules. Management will not adopt a policy of refusing to authorize such assignments.

Section 12. Whenever an employee receives a pay increase, such increase shall be granted from the first day of the pay period during which such increase becomes effective.

Section 13. Relocation allowances will be handled in accordance with department policy.

Section 14. Employees who are called out for unscheduled work and report outside their regular shift shall be paid for a minimum of four hours at a rate of one and one-half times their regular rate of pay. Each hour after four hours shall be paid at the above rate. In computing work time on a call-out, travel time to and from work shall be counted and all travel shall be compensated in accordance with state law. It is understood that the four-hour minimum does not apply to work performed contiguous to the start or end of a regular work shift.

Section 15. When an employee is temporarily required to work on a weekend under a flex-time arrangement, the flex-time off will be scheduled within the work week with mutual agreement.

Section 16. Breaks. Employees shall be allowed one 20 minute paid break for every 4 hours worked with the understanding that the needs of the department supersede the break time. In accordance with department flex-time policy, variations of this may occur, with prior approval of management. The specific time for breaks is at the discretion of the supervisor. No employee shall start an established work day late or end the work day early to compensate for not taking breaks. Management may require an employee to work through a previously approved break to meet business necessities, but every effort will be made to reschedule the missed break whenever feasible.

ARTICLE 7 - OVERTIME AND COMPENSATORY TIME

Section 1. "Non-exempt" employee means an employee subject to the overtime provisions of the Federal Fair Labor Standards Act and its regulations. "Non-exempt" employees shall be paid at a rate of one and one half times their regular rate of pay for all authorized time they work over 40 hours per week.

Section 2. Upon mutual agreement between the employee and Management, a "non-exempt" employee may be allowed to accrue and use non-exempt compensatory time in lieu of cash overtime compensation.

> **Subsection 1**. Compensatory time for "non-exempt" employees will accrue at the rate of one and one-half hours for each hour of overtime worked.
>
> **Subsection 2**. "Non-exempt" compensatory time may not be accrued beyond 240 hours, which represents not more than 160 hours of actual overtime worked.
>
> **Subsection 3**. A "non-exempt" employee must have the appropriate supervisor's prior approval to accrue or use compensatory time.
>
> **Subsection 4**. Upon termination, unused accumulated non-exempt compensatory time will be paid to the employee at their final regular rate of pay, or the average regular rate received by such employee during the last three years of employment, whichever is higher.

This Section shall be administered in accordance with Federal Fair Labor Standards Act, Federal regulations, and the state's Overtime and Non-Exempt Compensatory Time policy.

Section 3. "Exempt" employee means an employee in a position designated as executive, administrative, or professional, which is not subject to the overtime pay of the Federal Fair Labor Standards Act and its regulations. "Exempt" employees shall be given compensatory time, under the following provisions:

> **Subsection 1**. Compensatory time will be credited on an hour-for-hour basis, for all authorized time worked in excess of 40 hours per week.

Subsection 2. Compensatory time will be recorded in increments of no less than one-half hour, but all time earned or taken in fractions of one hour will accumulate until the one-half hour minimum is attained, at which point the time will be recorded.

Subsection 3. Compensatory time may be accumulated to a maximum of 120 hours. Compensatory time in excess of 120 hours will be forfeited if not taken within 90 calendar days from the last day of the calendar year in which the excess was accrued.

Subsection 4. Compensatory time shall be earned as approved by the Employer and shall be taken at a time agreeable to the employee and the Employer.

Section 4. Authorized holiday leave, sick leave, or annual leave time off shall constitute time worked when computing overtime or compensatory time credits under this Article. Management may adjust an employee's work schedule in a work week or require the employee to take time off without pay so that the employee does not become eligible for the payment of overtime or accrual of nonexempt compensatory time.

Section 5. Overtime or compensatory time as provided for in this Agreement shall not be pyramided under any circumstances.

Section 6. The Employer agrees not to block out periods of time during which by policy employees will not be allowed to use accrued compensatory time so long as it is understood that the Employer may approve or disapprove compensatory time usage dependent upon the needs of the agency. In situations where the employee requests time off for annual leave or sick leave, the Employer may not require employees to utilize compensatory time in lieu of annual leave or sick leave.

ARTICLE 8 - INSURANCE

Section 1. Health insurance. The Employer's share of the health insurance contribution for each employee shall increase by 10% ($73/month) effective January 1, 2014 and an additional 10% increase ($81/month) effective January 1, 2015. The employee's cost to the premium for the employee shall not be subject to an increase until January 1, 2015.

ARTICLE 9 - HOLIDAYS

Section 1. List of holidays. For pay purposes, bargaining unit employees will be granted the following recognized holidays per state law:

New Years' Day.....January 1

Martin Luther King, Jr. Day.....Third Monday in January
Washington's and Lincoln's Birthday.....Third Monday in February
Memorial Day .....Last Monday in May
Independence Day .....July 4
Labor Day.....First Monday in September
Columbus Day.....Second Monday in October
Veteran's Day.....November 11
Thanksgiving Day.....Fourth Thursday in November
Christmas Day.....December 25
General Election Day .....1st Tues. in Nov. - alternate years

Section 2. The holidays listed in Section 1 shall be granted at the regular rate of pay to all eligible full-time employees except as provided for in Section 3. Eligible part-time employees shall receive pay or accrual for the holiday on a pro rata basis. To be eligible for holiday pay an employee must be in pay status on the last scheduled working day immediately before the holiday or on the first regularly scheduled working day immediately after the holiday.

Section 3. When a non-exempt full-time employee is required by the Employer to work on a holiday listed above, he/she will be paid at the rate of two and one-half times his/her regular rate of pay, or at the employee's option, one and one-half times his/her regular rate of pay and an alternate day off, to be taken at a time agreeable to the employee and Employer. Full-time exempt employees and employees who request and are authorized to work on a holiday shall receive their regular rate of pay and an alternate day off, to be taken at a time agreeable to the employee and the Employer. Eligible non-exempt part-time employees shall receive benefits granted in this Section on a pro rata basis.

Section 4. Any eligible full-time employee who is scheduled for a day off on a day which is observed as a legal holiday, except Sundays, shall be entitled to receive a day off with pay either on the day preceding the holiday or on another day following the holiday in the same pay period or as scheduled by the employee and his supervisor, whichever allows a day off in addition to the employee's regularly scheduled days off. Eligible non-exempt part-time employees shall receive benefits granted in this Section on a pro rata basis.

ARTICLE 10 - LEAVES

Section 1. Leaves in general. Union represented employees covered by this Agreement are entitled to all the leave provisions provided to public employees by Montana statute. In addition, the Employer acknowledges that bargaining unit employees are entitled to leave under the federal Family and Medical Leave Act pursuant to policy found in MOM.

Section 2. Annual leave (vacation). Employees shall request the use of annual leave in advance. Such requests will be considered in accordance with State law, MOM and

agency policy. It is understood and agreed that an employee within the bargaining unit may choose to take at least two consecutive accrued work weeks of annual leave per year. It is also understood that employees may take annual leave, with prior Management approval, at their individual discretion as long as the execution of this right does not cause an undue burden for the Employer's operation. In accordance with 2-18-617 MCA, the agency must provide reasonable opportunity for an employee to use rather than forfeit accumulated vacation leave. Employees shall make a reasonable effort to submit requested vacation dates to management in advance, and management shall make a reasonable effort to provide employees advance notice of approval or denial of requested vacation.

Section 3. Military leave. Military leave will be granted per 10-1-604, MCA.

Section 4. Leave without pay. A leave without pay must be requested by the employee in advance, and Management shall then determine if the employee can be excused for the time requested. The approval or disapproval from Management shall be based on the needs of the agency, the reason for the request, and the employee's work record.

Section 5. Education leave.

Subsection 1. - Requests. The Employer and Union view training and education as important to agency and employee success. Employees may request a leave of absence for educational purposes. The Employer may grant leave, with or without pay, for training, which is related to the employee's job duties. The Employer will consider potential benefit to the Employer, and the program clients, as well as budget and staffing requirements, when evaluating such requests.

Subsection 2. - Certification. Employees who are required to be certified by the Employer as part of their work responsibilities will be granted work time in order to meet this requirement.

Section 6. Worker's compensation.

Subsection 1. – Purpose. Worker's compensation, as administered by the Department of Labor and Industry, is for the purpose of offsetting the loss of income suffered by an employee who is injured on the job. Where an employee's pay continues while on sick leave, they are not entitled to both the paid sick leave and to worker's compensation payments.

Subsection 2. – Reporting. Any employee who suffers an actual or a suspected injury as the result of a work related accident must report such incident to their immediate supervisor and/or to the Department's personnel office as soon as physically possible.

Section 7. Maternity leave. In addition to state law found at MCA 49-2-310 & 311 (See Addendum A), unit members are entitled to the protections found in the federal Family and Medical Leave Act.

Section 8. Parental leave. Parental Leave 2-18-606 will be granted per MCA.

Section 9. Sick leave. Sick leave shall be granted in accordance with State law, MOM and Agency policy

Subsection 1. - Notification. Notification of absence because of illness shall be given as soon as possible to the immediate supervisor or in the event they are unavailable, to the individual designated to receive such notification. If the employee fails to give such notification, the absence may be charged to leave without pay; this will be considered a no call-no show. Absence in excess of one shift without receipt of proper notification ~~by~~ to the Employer from the employee shall constitute just cause for discharge, in accordance with Article 2, Section 3 of this contract, unless the failure to give such notification was due to circumstances beyond the control of the employee.

Subsection 2. In the event that an employee on annual leave becomes ill, the employee shall be afforded the right to change his/her annual leave status to sick leave status and to utilize available sick leave credits upon furnishing Management acceptable medical certification, if required.

Subsection 3. The Employer may not require a doctor's certificate to substantiate sick leave usage from an employee in the bargaining unit unless the employee has been away from work in excess of three days on sick leave or unless the Employer has good reason to suspect sick leave abuse.

Section 10. Jury and witness duty. Employees summoned to serve as jurors or witnesses shall be granted leave per 2-18-619, MCA.

ARTICLE 11 - GRIEVANCE AND ARBITRATION PROCEDURES

Section 1. Purpose. Having a desire to create and maintain harmonious labor relations, the parties to this Agreement agree they will promptly attempt to settle or adjust disputes, (hereinafter termed grievances) which arise during the term of this Agreement and involve questions of interpretation, application or alleged violation of terms and provisions of this Agreement, but which have not been specifically exempted from the grievance procedure.

Section 2. Procedure. In order to insure that grievances are resolved as quickly as possible, the following procedure shall be used:

Step 1. Any grievance shall be taken up with the employee's immediate supervisor in writing within 15 working days of the initial occurrence of the

grievable event. The immediate supervisor shall respond in writing to the employee and the Union within 10 working days of receipt of the grievance.

Step 2. If the grievance is not resolved at Step 1, then the grievance shall be presented in writing to the Division Administrator or their designee', within 10 working days of receipt of the Step 1 response. The Division Administrator or their designee' shall respond in writing to the Union within 10 working days of their receipt of the grievance.

Step 3. If the grievance is not resolved at Step 2, the grievance shall be submitted to the Director of the Department of Revenue or their designee within 10 working days of receipt of the Step 2 response. The Director shall respond in writing to the Union within 15 working days.

Step 4. Should the Union consider the decision of the Director to be unsatisfactory, the Union shall, within 15 working days of receipt of the decision, notify the Director and the Chief of the State Office of Labor Relations of its decision to take the grievance to final and binding arbitration.

Section 3. Rules governing the grievance procedure.

Subsection 1. - Waiving time limits. Time limits of any stage of the grievance procedure may be extended by written mutual agreement of the parties at that step.

Subsection 2. - Timeliness. A grievance not filed or advanced by the grievant within the time limits provided shall be considered to be withdrawn; however, a grievance that is a recurring grievance may be re-filed by the employee at Step 1. Failure on the part of the Employer's representative to answer within the time limit set forth in any step will entitle the employee to the next step.

Subsection 3. - Delegation. An appointed authority hereinafter "designee'" may replace any titled position in the grievance procedure, provided that such appointee has full authority to act in the capacity of the person being replaced.

Subsection 4. - Elements of the written grievance. When the grievance is presented in writing, there shall be set forth all of the following:

A. The name of the grievant(s).
B. A complete statement of the grievance, the contract language alleged to have been violated, any facts upon which the grievance is based and a complete but concise explanation of the relationship between those facts and the alleged contract violation.
C. The remedy or correction requested.

Subsection 5. - Alternative procedures. If the Union or the Grievant chooses to use alternative grievance procedures, to include administrative or judicial procedures, they may not pursue the same complaint under the provisions of this contractual grievance procedure. Similarly, an employee who pursues a grievance under the provisions of this contract may not pursue the same grievance under another procedure. Employees may only file a grievance with one labor organization on any particular grievance and shall not be permitted to file the same grievance with the other labor organization.

Subsection 6. - Classification grievances. In the event of a classification related grievance, the statutory classification appeal route shall be followed wherein the grievance may be submitted to the Board of Personnel Appeals for final resolution. Where a question arises as to whether the matter falls under the jurisdiction of the Board, the matter shall be referred to the Board for a decision.

Subsection 7. - Representation. Representatives of the Union may enter into the grievance at any step of the procedure.

Section 4. - Rules governing arbitration.

Subsection 1. - Selection of arbitrator. The parties shall request a list of seven arbitrators from the Board of Personnel Appeals and within five working days of receipt of said list shall alternately strike names from the list. The last remaining name shall serve as the arbitrator.

Subsection 2. - Arbitrator's limitations. No grievance which fails to meet the requirements of Subsection 4 of Section 3 of this Article shall be determined to be arbitrable. The arbitrator may not add to, subtract from, or modify the terms of the Agreement.

Subsection 3. - Cost allocation. Each party shall share equally the cost of the arbitrator. In the event one of the parties wants transcripts from the proceedings of the arbitration, the party requesting the transcripts shall pay all costs. If each party requests a transcript, they shall equally share the costs.

ARTICLE 12 - SENIORITY AND LAYOFF

Section 1. Seniority defined. Seniority means the total length of service in any position in the Department of Revenue plus total time within the bargaining unit (either MPEA or MEA-MFT). Seniority is statewide and is applicable only after an employee has completed a probationary period and become permanent. Employees who voluntarily terminate their position with the Employer, upon returning to the bargaining unit, will not have previous time with the Department and Union retained and calculated into the formula for the purposes of this Agreement.

Section 2. Terms of accrual. Seniority shall continue to accrue during all layoffs and approved leaves of absence not exceeding one year, except for industrial accident leave during which time an employee may accrue seniority for up to 18 months, as long as they continue to pay dues.

Section 3. Selection for layoff. If qualifications and capabilities are substantially equal then seniority shall be the determining factor in the selection of employees for layoff within the same job classification.

Section 4. The Employer shall give permanent employees subject to layoff a minimum of 30 calendar days advance notice and shall deliver a copy of such to the Union, which shall be allowed an opportunity to comment.

Section 5. Recall. Recall from a layoff shall be in reverse order of layoff by job. When recalling employees, the Employer shall send a certified return receipt letter to the last known address of the employee with a copy to the Union. The letter shall state that failure to notify the Employer within 15 working days of his or her intent to return to work shall constitute forfeiture of all recall rights. Recall rights shall be limited to a period of two years following the date of the layoff.

Section 6. No permanent employee shall be laid off while temporary seasonal or probationary employees in the same job classification are retained.

Section 7. Salary and benefits protections. Any employee whose position is eliminated as a result of privatization, reorganization of an agency, closure of, or a reduction in force, or other actions by the legislature and who is subsequently transferred to a different position in a state agency is entitled to the salary and benefits protection(s) contained in the State Employee Protection Act. (MCA 2-18-1201 through 2-18-1206)

ARTICLE 13 - PUBLIC EMPLOYEES RETIREMENT SYSTEM

The existing programs shall continue in full force and effect in accordance with 19-3-101 through 1404, M.C.A.

ARTICLE 14 - JOB POSTING, SELECTION AND PROMOTION

Section 1. Notice and posting. Any vacancy which occurs, or new position which is created, which is covered by this bargaining Agreement will be noticed throughout the state so that interested bargaining unit members may apply for said position. The purpose of such notice is to inform employees of vacancies and newly created positions, and to afford employees who are interested and who qualify an equal opportunity to apply for the vacant or newly created position.

> **Subsection 1. – Recruitment**. When recruiting internally or externally, Management will post notice of available positions for at least seven calendar

days. Such notices shall state where interested employees are to make application.

If only one Department of Revenue employee applies for a position and the employee is successfully performing the duties of the same position in a different location, the employee will be awarded a lateral transfer into the position.

Nothing in this provision concedes Management's right to initiate either internal or external recruitment, providing that available positions are noticed throughout the bargaining unit per the terms of this provision.

Subsection 2. - Selection. The Employer will insure that all applications of qualified unit members are considered in the selection process. When two bargaining unit applicants are determined to be substantially equal in qualifications and capabilities, then seniority will be the determining factor in selecting the successful applicant, providing, however, that this requirement may not act to negate statutory requirements regarding Veteran's or Disability or other statutory preferences, which must take precedence. Unsuccessful applicants will be notified in writing upon completion of the selection process. Upon request, unsuccessful applicants will be provided with an explanation of the results of the selection process. An alleged violation of the minimum notice and posting requirements of this Article may be grieved under the rules of the Article on "Grievance and Arbitration." An alleged violation of this Article other than notice and posting may be grieved through Step 3, but may not be submitted to final and binding arbitration.

Subsection 3. – Exceptions. The requirements of this Article will be waived in in cases of career ladder advancements and situations where a bargaining unit employee is transferred or demoted for disciplinary reasons, for poor work performance, or in situations where the assignment is the result of a grievance settlement between the Employer and the Union.

Subsection 4. Training Assignments. Successful internal applicants may be placed on a 6 month training assignment in the new position. In the event that management determines that the employee in not satisfactorily meeting the requirements of the new position during or at the conclusion of the 6 month training period, the employee may be returned to their former position or to a similar position with no loss of seniority.

ARTICLE 15 - UNION SECURITY

Section 1. Employee list. Within 30 days of the signing of this Agreement, the Employer shall provide the Union with a list of names and addresses of all current employees covered by this Agreement and shall update such list as needed, but no more often than once a month when Union membership is affected.

Section 2. Upon receipt of a written authorization from an employee covered by this Agreement, the Employer shall deduct from the employee's pay the amount owed to the Union by such employee for dues or a representation fee. The Employer will remit to the Union such sums within 30 calendar days. Changes in the Union membership dues rate and representation fee will be certified to the Employer in writing over the signature of the authorized officer or officers of the Union and shall be done at least 30 calendar days in advance of such change.

Section 3. All employees covered by the terms of this Agreement shall within 30 days of the signing of this Agreement, or within 30 days of employment, whichever is later, pay dues or the representation fee to the Union. Employees who fail to comply with this requirement shall be discharged by the Employer within 30 days after receipt of written notice of default by the Union. The Union may make written notice of default and demand for discharge after the 30-day period specified above. The Employer shall initiate appropriate discharge actions under this Section to insure discharge of the affected employee(s) on the 30th day from receipt by the Employer of the Union's written notice of default and demand for discharge.

Section 4. The Union will indemnify, defend and hold the Employer harmless against any claim made and against any suit instituted against the Employer, including attorney's fees and costs of defense thereof, on account of any provision of this Article.

Section 5 - Grandfather clause. Employees covered by this collective bargaining Agreement and hired by the department before September 29, 1999, who were not in a collective bargaining unit prior to that date shall not be subject to the Union security provision as long as they remain in the positions they held on September 29, 1999. If any employee transfers into a different bargaining unit position after September 29, 1999, the employee shall be subject to the Union security provision. Any employees exempted from dues or representation fees by this "grandfather clause" may voluntarily pay dues or representation fees at the employee's choice.

ARTICLE 16 - HEALTH AND SAFETY

Section 1. Safe environment. Both the Employer and the Union affirm their commitment to cooperate in the maintenance of a safe and healthful work environment.

Section 2. Safety equipment. Any uniform, protective clothing or equipment which is required by the Employer shall be provided by the Employer at the Employer's expense

except in cases where negligence or misuse leads to the need for replacement of said uniform or equipment, whereupon the cost of replacement shall be borne by the employee.

ARTICLE 17 - NO STRIKE-NO LOCKOUT

Section 1. No strikes. During the term of this Agreement, neither the Union nor its agents or representatives will cause, sanction, or take part in any strike, sympathy strike, walkout, slowdown, or any other interference with the operation of the Employer's business, except as provided for in the Article covering the term of this Agreement.

Section 2. No lockouts. During the term of this Agreement, there shall be no lockouts by the Employer.

ARTICLE 18 - SEVERABILITY

If any term or provision of this Agreement is, at any time during the life of this Agreement, adjudged by a court, an administrative body of competent jurisdiction, or the Montana Attorney General, to be in conflict with any law, such term or provision shall become invalid and unenforceable and, notwithstanding the terms of the Article addressing the "Entire Agreement," either party may call for a reopening of negotiations for the purpose only of negotiating a replacement clause for that specific subject or issue affected by the invalidation of the conflicting term or provision.

ARTICLE 19 - ENTIRE AGREEMENT

Both parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties through the exercise of that right and opportunity are set forth in this Agreement.

Therefore, the Employer and the Union, for the duration of this Agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or issue, whether or not such subject or issue has been specifically discussed in negotiations, or referred to, or covered by this Agreement. This Article shall not be construed to in any way restrict the parties from commencing negotiations as specified under the Article addressing the "Term" of this Agreement for the purpose of negotiating a successor agreement to take effect upon expiration of this Agreement or under the Article on "Severability" to replace invalidated language.

The state shall print the required number of copies of this Agreement and shall charge the Union only that fee that would normally be charged to a State agency. The Employer will present to current employees and to each new employee upon hire a copy of this Agreement.

ARTICLE 20 - TERM

Section 1. Term and re-opener. This Agreement shall be effective July 1, 2013, and shall remain in full force and effect through the 30th day of June 2015. The parties may mutually agree to reopen a specific section or article of the contract when they are agreed that a clear and compelling need exists. Either party may notify the other, in writing, at least 90 days prior to the expiration date should they desire to renegotiate this Agreement, however, negotiations cannot begin before January 1 of the year in which the contract expires. If the Union gives such notice, it agrees to notify the Chief of the State Office of Labor Relations, in writing, of such request at the same time said notice is given to the agency. In the event that such notice is given, negotiations shall begin not later than 30 days prior to the above expiration date.

Section 2. No-strike waiver. The Union shall have the right to engage in concerted activities after December 31, 2014 for matters pertaining to wages and economic benefits in the FY 2016-2017 biennium.

Section 3. Pre-budget negotiations. The language contained in Section 1 does not preclude the Employer and the Union from engaging in pre-budget negotiations on economic matters. All terms relative to competency based pay shall be subject to bargaining in accordance with requirements of Montana Code Annotated.

THIS AGREEMENT is signed and dated this 25 day of Sept 2013

FOR: STATE OF MONTANA

State Office of Labor Relations

Mike Kadas, Director
Department of Revenue

FOR: MEA-MFT / MPEA

Quinton E. Nyman, Executive Director
MPEA

Robert Chatriand, Field Representative
MPEA

Tom Burgess, Field Consultant
MEA-MFT

Linda Sather, President
MPEA and MEA-MFT Local 4993

Montana Department of Revenue
MEA-MFT and MPEA Local 4993

ADDENDUM A
2013-2015 BROADBAND PAY AGREEMENT

This addendum represents the parties' complete agreement concerning the placement, adjustment and progression of bargaining unit employees' pay under the broadband pay plan prescribed under Section 2-18-303, MCA the 2011 legislative session provided no appropriation to maintain the intent of the 2007-2009 Broadband Pay Agreement.

Section 1. Statement of broadband pay plan goal. It is the goal of the Montana Department of Revenue to 1) provide competitive pay ranges based on market factors, 2) progress employees to market pay based on the department's ability to pay, and 3) provide additional pay incentives based on employees' individual contributions and performance. Steps have been taken toward that goal by transferring employees into the broadband pay plan and into market-based competitive pay zones for their occupations.

Section 2. Base pay. The 2013-2014 *Broadband Pay Agreement will be reactivated to the extent set forth below:*

A. Effective the first full pay period in January 2012 eligible employees that did not receive a salary increase due to IBP step or increment movement as a result of the 2009-2011 pay freeze shall receive the salary associated with all appropriate IBP step or increment salary advancement. Eligible employees have been previously notified of their IBP step or increment movement by DOR Human Resources each October.

B. Effective the first full-pay period in October 2012 eligible employees will be granted an IBP step or increment with the commensurate salary increase.

C. Employees who were promoted or reclassified in the twelve months prior to the October IBP steps in either October 2011 or October 2012 will not receive an additional IBP adjustment because their IBP level was already adjusted to the appropriate level.

D. Should Section 2-18-303 MCA be amended to permit wage increases the parties agree to negotiate the application of the amendment.

Section 3. Schedule A.

Subsection 1. - Occupational pay ranges. Individual initial band placement (IBP) between IBP1 and IBP5 will be determined by the employee's relevant experience in accordance with Section 4.

Subsection 2. - Schedule A. Schedule A includes the occupational pay ranges and base pay amounts according to each employee's individual band placement Absent compliance with specific exceptions specified herein, an employee's Individual Band Placement and base pay will not change until such time as future negotiations establish the terms and conditions for reactivation of the 2007-2009 Broad Band Pay Agreement or its successor. Pay adjustments resulting from reclassifications, promotions, statutory longevity, completion of probationary periods and training assignments are not subject to the foregoing prohibition on pay increases.

Section 4. Determining individual initial band placement (IBP). Directly-related experience will be credited on a year-to-year ratio.

Subsection 1. . In order to preserve fairness and equity of the pay structure and capture the original intent of Pay Plan 20, the initial IBP placement for all internal and external hires and promotions shall be no higher than an IBP 3.

Subsection 2. Employees are encouraged to continuously improve and move up within the Department. However, there are circumstances where a permanent Department employee is the successful candidate for a position in which the base salary would be less than the employee's current base salary. In these instances, a Strategic Pay Adjustment implemented through a change in IBP level may be requested. The IBP may only be adjusted to the first level that results in a pay increase and cannot exceed the employee's actual calculated level. All strategic pay adjustments must be approved by the Director or the Director's designee.

Section 5. **Training assignments.** The department may establish written training assignments to enable an employee to gain the additional experience and training required for the job. In these cases, the department may set the employee's base pay rate below the minimum entry rate for a period of time not to exceed one year. This time period may be extended upon mutual agreement of the parties. Upon completion of the training assignment the employee will advance to the entry rate listed on Schedule A – Occupational Pay Ranges listed in Addendum A.

Section 6. Location pay. The department, at its discretion, may set base pay rates above those shown in Schedule A for employees working in high-cost cities and counties. If the department elects to set base pay rates above those shown in Schedule A under these conditions, it will apply those pay adjustments uniformly and consistently to all employees in the affected occupation within the specific location.

Section 7. Employees under formal corrective action plans. Employees who are under formal corrective action plans will not receive the base pay increases resulting from progression through competitive pay zones or IBP progression until they successfully complete those plans. Corrective action plans are used to correct patterned behavioral or performance problems. Corrective action plans will be reviewed with the employee, clearly identify the behavioral or performance problem, and set forth steps for remediation within a specific timeframe.

Section 8. Health insurance. The State of Montana agrees to increase the employer's share of the individual health insurance contribution by 10% ($73/month) effective January 1, 2014 and an additional 10% ($81/month) effective January 1, 2015. The State further agrees that the employee's share of individual health insurance contributions shall not be increased during the life of this agreement

Montana Department of Revenue
MEA-MFT and MPEA Local 4993

ADDENDUM B
ALTERNATIVE DISPUTE-RESOLUTION PROCESS

This is a voluntary process the parties developed in a labor-management meeting in September 2000 as an alternative to the grievance procedure in the collective bargaining agreement. The history and goals of the alternative process are outlined in a letter of agreement the parties entered into at that time. The process shall work as follows:

At the point the parties mutually agree to submit a dispute or problem to the process, labor representatives and management representatives shall meet for purposes of gathering and sharing relevant facts and attempting to reach a mutually agreeable resolution. It is the intent of the parties to involve the immediate supervisor or initial management staff where appropriate and the employees directly affected by the issue at hand. The disputes that undergo this process may be disputes that otherwise would be filed as a formal grievance, or problems at an earlier stage that can be corrected before they become a formal complaint or grievance. If the matter involves employee conduct or performance, and has not advanced to a stage of disciplinary action or a grievance, the Union representative(s) involved in the process shall present written authorization from the affected employee(s) for submission of the matter to the alternative dispute-resolution process. Should the parties be unable to resolve a dispute or problem in this manner by mutual agreement, and confirmed in writing, the employee(s) and Union reserve the right to pursue the contractual grievance procedure, provided that: contractual timelines have been followed; timeline extensions have been requested and approved in advance, and; the grievance complies with all other Sections of the collective bargaining Agreement's grievance procedure.

This alternative dispute-resolution process is an option for identifying problems, and focusing on solutions, with less emphasis on personalities and procedures. The parties intend the process to promote the following concepts: efficient solutions to problems; effective solutions to problems; fairness to everyone involved; impartiality; better communications; getting the job/work of the agency done; greater job satisfaction; non-adversarial relationship between labor and management; all stakeholders in the process support the solution; less stress; procedures need to be followed, but don't always dictate solutions; solutions should be workable; labor and management share the interest of solving problems.