

2025 – 2027

COLLECTIVE BARGAINING AGREEMENT

between the

**STATE OF MONTANA
MONTANA LOTTERY**

and the

**MONTANA FEDERATION OF LOTTERY
EMPLOYEES LOCAL #8518 OF THE
MONTANA FEDERATION OF PUBLIC
EMPLOYEES**

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COLLECTIVE BARGAINING AGREEMENT
between the
STATE OF MONTANA
MONTANA LOTTERY
and the
MONTANA FEDERATION OF LOTTERY EMPLOYEES LOCAL #8518
MONTANA FEDERATION OF PUBLIC EMPLOYEES

PREAMBLE

THIS AGREEMENT is made and entered into this 7/2/2025, between the State of Montana, Montana Lottery, hereinafter referred to as the "Employer " and the Montana Federation of Lottery Employees Local #8518 of the Montana Federation of Public Employees hereinafter referred to as the "Federation". It is the intent and purpose of this Agreement to assure sound and mutually beneficial working relationships between the Employer and the Federation, to provide an orderly and peaceful means of resolving grievances, to prevent interruption of work and interference with efficient operation of the facility, and to set forth herein a basic and complete agreement between the parties concerning terms and conditions of employment which are not otherwise mandated by statute. Both parties hereto recognize the Employer's need for continuous and reliable service to the public.

ARTICLE 1.
RECOGNITION

Section 1. The Employer recognizes the Federation as the sole and exclusive representative for all employees within the bargaining unit as certified by the Board of Personnel Appeals.

ARTICLE 2.
FEDERATION RIGHTS

Section 1. In the event the Federation designates a member employee to act in the capacity as official spokesperson for the Federation on any matter, such a designation shall be made in writing and shall specify the period covered by the designation.

Section 2. A written list of the accredited officers and representatives of the individual bargaining units shall be furnished to the agency director immediately after their election and the agency director shall be notified of any changes of said representatives within seven calendar days.

Section 3. The internal business of the Federation shall be conducted by the employees during their non-duty hours, provided that selected and designated Federation officers or appointees shall be allowed a pre-approved reasonable amount of paid time to investigate and process grievances, including arbitration matters, but the Employer will not compensate the aforementioned individuals for time spent in such

activities outside of their normal work schedule, nor may an individual create any overtime liability as a direct or indirect result of such activities.

Section 4. The Federation's staff will be allowed to visit work areas 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 and the representative shall follow all established lottery security procedures.

Section 5. The Federation may utilize a reasonable amount of space on bulletin boards as determined by local management on bulletin boards currently used for employee notices. No derogatory information concerning the Employer shall be posted by the Federation.

Section 6. Accredited Federation representatives shall, with the written approval of the employee, have the right to inspect an employee's personnel file, with the exception of medical information unless the issue involves such matters, and only where justification is advanced for such access by the Federation.

Section 7. The Federation may be allowed to use the Employer's facilities for Federation meetings contingent upon availability and management approval. The Federation shall be liable for any damages as a result of such use.

ARTICLE 3. FEDERATION SECURITY

Section 1. Employees covered by the terms of this Agreement shall not be required to become members of the Federation.

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 Federation by such employee for dues or a representation fee. The Employer will remit to the Federation such sums within 30 calendar days. Changes in the Federation 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 Federation and shall be done at least 30 calendar days in advance of such change.

Section 3. The Employer, within 30 days of the signing of this Agreement, shall present the Federation with a list of names and addresses of all current employees covered by this Agreement, and shall update such list each month for all new hires.

Section 4. The Federation 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.

ARTICLE 4. MANAGEMENT RIGHTS

Section 1. The Union shall recognize the prerogatives of the agency to operate and manage their affairs in such areas as, but not limited to:

1. Direct employees;
2. Hire, promote, transfer, assign, and retain employees;
3. Relieve employees from duties because of lack of work or funds or under conditions where continuation of such work would be inefficient and non-productive;
4. Maintain the efficiency of government operations;
5. Determine the methods, means, job classifications, and personnel by which the agency operations are to be conducted;
6. Take whatever actions may be necessary to carry out the missions of the agency in situations of emergency;
7. Establish the methods and processes by which work is performed.

Such rights are retained by the Employer except as specifically limited or relinquished in this Agreement.

ARTICLE 5. FEDERATION/MANAGEMENT COMMITTEE

Section 1. A Federation/Management Committee may be formed which will consist of no more than three employees who are members of the bargaining unit and employer representative(s). The Committee shall not take the place of bargaining or the grievance procedure but will consider day-to-day kinds of matters which are not discussed in the staff meetings, unless it is mutually agreed that the subject be considered by the Committee.

Section 2. The Director of the Montana Lottery, the Director's designee or the bargaining unit executive committee may request such a meeting. The meeting will be held on the Employer's time whenever possible, at a time and date mutually agreeable. In no case will this meeting modify or abrogate the terms and conditions of this contract.

ARTICLE 6. WAGES & OTHER WORKING CONDITIONS

Section 1. Wages shall be paid in accordance with the Broadband Pay Plan contained in Addendum A.

Section 2. The Employer agrees to contribute an amount towards the provisions of health insurance as required by statute.

Section 3. For the purposes of calculating overtime, only time worked over 40 hours in a week can create overtime pay or compensatory time at one and one-half regular pay. Paid leave times (annual, sick, banked holiday, floating holiday, or compensatory) do not count as time worked. An employee must reduce paid leave time on their timesheet before overtime or compensatory time may be recorded.

Section 4. Paid overtime shall be guaranteed each pay period as outlined in the Fair Labor Standards Act. Employees may be allowed to accrue and use non-exempt compensatory time in lieu of cash overtime compensation with management approval. Overtime hours may be offset by flexing hours within the workweek by mutual agreement.

Section 5. An employee may accrue a maximum balance of 120 hours of compensatory time. When the balance exceeds 120 hours, the employee will be paid out overtime compensation for the excess hours.

Section 6. One 15-minute rest break shall be provided for every four hours worked. Rest breaks may be interrupted for service.

Section 7. Overtime as provided for in the Agreement shall not be pyramided under any circumstances.

Section 8. Union On-Call. Employees designated to be in an on-call status shall earn one on-call hour per assigned weekday and two on-call hours if assigned on a weekend day or holiday. Employees may instead record on-call time as compensatory time with management approval. Employees designated to be on-call must promptly respond to calls and report onsite within 30 minutes of the initial contact if required.

Subsection 1. On-Call time shall not be considered worked-time for the purposes of calculating overtime eligibility beyond 40 hours in a workweek.

Section 9. Union Call-Out. An employee designated to be in an on-call status may be called-out to perform BICO duties as documented, or other roles as assigned by management. An employee called-out for service shall be paid a minimum of two hours at regular pay or may record compensatory time instead with management approval.

Subsection 1. Time coded as call-out, regular pay or compensatory time, shall be considered time worked for the purposes of calculating overtime. By mutual agreement, employees recording call-out time may be required to reduce scheduled hours during the same workweek to prevent overtime from accruing.

Subsection 2. A call to verify the designated ICO is onsite for draws require a response from the designated BICO but shall not be considered a call-out situation eligible for the two hours of pay or compensatory time.

Section 10. Employees placed on a regular or designated work schedule shall not have their work schedule changed unless given 10 days' notice of the change, except in emergency situations.

Section 11. If an employee is selected and given written authorization by a management designee to temporarily fill a vacancy in a higher paid job, the employee shall be paid at the higher pay. Management will not adopt a policy of refusing to authorize such assignments.

ARTICLE 7. RECRUITMENT, SELECTION, AND PROMOTION

Section 1. The following procedures will be followed in the posting and filling of vacant or newly created positions. The purpose of this system is to inform employees of vacancies and newly created positions and to afford employees who are interested, and feel they qualify, an equal opportunity to apply for the vacant or newly created position.

Subsection 1. Whenever a vacancy or newly created position occurs within the bargaining unit, the Employer will prepare a job notice and post the position externally and internally for at least seven calendar days, with email notice given to bargaining unit members. Members who apply for the position will be hired over external candidates where qualifications for the position are substantially

Subsection 2. Qualifications, capabilities and seniority shall be the controlling factors in filling new or vacant positions within the bargaining unit.

Subsection 3. Members in the bargaining units who are unsuccessful applicants shall be so notified upon completion of the selection process. When a bargaining unit employee who has applied for an open position is not selected, they shall be entitled, upon request, to an explanation of the reasons why they were not selected.

ARTICLE 8. EMPLOYEE RIGHTS

Section 1. 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.

Subsection 1. The probationary period shall last for twelve months. If the Employer determines at any time during the probationary period that the services of the probationary employee are unsatisfactory, the employee may be separated upon written notice from the Employer.

Section 2. The Employer may discharge any employee with permanent status only for just cause. The Employer shall furnish an employee subject to discharge or suspension with a written statement of the grounds and specific reason(s) for such actions and shall in addition notify the Federation of the removal of an employee for cause. An employee

with permanent status may appeal their dismissal, suspension or other punitive disciplinary action through the grievance procedure. This in no way limits management's prerogative to lay off employees.

Section 3. Letters of caution, consultation, warning, admonishment, and reprimand shall be considered temporary contents of the personnel file of an employee and shall be removed from the personnel file 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.

Section 4. No information reflecting critically upon an employee shall be placed in the personnel file of the employee that does not bear either the signature or initials of the employee indicating that they have been shown the material, or a statement by a supervisor that the employee has been shown the material and refused to sign it. A copy of any such material shall be furnished to the employee upon request.

Section 5. An employee desiring that material which they feel is incorrect and should be removed from the personnel file of the employee shall have the right to appeal it through the grievance procedure.

Section 6. If an employee is required to wear a uniform, protective clothing, or any type of protective clothing or protective device, the Employer shall furnish said items.

ARTICLE 9. SENIORITY & LAYOFF

Section 1. Seniority means the length of continuous service with the agency since the last date of hire.

Section 2. Seniority shall cease to accrue during a period of layoff or leave without pay that exceeds 60 working days or after a permanent transfer out of the bargaining unit. However, previously credited service will not be lost and an employee who is recalled or transfers back into the bargaining unit will retain all prior seniority. If leave without pay is for active-duty military service, seniority shall continue to accrue as if the employee were continuously employed during the leave. Seniority shall be revoked upon termination, retirement, or discharge for cause.

Section 3. Qualifications, capabilities and seniority shall be the controlling factors in selection of employees for layoff among positions of the same job title and occupational pay range.

Section 4. Recall from layoff shall be in reverse order of layoff. The Employer shall notify a laid off employee to return to work by sending a certified, return receipt letter to the last known address for the employee with a copy to the Federation and shall therein notify the employee that failure of the employee to notify the Employer of their intent to return to work within 10 calendar days of the mailing of said letter shall constitute a

forfeiture of their right to return to work. Recall rights shall be limited to a period of two years following the date of layoff.

Section 5. No permanent employee shall be laid off while temporary or probationary employees in the same skill are retained.

Section 6. The Employer shall give permanent employees subject to layoffs a minimum of 21 calendar days advance notice and shall deliver a copy of said notice to the Federation which shall be allowed opportunity for comment.

ARTICLE 10. GRIEVANCES AND ARBITRATION

Section 1. Having a desire to create and maintain harmonious labor relations between them, the parties agree that they will promptly attempt to address all complaints, disputes, controversies, or other grievances arising between them involving questions of interpretation or application of the written provisions of this Agreement.

Section 2. Grievance Procedure.

Step 1

A grievance involving the interpretation or application of the written provision(s) of this Agreement shall be submitted by the employee or union representative to the employee's immediate supervisor or management designee within 14 calendar days from the occurrence of the grievable event. The immediate supervisor or management designee shall have 14 calendar days from receipt of the grievance to respond in writing. All grievances must be discussed with the immediate supervisor prior to the filing of a formal grievance and no formal grievance may be filed until the immediate supervisor has been given an opportunity to attempt resolution.

Step 2

If the grievance is not resolved at Step 1, a formal grievance may be submitted by the Union in writing within 14 calendar days from the immediate supervisor's or management designee's response to Step 1. The grievance should be submitted to the appropriate management official. The management official at the second step shall have 14 calendar days from receipt of the grievance to respond in writing.

Step 3

If the grievance is not resolved at Step 2, it may be presented to the agency head or designee within 21 calendar days of the Step 2 response. The agency head or designee shall have 21 calendar days from receipt of the grievance to respond in writing.

Step 4

Should the Union consider the decision of the agency head unsatisfactory, the Union shall, within 21 calendar days of such decision, notify the agency head and the State Office of Labor Relations of its intention to take the grievance to arbitration.

Step 5

After notification of arbitration, the State Office of Labor Relations (OLR) will work with the Union and management to determine if there is a mutually acceptable resolution that can be found or if the matter should go to mediation. If OLR determines the parties cannot resolve informally or through mediation, the decision should proceed to final and binding arbitration. If there is a cost associated, the parties will share it equally. The timeline for the grievance processing will be put on hold until the mediation is final or the decision is made to move to arbitration.

Section 3. Rules of Grievance Processing.

Subsection 1. Waiving time limits. Time limits at 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 deemed permanently withdrawn. 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. Elements of the grievance. All presentations of grievances shall be submitted to the Employer in writing at each step and must include:

1. Name of employee(s)/Union grieving.
2. Date of the violation.
3. The step of the grievance.
4. A complete statement of the grievance and facts upon which it is based.
5. The specific Article(s) and Section(s) of the Agreement violated.
6. The specific remedy or correction requested.
7. The signature of each grievant or representative.

Subsection 4. Alternative procedures.

1. As recognized in § 49-2-512, Title 49 of Montana Code Annotated establishes the exclusive remedy for acts constituting an alleged violation of the Montana Human Rights Act. In the event of a grievance based upon an alleged violation of this Act, the statutory procedures of filing a claim with the Human Rights Bureau shall be the exclusive remedy.

2. As recognized in § 2-18-1011, Title 2 of Montana Code Annotated establishes the exclusive remedy for an alleged violation of classification or compensation. In the event of a grievance based upon an alleged violation of this provision, the statutory procedures of filing a claim with the Board of Personnel Appeals shall be the exclusive remedy.

Section 4. Rules of Arbitration.

Subsection 1. Selection of Arbitrator. The parties shall request a list of seven arbitrators from the Board of Personnel Appeals and shall alternatively 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 Section 3, Subsection 3 of this Article shall be determined to be arbitrable. The arbitrator may not add to, subtract from, or modify the terms of this Agreement.

Subsection 3. The parties agree either party may file pre-arbitration dispositive motions or request a bench decision from the arbitrator.

Subsection 4. 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 the entire cost. If each party requests a transcript, they shall equally share the cost.

Subsection 5. The arbitration location shall be in Helena, Montana unless otherwise mutually agreed by the parties.

ARTICLE 11. LEAVES

Section 1. Jury And Witness Duty. Employees summoned to serve as jurors or witnesses shall be granted leave per § 2-18-619, MCA. Employees answering subpoenas for a civil or criminal cause in connection with their official duties will be compensated as provided in § 2-18-626, MCA.

Section 2. Sick Leave. Employees shall be granted sick leave per § 2-18-618, MCA, and according to the following:

Subsection 1. Notice. Notification of absence because of illness shall be given as soon as possible to either the immediate supervisor or to the individual designated to receive such calls. If the employee fails to give such notification, the absence may be charged to leave without pay and may be subject to disciplinary action. Absence in excess of one shift without receipt of proper notification by the Employer from the employee shall constitute just cause for immediate discharge, unless failure to give such notification was due to circumstances beyond the control of the employee.

Subsection 2. Sick Leave Exhaustion. Sick leave used must not exceed the amount accrued by the employee. If an employee is ill and has exhausted their sick leave credits, the employee may use other accrued leave.

Subsection 3. Employees Who Become Ill On Vacation. In the event an employee on annual leave becomes ill, the employee shall be afforded the right to change their annual leave status to sick leave status and to utilize available sick leave credits upon furnishing management acceptable medical certification.

Subsection 4. Doctor's Certification. The Employer may require a doctor's certification to substantiate sick leave usage should the employee be absent from work in excess of three days or if the Employer has good reason to suspect sick leave abuse.

Subsection 5. Holidays During Sick Leave. In the event that a holiday falls when an employee is on sick leave, the employee shall be changed from sick leave status to holiday status.

Subsection 6. Sick Leave Payout. An employee who terminates employment with the agency is entitled to a lump-sum payment equal to one-fourth of the pay (or a like amount deposited in an authorized VEBA account), attributed to the accumulated sick leave; however, abuse of sick leave may be cause for dismissal and forfeiture of the lump-sum payments provided for in this Section.

Section 3. Annual Leave. Employees shall earn leave credits consistent with the provisions of §§ 2-18-611 through 2-18-617, MCA.

Subsection 1. Rate Earned. Vacation leave credits are earned at a yearly rate calculated in accordance with the following schedule in § 2-18-612, MCA, which applies to the total years of an employee's employment with any agency whether the employment is continuous or not:

Years of Employment Credit	Working Days
1 day through 10 years.....	15
10 years through 15 years.....	18
15 years through 20 years.....	21
20 years on.....	24

Subsection 2. Employees will provide advance notice when requesting annual leave and will receive a timely response from management approving or denying the requested leave.

Section 4. Emergency Leave. In accordance with sick leave policy, accrued and available sick leave will be allowed for necessary attendance to the illness of the employee's immediate family until other attendance can be reasonably attained, to attend a funeral in the immediate family, to received medical, dental or eye examination, or for other disability related emergencies. Absence in excess of one shift without

receipt of proper notification by the Employer from the employee shall constitute just cause for immediate discharge, unless the failure to give such notification was due to circumstances beyond the control of the employee.

Section 5. Military Leave. Military leave shall be granted per § 10-1-604, MCA.

Section 6. Other Leaves. Educational leave, leave without pay and industrial accident leave shall be considered on a case-by-case basis, in accordance with State policy.

ARTICLE 12. HOLIDAYS

Section 1. For pay purposes the following holidays shall be recognized in compliance with § 1-1-216, MCA:

New Year's Day	January 1
Martin Luther King Jr. Day	3rd Monday in January
Presidents' Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Indigenous Peoples' Day & Columbus Day	2nd Monday in October
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Christmas Day	December 25

Each full-time employee is entitled to one floating holiday each calendar year. Each part-time employee is entitled to one floating holiday each calendar year that must be calculated proportionately to the floating holiday allowed to a full-time employee. An unused floating holiday leave expires at the end of each calendar year, does not accrue, and is not paid out to employees on termination of employment. Short-term workers or student interns may not receive a floating holiday.

Section 2. An eligible employee shall receive holiday benefits for legal state holidays. This benefit is paid time off or pay at the regular rate. Holiday benefits shall not exceed eight hours per holiday. An employee must be in a pay status either the last regularly working day before or the first regularly scheduled working day after a holiday is observed to be eligible to receive holiday benefits. The above listed days shall be the recognized holidays for pay purposes. An employee may observe a holiday and receive holiday pay only once each year for each holiday listed.

Section 3. During the hours of 12:01 am and 11:59 pm on any recognized State holiday, employees shall be paid at time and one half of their regular pay rate for all hours worked. At no time shall overtime or premium pay be pyramided.

ARTICLE 13. NO STRIKE/NO LOCKOUT

Section 1. 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, or any other interference with the operation of the Employer's business.

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

ARTICLE 14. SEVERABILITY

Section 1. In the event that any provision of this Agreement shall be declared invalid or unenforceable by any court of competent jurisdiction, such decision shall not invalidate the entire Agreement, it being the expressed intention of the parties hereto that all other provisions not declared invalid or unenforceable shall remain in full force and effect. Either party may initiate negotiations on the provision declared invalid.

ARTICLE 15. TERM OF AGREEMENT

Section 1. This Agreement is effective as of the first day of July 2025 and shall remain in full force and effect through the 30th day of June 2027.

Section 2. Should either party seek to modify this Agreement, it shall give written notice of such intention not less than 90 days prior to the expiration date of this Agreement. With mutual agreement, negotiations may commence at any time thereafter.

Section 3. The Union shall have the right to engage in concerted activities after December 31, 2026, for matters pertaining to wages and economic benefits in the 2027-2029 biennium in accordance with Article 13.


ARTICLE 16 ENTIRE AGREEMENT


Section 1. The parties acknowledge that during 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 after 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 matter specifically referred to or covered by this Agreement.


THIS AGREEMENT is signed and dated this 7/2/2025.


THE STATE OF MONTANA:

Signed by:

2021031443A44A6...
Bob Brown, Director
Montana Lottery

Signed by:

382B3999E2BE4DB...
Karol Anne Davis, Chief Negotiator
State Office of Labor Relations

THE FEDERATION:

Signed by:

5B46E082DB3E472...
Justin Hawkaluk, Field Representative
MFPE

DocuSigned by:

8C47EEB776ED4EE...
Chris Shermer, Local President
MFPE

ADDENDUM A. BROADBAND PAY PROVISIONS

This Addendum represents the parties' complete agreement for the 2025-2027 contract term concerning the placement, adjustment, and progression of bargaining unit employees' pay under the broadband pay plan prescribed by § 2-18-303, MCA.

Section 1. Longevity. All pay calculations are on base rates and not inclusive of longevity.

Section 2. Hiring Rates. Employees new to the Montana Lottery will typically be hired at the entry for the occupation. In determining a new employee's hiring rate above entry, the Director, or designee, shall consider criteria such as: the employee's job-related qualifications and competencies; existing salary relationships within the job class, band and work unit; ability to pay; and the competitive labor market. The Employer will notify the Federation whenever a new hire is hired above the entry rate.

Section 3. Future Pay Plan Provisions. The parties may agree to establish a work team of bargaining unit and management representatives to develop further pay plan components such as market progression, competency-based pay, situational pay and strategic pay. It is understood recommendations from the work group will need to be negotiated.

Section 4. All employees covered by the collective bargaining agreement between the parties shall be brought up to a target wage equivalent to 90% of the 2012 market midpoint.

Across the Board Pay Adjustments

Effective on the first day of the first complete pay period that includes July 1, 2025, the base salary of each employee must be increased by \$1.00 an hour or by 2.5%, whichever is greater. Effective on the first day of the first complete pay period that includes July 1, 2026, the base salary of each employee must be increased by \$1.00 an hour or by 2.5%, whichever is greater.

Further, in accordance with § 2-18-303(4)(a)(i), these adjustments will not be provided to employees until the State receives written notice that the employee's collective bargaining unit has ratified the agreement. If that notice is received after the effective date of the pay adjustment, the adjustment will be paid retroactively.

State of Montana Benefit Plan Contribution

The monthly Employer contribution for group benefits will increase to \$1080 for the 2026 plan year and \$1107 for the 2027 plan year.

The monthly State of Montana employee contributions will increase for 2026 and 2027 plan years. The tables below break out the monthly increase both before and after the wellness incentive which increased to \$60 per month for the 2026 and 2027 plan years.

The cost of employee-only coverage will be covered by the Employer contribution, after the wellness incentive is applied.

Employee Monthly Contributions Before Wellness Incentive		
Contribution Type	2026 Plan Year Contribution	2027 Plan Year Contribution
Employee Only	\$60	\$60
Employee and Spouse	\$318	\$326
Employee and Children	\$134	\$138
Employee and Family	\$397	\$407

Employee Monthly Contributions After Wellness Incentive		
Contribution Type	2026 Plan Year Contributions	2027 Plan Year Contributions
Employee Only	\$0	\$0
Employee and Spouse	\$198	\$206
Employee and Children	\$74	\$78
Employee and Family	\$277	\$287

The monthly Tobacco Surcharge will increase to \$60 for the 2026 and 2027 plan year.

The State has the discretion to manage all aspects of the State Health Plan, to include, but not be limited to, deductibles, coinsurance levels, and maximum out-of-pocket levels. Member contributions will only increase beyond the rates established above if the Risk-Based Capital (RBC) level is at or below 300%.