



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

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To: Eligible Union and Non-Union Classified/Unclassified Employees

From: Michael DiBiase, Director 
Department of Administration

Date: June 28, 2018

Subject: Wage and Benefit Information

Dear colleague,

Negotiations were recently concluded between the Department of Administration and the unions representing state employees, and memoranda of settlement have been entered into between the parties.

Prior to beginning contract negotiations, Governor Raimondo directed the Department of Administration to work with the state employee unions to produce a fair agreement for both the taxpayers for Rhode Island and for state employees, which meant:

- Cost of Living Adjustments (COLAs) must be reasonable and affordable.
- Health plan designs must be modernized to better incentivize wellness, as well as more effective and efficient utilization of health care.
- Progress in our broader efforts to continue to make government more performance-based and effective.

The last state employee COLA was implemented in October 2015. I believe the contracts which the State and its employee unions agreed upon are fair and help move our state forward. Based on past practice, we have extended wage and benefit terms of the collective bargaining agreements to non-union classified and unclassified employees, with certain exceptions. The following is a summary of the agreement:

Wage Increases

- **December 24, 2017:** 2% (retroactive)
- **December 23, 2018:** 2.5%
- **June 23, 2019:** 2%
- **December 22, 2019:** 1%

For applicable union and nonunion employees, the first salary increase will be included in the June 29, 2018 paycheck. An additional communication will be forthcoming on the timing of the retroactive payments – also agreed upon in the in the memoranda of settlement – covering the period back to December 24, 2017. Certain eligible employees whose unions either have not yet ratified the contract or are in ongoing negotiations will receive their increases at a later date, once contract ratification occurs.

Salary bands on health rates are being adjusted to be consistent with these wage increases. State employees will receive the new tables for the December 24, 2017 wage increase in a PayStubRI notification and email scheduled for the June 29 paycheck. The Office of Employee Benefits will also post the new tables on its [website](#).

Health Plan Designs

During the open enrollment period this fall, applicable union and nonunion state employees will enroll in one of three new medical/pharmacy plans for coverage, effective January 1, 2019:

1. Anchor Plus: a variation of the current 2014 Active Employees Plan with modified deductibles, coinsurance and out-of-pocket maximums.
2. Anchor: similar to the Anchor Plus Plan, but with higher deductibles and out-of-pocket maximums.
3. Anchor Choice: a variation of the current Choice Plus Plan with HSA with many of the current HSA plan design features. **The State will continue to contribute \$1,500 per individual and \$3,000 per family enrolling in this HSA-qualified plan.**

If you enroll in the Anchor Plus or Anchor Plan, the State will continue to offer a Flexible Spending Account (FSA), which is a tax-advantaged account for certain health expenses for you and your dependents. If you are enrolled in the Anchor Choice Plan, the FSA will be restricted to a limited-purpose FSA to preserve your ability under federal law to contribute to your HSA.

Additionally, there will be enhancements to the standard dental and vision plans, as well as new dental and vision plan options that offer more coverage than the standard plans. Of note, state employees can add adult children under age 26 to their dental and vision plans during the fall open enrollment period.

For more information, visit the “[2019 Health Plans](#)” page on the [Office of Employee Benefits website](#). The Office of Employee Benefits offers tools to help state employees make smart decisions about which health plans are best for them. *More detailed information regarding new benefits plans will be made available prior to the state employee open enrollment period in the fall.*

Employees will have the potential to receive more wellness credits and incentives for spouses to participate in the same wellness activities. The new benefits plans include \$250 wellness credits per employee and per spouse for annual preventive exams. The current Rewards for Wellness program, which offers up to \$500 in co-share credits for completing a series of wellness

activities, continues under the new plans. Maximum co-share credits can total up to \$750 per employee or \$1,000 per employee with a spouse during each plan year.

Other Unions

Non-ratified unions or unions on a different bargaining cycle will not receive the above-referenced COLAs and will remain under the current medical/pharmacy, dental and vision plans, and the current wellness offerings.

Questions?

If you have questions about wages, please contact the Human Resources main line at 222-2160. For benefits questions, please contact the Office of Employee Benefits at 222-3160.

Thank you.