September 20, 2005

To: All Department Heads

From: Marie C. Laderta, Director

Subject: Executive Order 05-12 Granting Adjustments for Elected and Appointed Officials, Excluded Managerial Compensation Plan Employees, and Officers and Employees Excluded from Bargaining Units 01, 02, 03, 04, 09, 10 and 13

Enclosed is a copy of Executive Order 05-12 which was approved by Governor Lingle on September 14, 2005. The Executive Order provides adjustments for elected and appointed officials, Excluded Managerial Compensation Plan (EMCP) employees, and officers and employees excluded from Bargaining Units (BU) 01, 02, 03, 04, 09, 10, and 13. The provisions contained in the Executive Order are consistent with:

1. Tentative agreements between the Hawaii Government Employees’ Association (HGEA), as the exclusive representative for BUs 02, 03, 04, and 13, and the State, Judiciary, Hawaii Health Systems Corporation, City and County of Honolulu, and Counties of Hawaii, Maui and Kauai for the July 1, 2005 through June 30, 2007 collective bargaining agreements;

2. An interest arbitration decision for BUs, 02, 03, 04, and 13 for the July 1, 2005 through June 30, 2007 collective bargaining agreements;

3. Memorandums of Agreement between the HGEA and the State, Hawaii Health Systems Corporation, Judiciary, City and County of Honolulu, and Counties of Hawaii, Maui and Kauai for BUs 02, 03, 04, 09, and 13 regarding family leave and pay administration;

4. Tentative agreements between the United Public Workers (UPW), as the exclusive representative for BUs 01 and 10, and the State, Judiciary, Hawaii Health Systems Corporation, City and County of Honolulu, and Counties of Hawaii, Maui and Kauai for the July 1, 2005 through June 30, 2007 collective bargaining agreements; and
5. A supplemental agreement between the Department of Health and the UPW for BUs 01 and 10 regarding employees of the Kalaupapa Settlement.

Should you have any questions regarding this Executive Order, please contact Carleton Taketa at 587-1020.

Enc.

c: Departmental Personnel Officers
   HRD Divisions
   AFSCME
   PEMAH
WHEREAS, under chapter 89C of the Hawaii Revised Statutes (HRS), the Governor has been granted the authority to make adjustments to the wages, hours, benefits, and other terms and conditions of employment for elected and appointed officials and excluded public officers and employees in the executive branch; and

WHEREAS, for excluded employees who are non-managerial civil service employees under the same classification systems as employees within collective bargaining units, chapter 89C requires that the adjustments be “not less than” those provided under the collective bargaining agreements for employees hired on a comparable basis; and

WHEREAS, chapter 89C also requires that the adjustments for excluded civil service employees result in compensation and benefit packages that are “at least equal to” the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the Employer’s jurisdiction; and

WHEREAS, the State, Judiciary, Hawaii Health Systems Corporation, City and County of Honolulu, and Counties of Hawaii, Maui and Kauai have entered into tentative agreements with the Hawaii Government Employees’ Association (HGEA), as the exclusive representatives for Bargaining Units (BUs) 02, 03, 04, and 13, for the July 1, 2005 through June 30, 2007 collective bargaining agreements; and

WHEREAS, an interest arbitration decision regarding wages and step movements has been issued for BUs 02, 03, 04, and 13 for the July 1, 2005 through June 30, 2007 collective bargaining agreements; and
WHEREAS, the State, Hawaii Health Systems Corporation, Judiciary, City and County of Honolulu, and Counties of Hawaii, Maui and Kauai have entered into memorandums of agreements with the HGEA for BUs 02, 03, 04, 09, and 13 regarding family leave and pay administration; and

WHEREAS, the State, Judiciary, Hawaii Health Systems Corporation, City and County of Honolulu, and Counties of Hawaii, Maui and Kauai have entered into tentative agreements with the United Public Workers (UPW), as the exclusive representatives for BUs 01 and 10, for the July 1, 2005 through June 30, 2007 collective bargaining agreements; and

WHEREAS, the State Department of Health has entered into a supplemental agreement with the UPW for BUs 01 and 10 regarding employees of the Kalaupapa Settlement; and

WHEREAS, based on these tentative agreements, interest arbitration decision, memorandums of agreement, and supplemental agreement, the Director of Human Resources Development has recommended to the Governor the adjustments specified in this Executive Order for elected and appointed officials and officers and employees within the executive branch who are excluded from BUs 01, 02, 03, 04, 09, 10, and 13; and

WHEREAS, these adjustments should also apply to employees hired on a “temporary appointment outside the list” (TAOL) basis in a civil service position because these employees are hired on a basis comparable to included TAOL employees receiving adjustments under their collective bargaining agreements;
NOW, THEREFORE, I, Linda Lingle, Governor of Hawaii, pursuant to the provisions of HRS chapter 89C, do hereby grant to elected and appointed officials and officers and employees who are excluded from BUs 01, 02, 03, 04, 09, 10, and 13 the following adjustments as of the effective dates applicable to the BUs 01, 02, 03, 04, 09, 10, and 13 employees.

HOURS OF WORK, OVERTIME, AND PREMIUM PAY

Shift Work
[This adjustment is applicable to civil service employees and Excluded Managerial Compensation Plan (EMCP) employees who are entitled to earn overtime and are excluded from BU 13]

NOTE: The following provision is to be utilized in conjunction with other existing provisions covering this subject matter.

For employees who are required to work on scheduled shifts, if work schedules are not posted two (2) weeks in advance, employees affected shall be credited for overtime work for each hour of work performed on the first day of such schedule.

Standby Pay
[This adjustment is applicable to civil service employees and exempt employees excluded from BU 04]

NOTE: The following provision is to be utilized in conjunction with other existing provisions covering this subject matter.

The Employer may provide pagers and/or cellular telephones for the employees' convenience in responding to calls from work. Employees who are provided pagers and/or cellular telephones in lieu of remaining at home for the purpose of responding to calls for immediate service shall be entitled to standby pay after the employee's normal hours of work, on the employee's scheduled day off or on holidays with the following conditions:

1. The employee has written authorization by the Employer that the employee is on standby duty.

2. The employee shall respond to a call for immediate service within the same period as if the employee remained at home.

3. The employee remains in a geographic location where the employee can receive a pager or cellular call and responds to a call for immediate service.
Call Back Pay
[This adjustment is applicable to civil service employees excluded from BU 04]

NOTE: The following provision is to be utilized in conjunction with other existing provisions covering this subject matter.

An employee interrupted by Employer-initiated consultative call(s) while the employee is at home and on off-duty status shall not qualify for call back pay unless the employee actually returns to the workplace. An employee who is not on stand-by pay duty status shall be paid a minimum of one (1) hour straight time pay for one or more consultative calls within the same one-hour period, calculated from the onset of the first call and ending one hour later. The penalty for consultative calls shall be in lieu of any other compensation and shall not be subject to overtime provisions. For the purpose of this section, a consultative call shall mean an exchange of technical and/or procedural information to resolve a problem requiring immediate attention.

Working Condition Differential
[These adjustments are applicable to civil service employees excluded from BU 04 and exempt employees excluded from BUs 02, 03, 04, 09, and 13]

NOTE: The following provisions supersede existing provisions regarding working condition differentials for employees assigned to work at the Hawaii State Hospital.

All employees at the Hawaii State Hospital shall be entitled to a differential because of unusual or unique working conditions in having contact with patients who are ordered by the courts, pursuant to chapters 704 and 706, HRS, to be in the custody of the Director of Health, or who are adult inmates who are transferred from a correctional institution under chapter 334, HRS. Employees shall be paid, in addition to their basic compensation, a differential of fifty cents ($0.50) per hour for each hour of work performed.

For the purpose of granting differential pay for a portion of an hour, the employee shall be paid twenty-five cents ($0.25) for one-half (1/2) hour or less of work and fifty cents ($0.50) for more than one-half (1/2) hour of work.

NOTE: The following increase in working condition differential was inadvertently omitted from Executive Orders 04-03 and 04-09 with respect to civil service employees, EMCP employees, and exempt employees excluded from BUs 02, 03, and 13. The effective date of the increase was July 1, 2004.

Employees assigned to correctional facilities shall be entitled to a differential because of unusual or unique working conditions. Such employees shall be paid, in addition to their basic compensation, a differential of fifty cents ($0.50) per hour for each hour of work performed at such location. In administering the differential, and for purposes of
granting differential pay for a portion of an hour, the employee will be paid twenty-five cents ($0.25) for one-half (1/2) hour or less of work and fifty cents ($0.50) for more than one-half (1/2) hour of work.

**Working Condition Differential**
[This adjustment is applicable to civil service and exempt employees excluded from BU 10]

All employees at Hawaii State Hospital and Community Mental Health Center will be entitled to a differential because of unusual or unique working conditions in having contact with patients who are ordered by the courts, pursuant to chapters 704 and 706, HRS, to be in the custody of the Director of Health, or who are adult inmates who were transferred from a correctional institution under chapter 334, HRS. The working condition differential shall be seventy-five cents ($0.75) for each hour or fraction of thirty (30) minutes or more of work and thirty-eight cents ($0.38) for less than thirty (30) minutes of work.

The Employer shall review and determine which Adult Corrections Officers assigned to transport and escort inmates classified as high security risk outside the facility and be exposed to the public shall be paid, in addition to the employee’s basic rate of pay, the working condition differential for each hour of transportation and escorting work. The working condition differential shall be fifty cents ($0.50) for each hour or fraction of thirty (30) minutes or more of work and twenty-five cents ($0.25) for less than thirty (30) minutes of work.

**Night Differential**
[This adjustment is applicable to civil service and exempt employees excluded from BU 10.]

**NOTE:** The following provision is to be utilized in conjunction with other existing provisions covering this subject matter.

The amount of the night differential shall be one dollar ($1.00) for each hour or fraction of thirty (30) minutes or more of work and fifty cents ($0.50) for less than thirty (30) minutes of work.

**LEAVES OF ABSENCE**

**Vacation**
[This adjustment is applicable to civil service employees and exempt employees excluded from BUs 01 and 10]

Pursuant to Executive Order 03-01, the applicable bargaining unit provisions covering vacation are to be followed. Provisions regarding non-forfeiture upon severance of employment, transfer to a position in which vacation is not earned, and transfer between jurisdictions have been negotiated.
Sick Leave
[This adjustment is applicable to civil service employees and exempt employees excluded from BUs 01 and 10]

Pursuant to Executive Order 03-01, the applicable bargaining unit provisions covering sick leave are to be followed. Provisions regarding accumulation, breaks in service of less than seven calendar days, and transfer between jurisdictions have been negotiated.

Funeral Leave
[This adjustment is applicable to civil service employees and exempt employees excluded from BU 04]

NOTE: The following provision is to be utilized in conjunction with other existing provisions covering this subject matter.

For purposes of funeral leave, immediate family is defined as: a mother, a father, brothers, sisters, spouses/reciprocal beneficiaries, children, parents-in-law, grandparents, grandchildren, or an individual who has become a member of an immediate family through the Hawaiian “Hanai” custom. Provided, however, an individual affected by the “Hanai” relationship shall be entitled to utilize funeral leave only for those members of the employee’s immediate family resulting from the “Hanai” relationship. Provided further that funeral leave with pay shall only be used for one mother and one father regardless of whether the parent relationship is natural, hanai, step, foster, or legal guardian. “Reciprocal beneficiary” means two adults who meet the requirements of HRS 572C-4 and who have registered their reciprocal beneficiary relationship pursuant to HRS 572C-5. “Reciprocal beneficiary” is further defined to mean that individual the employee has selected as the employee’s life partner in lieu of a spouse.

Military Leave Without Pay
[This adjustment is applicable to elected and appointed officials and civil service employees, EMCP employees and exempt employees excluded from BUs 03 and 13]

Employees shall be entitled to military leave without pay for service in the United States Armed Forces.

The duration of military leave without pay shall not exceed five (5) years provided that for employees whose period of employment is less than five (5) years, the military leave without pay shall not exceed the specified period of employment.

Upon conclusion of the military leave without pay, employees shall have reemployment rights in accordance with chapter 43 of Title 38 of the United States Code.
Replacements for employees on military leave without pay.

1. In filling a position which became vacant by military leave without pay, the appointing authority may appoint a replacement employee and shall inform the replacement of the status of the replacement’s employment and the provisions relating to military leaves without pay.

2. A replacement employed in the position from which military leave was granted shall be displaced so that the position may be filled again by the former employee returning to government employment. Replacement employees who are permanent members of the civil service shall be returned to their former positions or other comparable positions deemed appropriate by the Director of Human Resources Development. In the event there are no such positions, the replacement employees shall be subject to reduction-in-force provisions.

Administration and enforcement of the provision relating to military leave without pay shall be in accordance with applicable laws and regulations.

1. Appeals with regard to military leave without pay shall be filed with the Federal Department of Labor who is responsible for administering and enforcing the respective provisions covering military leave without pay.

2. Appeals relative to military leave without pay shall not be filed through the internal complaint procedure or through appeal to the Merit Appeals Board.

An employee who is absent from work for the purpose of undergoing physical examination prior to induction into the United States Armed Forces shall be granted leave with pay for such purpose, and the leave shall not be charged to the employee’s vacation allowance.

Military Leave
[These adjustments are applicable to civil service employees and exempt employees excluded from BUs 01 and 10]

Military Leave with Pay

An employee who is appointed for six (6) months or more shall, while on active duty or during periods of camps of instruction or field maneuvers as a member of the Hawaii army or air national guard, naval militia, organized reserves, including the officers’ reserve corps and the enlisted reserve corps, under the call of the President of the United States or the Governor of the State, be placed on leave with pay status for a period not exceeding fifteen (15) working days in any calendar year, except as provided below. No employee shall be subjected by any person, directly or indirectly, by reason of absence to any loss or diminution of vacation or holiday privileges or be prejudiced by reason of absence with reference to promotion or continuance of employment or re-employment.
Any employee who is called to active duty or required to report for camp training or field maneuvers by official military orders a second time within a calendar year may elect to use up to the fifteen (15) working days of the succeeding calendar year; provided that the employee’s entitlement to the working days advanced shall be canceled from the succeeding calendar year.

The employee, who is on advanced leave, shall be required to reimburse the State in an amount equivalent to the days advanced in the event the employee ends employment prior to completion of a year’s service in the succeeding year from which the leave was advanced, except in the case of the death of the employee.

Military Leave Without Pay

The following employees shall be entitled to military leave without pay for service in the United States Armed Forces:

1. An employee serving an initial probational appointment.

2. A permanent member of the civil service serving a new probational appointment.

3. A permanent member of the civil service serving a temporary appointment and who has not forfeited rights to the position in which the employee last held a permanent appointment.

4. An employee serving other than a temporary appointment.

The duration of the military leave without pay shall be for not more than five (5) years. Upon conclusion of the military leave without pay, employees shall have reemployment rights in accordance with chapter 43 of Title 38 of the United States Code.

In filling a position which became vacant by military leave without pay, the Employer may appoint a replacement employee and shall inform the replacement of the status of the replacement’s employment and the provisions relating to military leaves without pay.

A replacement employed in the position from which military leave was granted shall be displaced so that the position may be filled again by the employee who has been on military leave without pay returning to government employment. A replacement employee, who is a permanent member of the civil service, shall be returned to the employee’s former position or if the position has been abolished, the employee shall be returned to other comparable positions deemed appropriate by the Employer. In the event there are no comparable positions, the replacement employee shall be subject to layoff provisions.
Leave for Pre-Induction Examination

An employee who is absent from work for the purpose of undergoing physical examination prior to induction into the United States Armed Forces shall be granted leave with pay for such purpose, and the leave shall not be charged against the employee's vacation allowance.

Family Leave

[This adjustment is applicable to elected and appointed officials and civil service employees, EMCP employees and exempt employees excluded from BUs 02, 03, 04, 09 and 13]

NOTE: The following provisions supersede existing executive order provisions regarding Family Leave.

Employee entitlement to State family leave is set forth in chapter 398, Hawaii Revised Statutes. Accrued vacation leave and/or sick leave may be substituted for any part or all of the allowable State family leave up to a maximum of four (4) weeks per designated twelve- (12) month period.

Employee entitlement to federal family leave is set forth in the Family and Medical Leave Act of 1993.

Administration and enforcement of the State and federal family leave provisions shall be in accordance with applicable laws and regulations. Appeals with regard to State and federal family leave shall be filed with the appropriate State and/or federal agencies who are responsible for administering and enforcing the respective provisions mentioned herein (i.e., State of Hawaii Department of Labor and Industrial Relations or the United States Department of Labor, Wage and Hour Division). Appeals shall not be filed through the internal complaint procedure or through the Merit Appeals Board, unless a representative of the applicable State or federal agency first determines that the agency does not have jurisdiction over the administrative appeal because the appeal concerns an interpretation/application of this provision.

Leave Without Pay for Employees Serving Temporary Intergovernmental and Intragovernmental Assignments and Exchanges

[This adjustment is applicable to civil service employees and exempt employees excluded from BUs 01 and 10]

Subject to the provisions of section 78-27, Hawaii Revised Statutes, employees on temporary intergovernmental and intragovernmental assignments and exchanges may be granted leaves without pay. The employee shall have the same rights and benefits as any other employee of the sending agency who is on leave without pay status.
Leave of Absence Without Pay to Work in Appointive Positions
[This adjustment is applicable to civil service employees excluded from BUs 01 and 10]

An employee may be granted a leave of absence without pay to render service as a department head, agency head, deputy department head, secretary to a department head, secretary to a deputy department head, or as an appointee to any other position within the jurisdiction as approved by the Governor or the Governor’s designee.

Unauthorized Leave of Absence
[This adjustment is applicable to civil service employees excluded from BU 10]

An absence from work which does not meet the requirements for an authorized leave, with or without pay shall be charged as unauthorized leave of absence from work. The unauthorized leave of absence from work shall not be considered as service rendered. When the Employer decides to discipline an employee for an unauthorized absence, the discipline shall be for just and proper cause and be as follows:

<table>
<thead>
<tr>
<th>Violation</th>
<th>Discipline</th>
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<tbody>
<tr>
<td>1st</td>
<td>Written reprimand</td>
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<tr>
<td>2nd</td>
<td>One day suspension</td>
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<td>3rd</td>
<td>Two days suspension</td>
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<td>4th</td>
<td>Three days suspension</td>
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<td>5th</td>
<td>Five days suspension</td>
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<td>6th</td>
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<td>Fifteen days suspension</td>
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<td>10th</td>
<td>Seventeen days suspension</td>
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<td>11th</td>
<td>Twenty days suspension</td>
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<td>12th</td>
<td>Twenty-three days suspension</td>
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<td>13th</td>
<td>Twenty-five days suspension</td>
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<tr>
<td>14th</td>
<td>Thirty days suspension</td>
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<tr>
<td>15th</td>
<td>Discharge</td>
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</tbody>
</table>

Progressive discipline shall continue from the first violation through the fifteenth (15th) violation unless there is a break of more than twenty-four (24) months between two (2) consecutive violations. Disciplinary actions taken under this provision shall be retained in the official personnel file until a break of more than twenty-four (24) months between two (2) consecutive violations occur.
REIMBURSEMENTS, ALLOWANCES, AND LIABILITY PAYMENTS

Kalaupapa Trail
[This adjustment is applicable to civil service employees and exempt employees excluded from BUs 01, 02, 03, 04, and 10]

NOTE: The following provision is to be utilized in conjunction with other existing provisions covering this subject matter.

Employees of Kalaupapa Settlement whose permanent residence is in Kalaupapa will be granted one (1) round trip by air topside (Molokai Airport) per month. In lieu of three (3) monthly round trips topside, employees who are permanent residents of the settlement shall be granted one (1) intrastate round trip by air each quarter of the calendar year. Accumulated intrastate round trips must be taken within the calendar year in which the trips were earned.

MISCELLANEOUS RIGHTS AND BENEFITS

Alcohol and Controlled Substance Test
[This adjustment is applicable to civil service employees and exempt employees excluded from BU 10]

Other than any references to the “Union,” the Alcohol and Controlled Substance Test provisions of the BU 10 collective bargaining unit agreement shall be applied. (See attachment.)

COMPENSATION

This executive order does not address pay increases for EMCP and exempt excluded employees for the period July 1, 2005 through June 30, 2007. Their pay increases will be addressed in a separate executive order.

Pay Administration—Act 253 Compliance
[All of the adjustments in the Memorandums of Agreement (MOAs) mentioned below are applicable to civil service employees excluded from BUs 02, 03, 04, 09, and 13. Only provisions dealing with changes in types of appointments (i.e., elimination of limited term appointments and provisional appointments) are applicable to EMCP employees.]

MOAs dated December 30, 2004 were negotiated with the HGEA for BUs 02, 03, 04, 09, and 13 regarding “Pay Administration” (see attachments) in order to restore rights and benefits that were provided pursuant to Hawaii Administrative Rules (HAR) and the Hawaii Revised Statutes (HRS) before they were repealed via Act 253, Session Laws of Hawaii (SLH) 2000. The provisions of the MOAs are automatically applicable to non-EMCP civil service employees because the July 1991 compilation of executive order
provisions specify that “Compensation adjustments which take effect for the bargaining units shall also apply to Employees excluded from those units on the same effective dates.” However, there are separate executive order pay administration provisions covering EMCP employees.

Compensation Upon Return From Leave Without Pay
[This adjustment is applicable to civil service employees, EMCP employees, and exempt employees excluded from BUs 02, 04, and 13]

A leave of absence without pay shall end on the day before the day an employee reports for duty, provided that if a paid leave or holiday immediately precedes the employee’s return to duty, the leave of absence without pay shall end upon the day before such paid leave or holiday.

Compensation When Temporarily Assigned to an EMCP Position
[This adjustment is applicable to civil service employees excluded from BUs 04 and 13]

Whenever a temporary assignment involves the assumption of the duties and responsibilities of a position in the Excluded Managerial Compensation Plan (EMCP), such assignment shall be compensated in accordance with the provisions that are applicable to Excluded Managerial (EM) employees.

Compensation Overpayment Reimbursement
[This adjustment is applicable to civil service and exempt employees excluded from BU 10]

When the Employer first becomes aware of a compensation overpayment to an employee, the Employer shall notify the employee in writing of the compensation overpayment immediately. The notice shall include the following: name, social security number, mailing address, position number, the amount of the compensation overpayment, the dates on which the compensation overpayment occurred, a statement of how the compensation overpayment was calculated, and other available relevant information.

A dispute which arises out of the alleged Employer violation, misinterpretation, or misapplication of applicable provisions as they relate to the determination of the compensation overpayment shall be subject to the departmental internal complaint procedure.

The compensation overpayment recovery and reimbursement process shall be in accordance with Section 78-12, Hawaii Revised Statutes.
**Step Movement**

[This adjustment is applicable to civil service employees excluded from BU 02]

**NOTE:** The following provision is to be utilized in conjunction with the Step Movement language in Executive Order 04-03.

Employees who have at least ten (10) years but less than fifteen (15) years of continuous creditable service shall move to Step L1 on the first day of the pay period immediately following the completion of ten (10) years of continuous creditable service.

Employees who have at least fifteen (15) years but less than twenty (20) years of continuous creditable service shall move to Step L2 on the first day of the pay period immediately following completion of fifteen (15) years of continuous creditable service.

Employees who have at least twenty (20) years of continuous creditable service shall move to Step L3 on the first day of the pay period immediately following the completion of twenty (20) years of continuous creditable service.

**Salaries**

[This adjustment is applicable to civil service employees excluded from BU 02]

1. Effective July 1, 2005, a new longevity step L3 shall be added to the salary schedule and the L3 pay rates shall be two percent (2%) more than the L2 pay rates.

2. Employees who are eligible for step movements from July 1, 2005 through June 30, 2006 shall receive their step movements on the first day of the pay period immediately following the completion of the required years of continuous creditable service. Notwithstanding any provision to the contrary, employees who have completed at least twenty (20) years of continuous creditable service as of June 30, 2005 shall be placed on Step L3 on July 1, 2005.

3. The salary schedule shall be amended to reflect a three and one-half percent (3.5%) increase effective October 1, 2005. Employees shall be assigned to the corresponding pay range and step on the new salary schedule. Any employee who is receiving a compression differential shall be entitled to retain such differential.

4. Employees who are eligible for step movements from July 1, 2006 through June 30, 2007 shall receive their step movements on the first day of the pay period immediately following completion of the required years of continuous creditable service.

5. The salary schedule shall be amended to reflect a three and one-half percent (3.5%) increase effective October 1, 2006. Employees shall be assigned to the corresponding pay range and step on the new salary schedule. Any employee who is receiving a compression differential shall be entitled to retain such differential.
Salaries
[This adjustment is applicable to civil service employees excluded from BUs 03, 04, and 13]

1. Employees who are eligible for step movements from July 1, 2005 through June 30, 2006 shall receive their step movements on their step movement dates.

2. The salary schedule shall be amended to reflect a three and one-half percent (3.5%) increase effective October 1, 2005. Employees shall be assigned to the corresponding pay range and step on the new salary schedule, provided that employees whose basic rate of pay on September 30, 2005 falls between two steps or exceeds the maximum step of their pay range shall receive a three and one-half percent (3.5%) increase.

3. Employees who are eligible for step movements from July 1, 2006 through June 30, 2007 shall receive their step movements on their step movement dates.

4. The salary schedule shall be amended to reflect a three and one-half percent (3.5%) increase effective October 1, 2006. Employees shall be assigned to the corresponding pay range and step on the new salary schedule, provided that employees whose basic rate of pay on September 30, 2006 falls between two steps or exceeds the maximum step of their pay range shall receive a three and one-half percent (3.5%) increase.

Salary Adjustments
[This adjustment is applicable to civil service employees excluded from BU 01]

1. The salary schedule shall be amended to reflect a three and one-half percent (3.5%) increase effective October 1, 2005. Employees shall be assigned to the corresponding pay range and step on the new salary schedule.

2. The salary schedule shall be amended to reflect a one and one-quarter percent (1.25%) increase effective December 16, 2006. Employees shall be assigned to the corresponding pay range and step on the new salary schedule.

3. The salary schedule shall be amended to reflect a three and one-half percent (3.5%) increase effective October 1, 2006. Employees shall be assigned to the corresponding pay range and step on the new salary schedule.

4. The salary schedule shall be amended to reflect a one and seventeen one hundredth percent (1.17%) increase effective December 16, 2007. Employees shall be assigned to the corresponding pay range and step on the new salary schedule.
Salary Adjustments
[This adjustment is applicable to civil service employees excluded from BU 10]

1. The salary schedule shall be amended to reflect a two and one-half percent (2.5%) increase effective August 1, 2005. Employees shall be assigned to the corresponding pay range and step on the new salary schedule.

2. The salary schedule shall be amended to reflect a two and one-half percent (2.5%) increase effective February 16, 2006. Employees shall be assigned to the corresponding pay range and step on the new salary schedule.

3. The salary schedule shall be amended to reflect a two and one-half percent (2.5%) increase effective August 1, 2006. Employees shall be assigned to the corresponding pay range and step on the new salary schedule.

4. The salary schedule shall be amended to reflect a two and one-half percent (2.5%) increase effective February 16, 2007. Employees shall be assigned to the corresponding pay range and step on the new salary schedule.

Hawaii Employer-Union Health Benefits Trust Fund
[This adjustment is applicable to civil service and exempt employees excluded from BUs 01, 02, 03, 04, 10, and 13]

A. Subject to the applicable provisions of chapter 87A and 89C, Hawaii Revised Statutes, the Employer shall pay monthly contributions which include the cost of Hawaii Employer-Union Health Benefits Trust Fund (Trust Fund) administrative fees to the Trust Fund effective July 1, 2005, not to exceed the monthly contribution amounts as specified below:

1. For each employee-beneficiary with no dependent-beneficiaries enrolled in the following Trust Fund health benefit plans:

<table>
<thead>
<tr>
<th>BENEFIT PLANS</th>
<th>MONTHLY CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Medical (PPO or HMO) (drug &amp; chiro)</td>
<td>$164.06</td>
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<tr>
<td>b. Dental</td>
<td>$16.58</td>
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<tr>
<td>c. Vision</td>
<td>$3.48</td>
</tr>
<tr>
<td>d. Dual coverage (medical, drug, chiro)</td>
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<tr>
<td>(1) HMSA</td>
<td>$103.98</td>
</tr>
<tr>
<td>(2) Royal State</td>
<td>$28.12</td>
</tr>
<tr>
<td>e. Dual coverage dental</td>
<td>$9.90</td>
</tr>
<tr>
<td>f. Dual coverage vision</td>
<td>$1.50</td>
</tr>
<tr>
<td>g. Stand-alone drug plan</td>
<td>$34.10</td>
</tr>
</tbody>
</table>
The Employer shall pay the same monthly contribution for each member enrolled in a self only medical plan (PPO or HMO), regardless of which plan is chosen.

1. For each employee-beneficiary with one or more dependent-beneficiaries enrolled in the following Trust Fund health benefit plans:

<table>
<thead>
<tr>
<th>BENEFIT PLANS</th>
<th>MONTHLY CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Medical (PPO or HMO) (drug &amp; chiro)</td>
<td>$487.38</td>
</tr>
<tr>
<td>b. Dental</td>
<td>$56.04</td>
</tr>
<tr>
<td>c. Vision</td>
<td>$7.40</td>
</tr>
<tr>
<td>d. Dual coverage (medical, drug, chiro)</td>
<td></td>
</tr>
<tr>
<td>(1) HMSA</td>
<td>$309.90</td>
</tr>
<tr>
<td>(2) Royal State</td>
<td>$79.96</td>
</tr>
<tr>
<td>e. Dual coverage dental</td>
<td>$27.98</td>
</tr>
<tr>
<td>f. Dual coverage vision</td>
<td>$3.20</td>
</tr>
<tr>
<td>g. Stand-alone drug plan</td>
<td>$102.94</td>
</tr>
</tbody>
</table>

The Employer shall pay the same monthly contribution for each member enrolled in a family medical plan (PPO or HMO), regardless of which plan is chosen.

1. For each employee-beneficiary enrolled in the Trust Fund group life insurance plan, the Employer shall pay $4.16 per month which reflects one hundred percent (100%) of the premium and administrative fee.

B. Effective July 1, 2006, for the plan year 2006 – 2007, with the exception of 2.b., the Employer shall pay an amount equivalent to sixty percent (60%) of the final premium rates established by the Trust Fund for the respective health benefit plan plus one hundred percent (100%) of all administrative fees. Such monthly contribution shall not exceed the amounts specified in subparagraphs 1. and 2.a. below.

“Health benefit plan” shall mean the medical PPO, dental, vision, dual coverage medical, dual coverage dental, dual coverage vision and stand-alone prescription drug plans.

The amounts paid by the Employer in subparagraphs 2.b. and 3. below shall be based on the plan year 2006 – 2007 final monthly premium rates established by the Trust Fund.

1. For each employee-beneficiary with no dependent-beneficiaries enrolled in the following Trust Fund health plans, the amount shall not exceed:
<table>
<thead>
<tr>
<th>BENEFIT PLANS</th>
<th>MAXIMUM MONTHLY CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Medical (PPO or HMO) (drug &amp; chiro)</td>
<td>$177.96</td>
</tr>
<tr>
<td>b. Dental</td>
<td>$17.52</td>
</tr>
<tr>
<td>c. Vision</td>
<td>$3.64</td>
</tr>
<tr>
<td>d. Dual coverage (medical, drug, chiro)</td>
<td></td>
</tr>
<tr>
<td>(1) HMSA</td>
<td>$112.68</td>
</tr>
<tr>
<td>(2) Royal State</td>
<td>$27.94</td>
</tr>
<tr>
<td>e. Dual coverage dental</td>
<td>$10.44</td>
</tr>
<tr>
<td>f. Dual coverage vision</td>
<td>$1.58</td>
</tr>
<tr>
<td>g. Stand-alone drug plan</td>
<td>$38.00</td>
</tr>
</tbody>
</table>

The Employer shall pay the same monthly contribution for each member enrolled in a self only medical plan (PPO or HMO), regardless of which plan is chosen.

2.a. For each employee-beneficiary with one or more dependent-beneficiaries enrolled in the following Trust Fund health benefit plans, the amount shall not exceed:

<table>
<thead>
<tr>
<th>BENEFIT PLANS</th>
<th>MAXIMUM MONTHLY CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Medical (PPO or HMO) (drug &amp; chiro)</td>
<td>$529.88</td>
</tr>
<tr>
<td>b. Vision</td>
<td>$7.74</td>
</tr>
<tr>
<td>c. Dual coverage (medical, drug, chiro)</td>
<td></td>
</tr>
<tr>
<td>(1) HMSA</td>
<td>$336.94</td>
</tr>
<tr>
<td>(2) Royal State</td>
<td>$79.80</td>
</tr>
<tr>
<td>d. Dual coverage dental</td>
<td>$29.60</td>
</tr>
<tr>
<td>e. Dual coverage vision</td>
<td>$3.34</td>
</tr>
<tr>
<td>f. Stand-alone drug plan</td>
<td>$115.12</td>
</tr>
</tbody>
</table>

The Employer shall pay the same monthly contribution for each member enrolled in a family medical plan (PPO or HMO), regardless of which plan is chosen.

2.b. For each employee-beneficiary with one or more dependent-beneficiaries enrolled in the Trust Fund’s dental plan, the Employer shall pay an amount equivalent to the Trust Fund’s second year dental plan final premium rate adjusted as described in “D”, but no more than $59.34 per month.

3. For each employee-beneficiary enrolled in the Trust Fund group life insurance plan, the Employer shall pay $4.16 per month which reflects one hundred percent (100%) of the premium and administrative fee.

C. Whenever the Employer’s monthly contribution to the Hawaii Employer-Union Benefits Trust Fund is less than one hundred percent (100%) of the monthly premium amount, such monthly contribution shall be rounded to the nearest cent as provided below:
1. When rounding to the nearest cent results in an even amount, such even amount shall be the Employer’s monthly contribution. For example:

(a) $11.397 = $11.40 = $11.40 (Employer’s monthly contribution)

(b) $11.382 = $11.38 = $11.38 (Employer’s monthly contribution)

2. When rounding to the nearest cent results in an odd amount, round to the lower even cent, and such even amount shall be the Employer’s monthly contribution. For example:

(a) $11.392 = $11.39 = $11.38 (Employer’s monthly contribution)

(b) $11.386 = $11.39 = $11.38 (Employer’s monthly contribution)

D. Calculation of Employer’s Share of Family Dental Cost for FY 06-07

1. Determine the family dental rate without the administrative fee. Determine the single dental rate without the administrative fee.

2. Multiply the single dental rate by two and subtract from the family dental rate. This results in the attributable children dental cost. The Employer will pay 100% of the attributable children dental cost.

3. The Employer will pay 60% of the product of two times the single dental rate (2 X single dental rate) plus 100% of the administrative fee, rounded to the lower even cent.
The Director of Human Resources Development shall be responsible for the uniform administration of these adjustments and is authorized to make any interpretations concerning the applicability of these adjustments to State officers and employees of the State government executive branch who are excluded from collective bargaining.

DONE at the State Capitol, Honolulu, State of Hawaii, this 14th day of September, 2005.

LINDA LINGE
Governor of Hawaii

APPROVED AS TO FORM:

MARK J. BENNETT
Attorney General