

<b>TABLE OF CONTENTS</b>	<b>PAGE NUMBER</b>
Article 1 Recognition	2
Article 2 Union Security	2-3
Article 3 No Discrimination	3
Article 4 Separability	4
Article 5 Categories of Employees	4-6
Article 6 Travel Time	6-7
Article 7 Hours of Work	8
Article 8 Wages	9-14
Article 9 Paid Holidays	15
Article 10 Vacation Leave	16
Article 11 Paid Sick Leave	17
Article 12 Bereavement Leave	17
Article 13 Grievance Procedure	18-20
Article 14 Leaves of Absence	21-23
Article 15 Seniority	23-24
Article 16 Probationary Period	25
Article 17 Union Rights	25-27
Article 18 Management Rights	27
Article 19 Discharge and Discipline and Work Rules	28-30
Article 20 No Strike or Lockout	30
Article 21 Training	31
Article 22 Employee Appearance	32
Article 23 Health and Safety	32-33
Article 24 Job Posting	33
Article 25 Job Descriptions	33
Article 26 401(k) Retirement Plan	34
Article 27 Health and Dental Plan	35-36
Article 28 Jury Duty	36
Article 29 Successorship	36
Article 30 Right of Access to Employer's Property	37
Article 31 Adherence to Existing Statues	37
Article 32 Labor Management Relations Committee	37-38
Article 33 Applicability of National Agreement between Employer and Union	39
Article 34 Term of the Agreement	40
Signature Page	40
Letter of Agreement – Contract Restructure	441
Letter of Agreement - Distribution of Funds accrued for Pension Pan	42-43

## **ARTICLE 1 -RECOGNITION**

### **Section 1**

The Employer, Addus Healthcare, recognizes the Union, Service Employees International Union Local 503, Oregon Public Employees Union (SEIU Local 503, OPEU) as the exclusive bargaining representative for all its In-Home Supportive Services (IHSS) and other direct service employees, including SEIU locals with current contracts settled prior to national Agreement, and in units in which SEIU is chosen to represent Addus direct care employees pursuant to this Agreement, herein referred to as “employees,” excepting all guards as defined in Section 9(b)(3) and supervisors, coordinators, clerical, managers, confidential employees, Registered Nurses, and Executives as defined in Section 2 (11) of the National Labor Relations Act.

## **ARTICLE 2 -UNION SECURITY**

Not later than the thirty-first (31<sup>st</sup>) day following the beginning of employment, or the effective date of this Agreement, whichever is later, every employee subject to the terms of this Agreement shall, as a condition of employment, become and remain a member of the Union, paying the periodic dues uniformly required, or in the alternative shall, as a condition of employment, pay a fee in the amount equal to the periodic dues uniformly required as a condition of acquiring or retaining membership.

Upon voluntary signed authorization by an employee, the Employer agrees to deduct the Union dues and remit same to the office of the Union not later than the twentieth (20<sup>th</sup>) day of the month following the month in which the dues were deducted.

Along with the dues, the Employer will furnish the Union electronically each month with a list of employees for whom dues was deducted, the amount of dues deducted, the

payroll period the dues deduction is for, facility where the employee works, home address, home phone number, job classification, base pay rate, hire date, and social security number.

The Employer will also furnish the Union each month with a list of newly hired employees, employees on leaves of absence, and newly terminated employees. For new hires, the list shall include each employee's name, hire date, home address, home phone number, facility where she or he works, job classification, base pay rate, and social security number. This information shall be furnished electronically, if possible.

The Employer will deduct voluntary political action dues each month from employees who submit voluntary political action dues check-off authorization forms (also called CAPE check-off). Voluntary political action dues will be forwarded to the Union office not later than the twentieth (20<sup>th</sup>) day of the month following the month in which the dues were deducted, along with an electronic list of employees for whom political action dues were deducted and the amount of dues deducted from each employee.

The Union will indemnify and hold harmless the Employer with respect to any asserted claim or obligation or cost of defending against any such claim or obligation of any person arising out of the Employer's deducting and remitting of Union dues.

### **ARTICLE 3 -NO DISCRIMINATION**

The Employer and the Union agree that there shall be no discrimination with respect to employment or conditions of employment on the basis of sex, race, creed, national origin, religion, sexual orientation, age, union activities or other considerations made unlawful by federal, state or local law.

## **ARTICLE 4 -SEPARABILITY**

In the event that any provision of this Agreement is at any time declared invalid by any court of competent jurisdiction, declared invalid by final National Labor Relations Board (NLRB) order, made illegal through enactment of federal or state law or through government regulations having the full force and effect of law, such action shall not invalidate the entire Agreement. The invalidated provision shall be subject to renegotiation by the parties within a reasonable period of time from such request.

## **ARTICLE 5 -CATEGORIES OF EMPLOYEES**

### **Section 1 Full-Time Employees**

Full-time employees are those who are normally scheduled to work, and who regularly work thirty-two (32) or more hours per week. For employees who work in the Portland Assisted unit, full-time status shall be based upon thirty-five (35) or more hours per week. Full-time employees are entitled to full economic fringe benefits (health and dental insurance, paid vacation, paid holidays, paid sick leave and 401(k) Plan) as provided for in the Collective Bargaining Agreement. Assisted employees are eligible for health and dental insurance, 401(k) and time and one-half pay for work on a holiday. Assisted employees are not eligible for paid vacations, sick leave and holidays not worked. No employee shall suffer a loss of any current wages or benefit as a result of this Agreement, except in those cases where the employee elects to transfer to a non-benefited unit.

### **Section 2 Part-Time Employees**

Part-time employees are those who are normally scheduled to work, and who regularly work between twenty (20) and thirty-one point nine (31.9) hours per week. For employees who work in the Portland assisted unit, part-time status shall be based upon working between twenty (20) and thirty-four point nine (34.9) hours per week. Part-time employees are entitled to 401(k) Plan

contributions. Part-time employees are also entitled to paid sick leave and vacation accrual based on a pro-rated calculation of regular and overtime hours worked only as defined in Article 10, Vacation Leave, Section 2 and Article 11, Paid Sick Leave, Sections 1 and 2. Assisted employees are eligible for health and dental insurance, 401(k) Plan and time and one-half pay for work on a holiday. Assisted employees are not eligible for paid vacations, sick leave and holidays not worked. No employee shall suffer a loss of any current wages or benefit as a result of this Agreement, except in those cases where the employee elects to transfer to a non-benefited unit.

Accrued hours can only be taken to the extent of regular hours scheduled on the days the leave is utilized. Regular hours are defined as non-emergency or unscheduled hours. Employees who, through no fault of their own, drop below full-time status as defined above, or drop below a benefit-eligibility level stipulated elsewhere in this Agreement, for a period of six (6) consecutive weeks, shall not lose benefits under this Agreement provided they are available for and accept reasonable assignments to restore their previous status. Employees who, through no fault of their own, drop below full-time status as defined above, or drop below a benefit-eligibility level stipulated elsewhere in this Agreement, for a period of two (2) consecutive months, shall lose eligibility for full-time benefits and will no longer accrue full-time benefits. In addition, health insurance benefits will cease on the last day of the month in which the employee eligibility ends. In such case COBRA benefits will be offered to the employee.

### Section 3 Employee Flexibility

At the time a new employee is hired, he/she will be asked how many hours per week and which days of the week he/she wants to work. The Employer will exercise its best efforts to assign the employee the requested hours on days the employee indicates they are available to work, but shall not require the employee to work more than the requested hours. Once an employee commits to working a certain number of hours per week, he/she will be required to accept client assignments up

to that number of hours. Current employees who wish to increase or decrease their weekly hours must submit the request in writing to the Employer at least two (2) weeks in advance. Requests shall be granted based on provisions of this Agreement and shall not interfere with the Employer's ability to provide services.

## **ARTICLE 6 -TRAVEL TIME**

### **Section 1 Paid Travel Time**

Employees shall be paid for travel time between clients based on actual time required for travel and for travel time between a client's residence and mandatory in-service trainings if that last client appointment is completed less than thirty (30) minutes before the in-service training is to occur. Travel time is work time for the computation of hours worked and will be paid at the employee's regular rate of pay. The Employer and the employee shall have the right to use Mapquest, RandMcNally, or other resources as a guide to identify travel time reimbursements; however, actual pay shall be based upon actual travel time.

### **Section 2 Mileage Reimbursement**

If the first or last client of the shift lives more than fifteen (15) miles from the employee's home, the Employer shall reimburse for all miles in excess of fifteen (15) miles at the rate of forty-four cents \$0.44 as of August 7<sup>th</sup>, 2008 per mile except when the employee is traveling to an in-service training. Employees who utilize public transportation for authorized business-related travel shall be paid for actual "bus" travel time excluding the time an employee waits at a given bus stop. Employees riding public transportation will not be eligible for mileage reimbursement for fares charged to employees. The Employer reserves the right, and is not obligated, to purchase and issue multi-fare coupons, tickets or vouchers for use by employees.

### Section 3 Receipts

If reimbursement for bus fare is agreed upon by management, employees shall be required to provide documentation of public transportation costs.

### Section 4 –Vehicle Use

Employees at all times while on duty shall only utilize vehicles that are covered by liability insurance, consistent with laws and regulations of the State of Oregon. The Employer may require proof of sufficient liability insurance.

### Section 5

The Employer reserves the right to inspect, or cause to be inspected, any vehicle used by employees for the purposes of transporting clients.

### Section 6

An employee must present proper documentation of any expenses reimbursed pursuant to this Article, if requested by the Employer, and must conform specifically to all schedules, rules and travel routes as set by the Employer.

### Section 7

The Employer shall not be liable for any moving violations or parking tickets related to the employee's operation of a vehicle in connection to working under this Agreement.

## **ARTICLE 7 -HOURS OF WORK**

### **Section 1**

The Customary workweek: The customary workweek is forty (40) hours of work per week, Sunday through Saturday. Overtime at the rate of time and one-half (1 ½) the straight time rate is paid for hours of work in excess of forty (40) hours a week or eight (8) hours a day. Travel time between clients is considered work time for the computation of hours worked for overtime compensation. Employees are expected to work within the hours authorized by the Employer, unless prior authorized or in the event of an unscheduled emergency. Employees are to notify the Employer as soon as possible, but not later than two (2) hours of any unscheduled emergency that requires them to work overtime.

### **Section 2**

Overtime for employees working a regular work schedule is hours worked in excess of eight (8) hours per day or forty (40) hours per workweek. Overtime for employees working an agreed-upon alternate work schedule is time in excess of the daily scheduled shift or forty (40) hours per workweek. Overtime for employees working a flexible work schedule is time in excess of the agreed upon hours each day or time in excess of forty (40) hours per workweek.

### **Section 3**

Live-in care providers are exempt from overtime rules as per Bureau of Labor and Industries standards.

**ARTICLE 8 – WAGES**

Addus commits itself to proactively work with SEIU Local 503, OPEU, and on its own, in good faith to win increases in the contract rates paid by all County Senior Services Agencies, to secure additional funding during the term of this Agreement.

**Section 1 Straight Time Hourly Wage Rates (IHSS Program)**

The following wage scales shall be implemented as indicated unless mutually agreed in writing by both Employer and Union. Employees shall move through the steps on an annual basis. Employees hired after August 1, 2008, will be hired at Step 1 listed below and move to the next step on the scale on their subsequent hire date anniversaries. No employee shall suffer a reduction in wages and benefits as a result of this Agreement.

The following IHSS rates are effective August 1, 2008:

	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>
Housekeepers:	\$ 8.73	\$ 8.98	\$ 9.43
Personal Care Aides:	\$ 10.23	\$ 10.43	\$ 10.93

Effective with the signing of this agreement, all employees shall receive a twenty cent (\$0.20) per hour wage increase retroactive to July 1, 2008 and a four cent (\$0.04) per hour wage increase retroactive to August 1<sup>st</sup>, 2008.

All future reimbursement rate increases shall result in an increase in the above wage scales, the payroll burden of other payroll expenses (i.e., FICA, unemployment compensation and workers' compensation) and employee benefits at no less than a 74/26 wage formula split for employees (See Example) and:

1. Applied on a branch office by branch office basis for any locally driven increases, such as OPI. The branch offices shall be defined as Salem and Medford (IHSS only) and include all areas covered by a particular office.
2. Applied in a way so as to equalize wage rates between branch offices and create a uniform statewide wage rate whenever such increases are from a state or federal source, such as Title 19.

The Union will be notified within five (5) days and wage increases will occur within thirty (30) days of notification of funding increase, and shall be paid retroactively to the actual date of the increase.

The following method will be used to determine wage raises derived from reimbursement rate increases.

Step 1 (Determination of New Revenue per Billed Hour)

Multiply the dollar amount of the per-hour rate increase by the percentage (%) of IHSS hours receiving the increase, based upon the average number of hours billed per month in the most recent quarter.

Step 2 (Determination of Bargaining Unit Share of New Revenue):

The product of Step 1 will be multiplied by .74, representing the share available for wage and benefit increases.

Step 3 (Deduction of Payroll Burden)

The product of Step 2 will be divided by 1.3198, thereby accounting for all other payroll expenses and benefits.

In the case of rate increases specific to a particular branch, such as OPI or other local funding streams, this number will represent the wage increase for bargaining unit members in that branch. In the case of uniform statewide funding sources, such as Title XIX Medicaid, the result of this step will be applied to the wage rates in all Oregon IHHS branches in such a way as to equalize hourly pay rates between branches.

Example:

Branch “X” receives an OPI increase of fifty cents (\$.50) per billed hour of both Home Care and Personal Care.

Step 1: In the most recent quarter, Branch “X” billed a monthly average of 500 Home Care hours and a monthly average of 200 Personal Care hours to OPI. In the most recent quarter, branch “X” billed 2,000 hours to all sources. OPI-funded hours represent 35% of all the branches total hours (700 / 2,000). Thus, to calculate the amount per billed hour of the rate increase:

$$$.50 \times .35 = $.175$$

Step 2: The share available for wage and benefit increases for members of the bargaining unit is determined as follows:

$$$.175 \times .74 = .13$$

Step 3: The pay raise is determined by deducting the payroll burden from the amount in Step 2 as follows:

$$$.13 / 1.3198 = $.10$$

The pay raise in this example is \$.10 per hour.

## **Assisted Care Rates**

All Assisted employees shall receive a thirty cent (\$0.30) per hour wage increase retroactive to August 1<sup>st</sup>, 2008.

Assisted Care employee pay rates, by nature are variable, dependent upon acuity and client condition; therefore, the Employer shall pay wages not less than those shown below:

Housekeeper	\$ 8.95 per hour
Personal Care	\$ 9.70 per hour
Shared Aide	\$ 10.57 per hour

No later than February 1<sup>st</sup>, 2009, Addus Healthcare Inc. shall provide the Union with a proposal for Assisted worker wages and benefits for the remainder of the Collective Bargaining Agreement along with all relevant financial data. The parties agree that all sections relating to whether Assisted workers get certain benefits shall be appropriate for these negotiations. The parties shall meet to negotiate over Assisted wages and benefits in the months of February and March, 2009. The dispute resolution mechanism for these negotiations shall be in accordance with the bargaining ground-rules agreed upon between the parties in June, 2008, with the following change in time table: If the parties are unable to reach an agreement by the end of March 31<sup>st</sup>, 2008, then all remaining unresolved issues shall be submitted to a mediator/arbitrator selected through the FMCS process.

### Section 3 Dual Program Employees

Employees who work in both the IHSS program and the Assisted program shall be paid the appropriate wage rate for whichever program the client receives services from.

### Section 4 Personal Care Differential

Housekeepers who perform authorized personal assistance care will be paid at the rate of a Personal Care aide for the portion of their shift that includes personal care, minimum of one (1) hour, subsequent time as billed.

#### Section 5 Evening and Weekend Differential

Employees shall be paid one-dollar (\$1.00) per hour differential in addition to their regular hourly wage rate for every hour worked after 6 p.m. on a weekday or on the weekend, as calculated from Friday 6:00 p.m. through 6:59 a.m. Monday. Evening and weekend differentials shall be included in any computation for overtime, holidays, or other differentials or premium time.

#### Section 6 Lockout Pay

If an employee is unable to provide service to a client due to the client's failure to answer the door, or if the client is not at home, the employee is required to notify the Employer by telephone. If the Employer is unable to provide a substitute assignment, the employee will be paid at the straight-time hourly wage rate for half the scheduled hours or one (1) hour, whichever is greater. This Section shall not apply in those instances where the employee does not notify the Employer of the client's absence and/or failure to open the door within thirty (30) minutes of the scheduled start time for providing service except in cases where a client's home is more than twenty (20) miles from the nearest functioning public telephone. The Employer reserves the right to validate such lockout.

#### Section 7 -Special Assignment Differentials

Workers assigned to an emergency assignment, or to be on standby, shall be compensated as follows:

- A) Emergency Assignment Emergency assignment is when a worker accepts a client assignment that is deemed an emergency start by the referral agency only in writing, is not a part of their normal client service schedule and when the assignment is given less than

twenty-four (24) hours before the start of the assignment. Workers on an emergency assignment shall receive fifty cents (\$.50) per hour above their hourly wage rate, including any overtime pay, for the duration of the assignment, not to exceed one workday.

B) On-Call Assignment An on-call assignment is when a worker is required by the Employer to be available to accept client assignments for a specified period of time. Employees who are required by the Employer to be on standby will be issued a pager by the Employer and will be required to fulfill all client assignments made by the Employer during the specified standby period. Employees on standby will not be required to remain in one particular location, but are required to report to the assignment within sixty (60) minutes of being paged. Employees on standby will be paid one dollar fifty cents per hour (\$1.50) while on standby. No employee shall suffer a reduction in wages or benefits as a result of this Agreement.

#### Section 8 Payroll Errors

When payroll underpayment errors are brought to the Employer's attention, a check shall be issued within seven (7) calendar days of notification.

#### Section 9 Wage Payment on Termination of Employment.

As provided for in the Oregon Revised Statutes, Title 51 Labor and Employment, Section 652.140 (5), Section 652.140 shall not apply as to collective bargaining unit employees. The payment of wages upon termination of employment, as a result of any action (voluntary or non-voluntary), shall be paid at the next regular payroll of the Employer. No payment of wages shall be required for hours worked (with clients, for travel time or mileage) or expenses incurred until and unless the Employee has provided the Employer with complete documentation; and then the payment of such wages or expenses shall not be required to be paid until the next regular payroll of the Employer. If



approved to have the day off, c) the employee is absent due to illness and, if requested by the Employer, the illness is verified in accordance with the provisions of Article 11, Paid Sick Leave.

#### Section 5 Holiday Make-Up Time

Employees shall not be required to make up client hours when taking holiday time.

### **ARTICLE 10 -VACATION LEAVE**

#### Section 1 Vacation Accrual (Full-Time Employees)

Full-time employees shall be eligible for paid vacation benefits. Employees will be eligible to take their vacation after they have completed their one-year anniversary date of full-time service, with their most recent hire date serving as their anniversary date. Vacation accrual is as follows:

1-4 years continuous employment: 5 days

5-9 years continuous employment: 7 days

10-15 years continuous employment: 10 days

#### Section 2 Vacation Accrual (Part-Time Employees)

Part time employees shall be eligible for paid vacation benefits. Employees will be eligible to take their vacation after they have completed their one-year anniversary date of part-time service, with their most recent hire date serving as their anniversary date. Vacation accrual is as follows:

1-4 years continuous employment: .02 hours per hour worked

5-9 years continuous employment: .02705 hours per hour worked

10-15 years continuous employment: .038 hours per hour worked

#### Section 3 Vacation Requests

Employees must request time off for use of vacation benefits in writing and at least two (2) weeks prior to the date the requested vacation commences, except for requests to take vacation during the months of June, July, and August. Vacation requests for vacation during June, July, and August must be submitted at least four (4) weeks prior to when the requested vacation commences. Vacation leave approvals will

be granted on the basis of seniority. In the event two (2) or more employees with the same seniority request the same vacation time, the request shall be awarded based on a coin toss.

Section 4 Maximum Accrual.

No more than two (2) years of vacation may be accrued—provided that an employee be given two (2) months notice and an opportunity to schedule vacation time off before any time is lost.

**ARTICLE 11 -PAID SICK LEAVE (IHSS ONLY)**

Section 1 Sick Leave Accrual (Full-Time Employees)

Full time employees shall accrue six (6) days of paid sick leave benefit per year.

Section 2 Sick Leave Accrual (Part-Time Employees)

Part-time employees shall accrue paid sick leave on a prorated basis of total hours worked based on sick leave accruals for full-time employees.

Section 3 Utilization of Sick Leave

Employees who have earned sick leave credits shall be eligible for sick leave for any period of absence from employment which includes, but is not limited to, the employee's illness, injury, temporary disability, medical or dental care, attendance upon members of the employee's or the employee's spouse's immediate family or domestic partner or domestic partner's immediate family, where the employee's presence is required because of illness. The Employer may require reasonable proof of illness or disability and/or certification of need to be absent if the Employer has a reasonable doubt as to the validity of the claim. If the Employer requests physician or practitioner certification, the Employer is responsible for the cost of such certification if it is not covered by the Employer's health plan and the employee is not covered by the Employer's health plan.

**ARTICLE 12 -BEREAVEMENT LEAVE**

Employees who have earned sick leave credits shall be eligible for sick leave, or leave without pay, at the option of the employee, for any period of absence from employment to discharge the customary obligations arising from a death in the immediate family of an employee, an employee's spouse or domestic partner. Employees may, with prior authorization, use accrued vacation leave. For purposes of this Article, "immediate family" shall include the employee's or the employee's spouse's parent, wife, husband, child, brother, sister, grandmother, grandfather, grandchild, or the equivalent of each for domestic partners, or another member of the immediate household.

### **ARTICLE 13 -GRIEVANCE PROCEDURE**

#### Section 1

A grievance is hereby defined as a claim against, or dispute with, the Employer by an employee or the Union representative involving an alleged violation by the Employer of the terms of this Agreement and/or the Employee Handbook. An individual employee or group of employees shall have the right to present grievances and to have such grievances adjusted without the involvement of the Union, as long as the adjustment is not inconsistent with the terms of this Agreement and/or the Employee Handbook and the appropriate Union representative has been given the opportunity to be present at such adjustment.

#### Section 2

Grievances shall be handled in the following manner:

The Employer and the Union agree that wherever possible, problems should be solved at the earliest possible step. The Union shall have the right to present a grievance orally to a supervisor or director in an effort to resolve the grievance. If a grievance is so presented, the Employer will waive the thirty (30) calendar day deadline for the Union to present a grievance in writing in Step One. The Employer will respond within five (5) business days.

*Step One:*

If no settlement has been reached by the grievant and the Employer, the Employer's time line has expired or the Union or employee has opted not to present the grievance orally, the grievance shall be reduced to writing and shall be presented by the grievant and/or the union to the Agency Director or his/her designated representative within thirty (30) calendar days from the date of the occurrence of the facts or from the date the alleged violation first became known; provided, however, that in the case of a grievance based upon or related to the discharge of an employee, such written grievance must be presented within thirty (30) calendar days after the date of discharge. The Employer will respond in writing within ten (10) days.

*Step Two:*

If no settlement has been reached by the grievant and the Employer or the Employer's time line has expired, the grievance shall be presented by the grievant and/or the Union to the Regional Director or his/her designated representative and copied to the Regional Vice President within thirty (30) calendar days of the Employer's last response or, if no response was received, within thirty (30) calendar days of the expiration of the Employer's deadline to respond. The Employer will respond in writing within 10 days.

*Step Three:*

If no settlement is reached or the Employer does not respond within ten (10) calendar days after the date the grievance is presented to the Employer as provided in Step Two, then the Union shall, within the next thirty (30) calendar days, give notice to the Regional Vice President of its intent to arbitrate. The time limits in this Article may be extended by mutual Agreement of the official representatives of the parties.

Section 3

In the event that a dispute proceeds to arbitration, the parties shall make a good faith effort to agree on an arbitrator. In the event the parties are unable to agree, and not later than five (5) days from receipt of the first request for arbitration, the parties shall select the list of arbitrators as follows:

- a. The American Arbitration Association (AAA) shall submit a list of five (5) arbitrators to the Union and to ADDUS.
- b. Within five (5) working days after receipt of the arbitration panel, the parties shall meet to select and place in numerical order the arbitrators through the process of elimination by alternately striking names.
- c. The party to strike first shall be selected by a toss of the coin.

The jurisdiction of the impartial arbitrator is limited to:

1. Adjudication of the issues which under the express terms of this Agreement and the submission Agreement setting forth the issue or issues to be arbitrated, which shall be entered into between the parties hereto, are subject to submission to arbitration;
2. Interpretation of the specific terms of this Agreement and/or the Employee Handbook which are applicable to the particular issue presented to the arbitrator;
3. The rendition of a decision or award which in no way modified, adds to, subtracts from, changes or amends any term or condition of this Agreement or which is in conflict with any of the provisions of this Agreement and/or the Employee Handbook; and
4. The rendition of a decision or award based solely on the evidence and arguments presented to the arbitrator by the respective parties.
5. The rendition of a decision involving the administration or interpretation of insurance plans or contracts, including pension plans; and those issues related to interpretation of the health and dental plan rules for eligibility, cost to employees, the Union and the Employer. The arbitrator shall not

have jurisdiction over internal rules of the insurance plan itself which are outside the Employer's control.

#### Section 4

The arbitrator will render a decision within thirty (30) calendar days after the hearing. The decision shall be final and binding upon the Employer, the Union and the employees affected, provided that this does not preclude any party to this Agreement from seeking judicial review as provided by law. The costs of the arbitration shall be born by the losing party.

### **ARTICLE 14 -LEAVES OF ABSENCE**

#### Section 1 Medical Leave/Family Medical Leave

Employees with six (6) or more months of service with the Employer may take a medical leave of absence of up to six (6) months in a twelve (12)-month period due to their own illness, or that of their spouse, domestic partner, child or parent. The twelve (12)-month period is measured backwards from the date a Family or Medical Leave begins. Employees requesting Medical Leave/Family Medical Leave must do so in writing and may be required to provide medical certification. Employees returning from Medical Leave/Family Medical Leave are required, if possible, to give the Employer at least two (2) weeks' advance written notice of their return to work, and may be required to provide medical certification of fitness to work two (2) business days before their scheduled return date, if the employee was on FMLA leave due to their own illness. Employees returning from Medical Leave/Family Medical Leave will be returned to the same position held before the leave and number of scheduled hours, but not necessarily to the same client(s). However, employees who do not give the Employer two (2) weeks' notice of their return to work, possibly may not be restored to their pre-existing schedule immediately upon their return to work.

#### Section 2 Maternity/Parental Leave

Employees may take Maternity/Parental Leave of up to twelve (12) weeks or more as determined by the law in connection with the birth or adoption of a child. Employees requesting Maternity/Parental Leave must do so in writing and may be required to provide medical certification. Employees experiencing complicated delivery/health issues, sick newborns or other conditions which fall under FMLA, may request FMLA benefits as stated in Section 1 of this Article extending maternity leave. Leaves qualifying under FMLA and/or OFLA will be counted toward an employee's entitlement under this section. Employees returning from Maternity/Parental Leave are required, if possible, to give the Employer at least two (2) weeks' advance written notice of their return to work, and will be required to provide medical certification of fitness to work two (2) business days before their scheduled return date, if the employee is returning from contiguous FMLA and/or OFLA (as opposed to intermittent usage of less than seven (7) working days at a time when FLMA and/or OFLA has been utilized for personal illness or complicated maternity leaves). Employees returning from Maternity/Parental Leave will be returned to the same position held before the leave and number of scheduled hours, but not necessarily to the same client(s). However, employees who do not give the Employer two (2) weeks' notice of their return to work possibly may not be restored to their pre-existing schedule immediately upon their return to work.

### Section 3 Personal Leave

Employees with over one (1) year of service with the Employer may be granted a personal leave of up to thirty (30) workdays. Employees requesting Personal Leave must do so in writing. The Employer shall respond to a request for Personal Leave in writing within ten (10) working days. If the Employer is unable to accommodate an employee's request for Personal Leave, the Employer shall provide reason and alternative options for accommodating the employee's request, e.g., rescheduling, postponing. Employees returning from Personal Leave will be returned to the same position held before the leave and number of scheduled hours, but not necessarily to the same client(s).

#### Section 4 Compensation and Benefits

Except as provided in Section 5 of this Article, all leaves of absence are unpaid and employees will not accrue benefits while on leave of absence.

#### Section 5 Health and Dental Insurance

Employees eligible for Employer-paid health and dental insurance will continue to receive Employer-paid health and dental insurance for the first twelve (12) weeks of Medical Leave/Family Medical Leave or Maternity/Parental Leave in accordance with the provisions of the Family Medical Leave Act and/or the Oregon Family Leave Act.

#### Section 6 Integration and Use of Accrued Benefits

Employees on Medical Leave or Maternity Leave who are eligible for Workers' Compensation benefits will be required to apply for such benefits and integrate the benefit payment with their accrued sick leave and vacation so as to equal, but not exceed, their regular pay.

#### Section 7 Compliance with Family Medical Leave Act/Oregon Family Leave Act

Nothing in this section shall be in violation of, or in contradiction of the Family Medical Leave Act or Oregon Family Leave Act. Any provision of the FMLA and/or OFLA, which is more favorable to employees, shall apply. Any provision of this section, which is more favorable to employees than the provisions of law shall apply. Leaves qualifying under the FMLA and/or OFLA will be counted toward an employee's entitlement under this section.

#### Section 8 Failure to Return from a Leave of Absence

Any employee who fails to return from an approved leave of absence under this Article on a scheduled return date without notifying the Employer will be considered to have abandoned his/her job, and his/her employment shall terminate. In the event an employee encounters extenuating circumstances that would

prevent him/her from notifying the Employer of a change in scheduled return date, the Employer shall take those circumstances into consideration.

## **ARTICLE -15 SENIORITY**

### **Section 1 Definition**

Seniority is defined as an employee's continuous employment since their most recent date of hire with Addus Health Care.

### **Section 2 Economic Application**

Seniority will be used to determine wage rates as provided in Article 8, Wages, and to determine entitlement to all other benefits for which length of service is a condition of entitlement. Seniority shall also determine the order of layoff and recall from layoff, or reduction and restoration of hours, due to fluctuations in the Employer's caseload within the geographic service areas defined as the Portland service area, the Eugene service area, the Salem service area, and the Medford service area. Seniority shall not accrue during unpaid leaves of absence longer than thirty (30) days.

### **Section 3 Seniority for Work Assignments**

In all matters relative to new work assignments and opportunities for additional work, the principle of seniority shall prevail, provided that, in the case of Personal Care minimum job skill requirements set by a supervising nurse for the particular client assignment are met; and provided that new work assignments and/or the assignment of additional work shall not result in overtime and/or unreasonable travel costs. It is further understood that, due to language requirements and/or "consumer preference," the Employer may bypass a senior employee who, by virtue of seniority, would be given a particular client assignment. In such cases, the assignment will be given to the

most senior available employee who can satisfy language, skill requirements, and/or “consumer preference.”

When an employee indicates a willingness to accept new assignments and refuses three (3) consecutive offers of new assignments within ninety (90) days that are compatible with their specific requirements on their employee preference Agreement, field expertise or personal health issues, seniority rights shall not apply for a period of ninety (90) days. Only employees who provide written confirmation of their willingness to accept new assignments will be contacted under this provision and the Employer will not be prevented from contacting other employees after contacting each of those who have expressed willingness to accept new assignments.

#### **ARTICLE 16 -PROBATIONARY PERIOD**

The probationary period is recognized as an extension of the selection process for hiring new employees. Employees hired after the effective date of this Agreement shall serve a probationary period of ninety (90) calendar days from the beginning date of employment. Upon successful completion of the probationary period, the employee shall be added to the seniority list and the employee’s seniority shall be the same as the beginning date of employment.

Probationary employees may be removed from service when, in the judgment of the Employer, the employee is unable or unwilling to perform his/her duties satisfactorily and his/her dependability does not merit continuance in the service. Removals under this Article are not subject to the grievance procedure.

#### **ARTICLE 17 -UNION RIGHTS**

##### **Section 1 Right to Steward**

For the purposes of representation and mutual administration of the Contract, the local Union will designate stewards from among its members employed by the Employer. The local Union will notify the Employer when a Steward has been designated.

## Section 2 Bulletin Board

The Employer will provide a bulletin board, in an area easily accessible to employees in each branch office, for Union postings. The Union agrees to apply reasonable standards of good taste when posting Union notices.

## Section 3 Employee Communications

The Employer will assist in distribution of Union meetings and activity notices on a branch-by-branch basis.

## Section 4 Union Leave

- a. Any employee elected or appointed to an office or position in the Union shall be granted a leave of absence for a period of continuous service with the Union not to exceed two (2) years. The leave may exceed two (2) years in cases where the term of office exceeds this period. Thirty (30) days written notice must be given to the Employer before the employee takes leave to accept such office or position, or before such employee returns to work. Such leave of absence shall be without pay.
- b. A leave of absence without pay shall also be granted for no more than ninety (90) days to conduct Union business provided fifteen (15) days written notice is given. The Employer and the Union shall cooperate in the scheduling of substitutes, so that employees on leave can return to their job positions upon ending their leave. If this leave lasts more than five (5) days, the Employer will not be able to guarantee the employee their same clients or same hours.

At no time can there be more than five (5) employees (maximum of five (5) or one one-hundredth (1/100), whichever is greater) on Union leave at the same time. If the Employer determines it will harm client services, the Employer can deny a leave request to the employee serving the affected client, until

the Employer can find a substitute. If more than one (1) leave of this kind is taken per year by the same employee, the second (2nd) or additional leave request shall be at the sole discretion of the Employer.

#### Section 5 Orientations.

- a. In-Service Trainings. The Employer agrees that a period of time will be made available before or after each in-service training meeting, or before or after any scheduled break during training, but not beyond normal office working hours, for Union Stewards and/or Union representatives to address members of the bargaining unit. Management or supervisory personnel may be present, but may not interrupt or otherwise address the bargaining unit during this time. The Employer agrees to inform the local Union of in-service training dates, times and locations one (1) month in advance if possible. The local Union must inform the Branch Manager of its desire to address the bargaining unit members at a scheduled in-service training at least two (2) weeks in advance.
- b. Union Presentation At New Employee Orientation. Reasonable time, but not longer than twenty (20) minutes, shall be granted for a representative of the Union to make a presentation at the orientation of new employees on behalf of the Union for the purpose of identifying the organization's representation status, organizational benefits, facilities, related information, and distributing and collecting membership applications. If the Union representative is an employee of Addus, the employee shall be given time off with pay for the time required to make the presentation. The Employer will provide the Union reasonable notice of the place and time of meetings for the orientation of new employees. If the Employer does not offer an orientation within thirty (30) calendar days of hire, a Union representative may request to meet with the new employee or group of new employees in the bargaining unit. Subject to prior supervisory approval regarding scheduling, the Union representative will be allowed to meet during work hours, on unpaid time to cover these same items. Such time is limited to twenty (20) minutes.

## **ARTICLE 18 -MANAGEMENT RIGHTS**

It is mutually agreed that it is the duty and the right of the Employer to manage the facility and direct the workforce. This includes, but is not limited to, the right to hire, transfer, promote, reclassify, layoff, reduce hours, set and administer work performance and disciplinary standards, and discharge employees subject to the conditions as set forth in this Agreement.

The foregoing statements of rights of management and of Employer functions are not all- inclusive and shall not be construed in any way to exclude other Employer functions not specifically enumerated, except when such rights are specifically abridged or modified by this Agreement.

## **ARTICLE 19 -DISCHARGE AND DISCIPLINE AND WORK RULES**

### Section 1 Just Cause.

The Employer shall have the right to discipline employees and to discharge employees for just cause.

### Section 2 Union Notification.

In any case where an employee is the subject of a written formal warning, the Employer will notify the employee of the purpose of the meeting and their option to have a Union representative present when the meeting is scheduled. Prior to commencing review of the written formal warning at the scheduled meeting, the employee will be given a form to confirm that they have been offered the option to have a Union representative present. The confirmation will be attached to the written formal warning as part of the permanent record of the meeting.

Within ninety-six (96) hours after any discharge, the Employer will notify the Union in writing of the discharge and the reason for this action. Failure to do so will not affect the termination or its validity in any way.

### Section 3 Interview by Union

A Union representative shall have the right to interview employees and Employer personnel concerning discharge and discipline matters. Such interview shall not interfere in any way with the Employer's business activity. Such interview is to be for informational purposes.

#### Section 4 Employer Rules

The Employer may establish reasonable work rules necessary to regulate employees' conduct at work. Work rules shall be conspicuously posted and made available to all employees. The Employer will advise the Union of any proposed changes to the work rules thirty (30) days in advance.

#### Section 5 Employee Conferences

When an employee is called into a conference at which the Employer intends to investigate the possibility of imposing discipline on him/her or to notify him/her of his/her discharge or suspension, the employee has the right to request the presence of his/her Union representative at such conference. If an employee makes such a request, the Employer agrees to make time available when the participating Steward and the Employer are not assigned to work or the Employer agrees to compensate the employee and the Steward for time missed from normal work assignments.

#### Section 6 Personnel Files

Any information regarding disciplinary action, e.g., warnings, placements on probation status, or formal evaluation reports prepared by the Employer shall be placed in the employee's personnel file and a copy shall be made available to the employee. The employee shall be offered the opportunity to sign the document indicating that s/he has seen it and shall have the right to add a written reply to it. The Employer shall allow employees access to their personnel file at reasonable times. Employees shall have the right to submit written comments up to twice the length of the item being replied to or two (2) pages,

whichever is longer, replying to any material in their file, of which comments shall also be maintained in their personnel file.

#### Section 7

Employees are required to report suspected neglect or abuse. Failure to report is subject to discipline up to and including discharge.

#### Section 8

Documented physical or mental abuse of a client shall be grounds for immediate discharge.

#### Section 9

Failure of an employee to attend scheduled trainings shall be grounds for discipline unless extenuating circumstances made attendance impossible.

#### Section 10

An employee who quits her/his employment without giving the Employer two (2) weeks notice shall be considered to have been discharged for cause, unless circumstances mitigate against such treatment.

#### Section 11

The Union will be given copies of all safety, work and security rules and any other rules of conduct established by the Employer.

#### Section 12

No call-no show is defined as not showing up for a scheduled work assignment without notifying the Employer unless extenuating circumstances make notification impossible. The first no call-no show shall be grounds for a written warning; the second no call-no show shall be grounds for suspension without pay of up to three (3) workdays; and the third no call-no show shall be grounds for termination of employment.

### Section 13 Job Abandonment

An employee who fails to show up for work as scheduled for three (3) consecutive workdays without notifying the Employer, unless extenuating circumstances make notification impossible, will be considered as having abandoned his/her job, and his/her employment will be terminated.

### **ARTICLE 20 -NO STRIKE OR LOCKOUT**

There shall be no strike, slowdown, or other stoppage of work by employees represented by the Union and no lock out by the Employer during the life of this Agreement.

### **ARTICLE 21 -TRAINING**

In order to enhance the effective delivery of services under this Contract and to increase the training level of bargaining unit employees, the Employer and the Union shall develop and implement a homecare aide training program, that meets the Employer's contractual obligations as determined by the Employer and encompasses areas/issues that will foster the delivery of quality care for our clients and provide employees with job safety skills. Employees and/or a Union representative may have input into the content of the training curriculum. Training is a condition of employment at Addus Healthcare. Employees will be paid for all Employer-required training at their regular rate of pay. Training that is required to meet minimum job requirements (such as cases where CNA is required) will be considered solely an employee's responsibility, both in terms of cost and time off and will not be paid. All employees are required to take the basic training course unless they have proof of equivalent training, which meets Addus Healthcare requirements. Addus Healthcare's Director or his/her designee shall have sole discretion to determine if prior employee training meets

the Addus Healthcare requirements. Any time the employees' credentials, which are required by state law or contract, are not current; the employee will not be allowed to provide services which require said credentials until the employee can show proof of current requirements.

## **ARTICLE 22 -EMPLOYEE APPEARANCE**

Employees shall maintain an appearance that is appropriate to the duties, functions, and work environment in accordance with the "Employee Appearance Policy". New employees shall receive "A Handbook for In Home Supportive Services" at their time of hire and the handbook shall be available for review during business hours at branch offices.

## **ARTICLE 23 -HEALTH AND SAFETY**

### **Section 1 General Statement.**

The Employer and the Union recognize the importance of working conditions that will not threaten or endanger the health or safety of employees or clients. No employee shall be required to work in any situation that would threaten or endanger his/her health or safety. Such situations include: bodily harm to the employee, threatening behavior of the client to the employee, sexual harassment of the employee by the client or persons in the household, or any other situation that would be a threat to the employee's health. The employee will immediately report to the Employer any working condition that the employee believes threatens or endangers the health or safety of the employee or client. Following receipt of such report, the Employer will investigate the report, including review with the employee, client, and appropriate referral agency. Appropriate action will be taken by the Employer, based on the facts identified during the review of the investigation, the provisions of the

program under which the client is being served, and the requirements of the contract between the Employer and referral agency.

No employee shall be required to provide, at his/her own expense, cleaning equipment, supplies, or protective garments to perform any task for a client. If such a situation arises where there are insufficient supplies or cleaning materials, the employee will report the situation immediately to his/her supervisor for remedial instruction.

### Section 2 Immunizations

Utilizing the most cost-effective system of delivery in the community, the Employer will offer, at no cost to the employee, Hepatitis B vaccinations upon hire, or at anytime the employee desires.

### Section 3 Tuberculosis Testing

Tuberculosis testing shall be required for new employees, and current employees shall be tested on a regular basis as specified by the Oregon Home Health License Rules and Employer policy, whichever is more restrictive. In the event that an employee either tests positive or has a history of a positive TB skin test, the employee will be required as determined by Oregon Home Health License Rules and Employer policy, whichever is more restrictive, to have a chest x-ray. If a chest x-ray is not covered in the employees' health plan, the Employer will cover the cost of the procedure.

### Section 4 Flu Shots

Employees shall receive, upon request, flu shots as prescribed by medical standards paid by the Employer utilizing the most cost effective system of delivery in the community, or at the employee's option, at no cost to the employee through the Employer-sponsored health plan.

## **ARTICLE 24 -JOB POSTING**

When any bargaining unit position opening occurs, the Employer agrees to post these openings on the Union bulletin boards in each represented office.

## **ARTICLE 25 -JOB DESCRIPTIONS**

All employees shall be provided with a task plan that identifies the specific tasks and frequency of tasks for each client they are referred to. This task (or care) plan will be placed at the client's home and a copy of the client's task (or care) plan will be provided to the employee that provides regular services to that client. The Employer will provide copies of the job description for all positions covered under this Agreement to the Union.

## **ARTICLE 26 -401 (k) PLAN**

### **Section 1**

Effective with the signing of this agreement, the Employer agrees to automatically enroll Employees in the Company sponsored 401(k) Plan.

### **Section 2**

Through this automatic enrollment, Employees will contribute three percent (3%) of their gross, pre-tax earning to the Plan. Employees may elect to opt out of this automatic enrollment feature if they do not wish to participate in the Plan and can cancel their enrollment at any time. Employees may also elect to increase their contributions above the automatic three percent (3%) level up to the defined IRS limit.

### **Section 3**

The Employer will make a matching contribution of 6% of the Employee's contribution to the Plan. The Employer's matching contributions are subject to a defined vesting schedule based on the Employee's years of employment with the Company.

#### Section 4

The matching percentage as outlined in Section 3 above is subject to Addus' National 401(k) plan document. Any improvements to the 401(k) Plan, including those relating to the Employer's matching contribution as discussed in Section 3, shall automatically be extended to bargaining unit employees.

### **ARTICLE 27 -HEALTH AND DENTAL PLAN**

#### Section 1 -Health Plan

Full-time employees as defined in Article 5 of this Agreement, Categories of Employees, shall be offered employee-only health insurance as described in the PPO 90/70 plan at the cost-sharing arrangement of eighty-five percent (85%) Employer / fifteen percent (15%) employee of the monthly premium. For all other plans, (EE + Spouse, EE + CH, Family), the Employer shall pay an equivalent portion of the plan with the employee making up the difference of the amount above the cost of the employee only plan. Employees are eligible to enroll upon employment or after a qualifying event. Current employees who are hours eligible shall be offered a defined open enrollment period upon the Employer's change of insurance carrier. Eligible employees may enroll their spouse, domestic partner, or dependents at their own expense.

## Section 2

Pending the outcome of the February, 2009 wage and benefit negotiations reopener for Assisted workers, the increase to eighty-five percent (85%) premium share by the Employer is extended only to the currently-enrolled Portland Assisted employees. Any new Portland Assisted enrollees may enroll at the 80/20 premium split.

## Section 3 Dental Plan

Full-time employees as defined in Article 5 of this Agreement, Categories of Employees, shall be provided employee-only dental insurance. Enrolled employees shall pay six percent (6%) of single monthly share of the premium. Eligible employees may enroll their spouse, domestic partner or dependents at their own expense.

## Section 4

The Employer will publish open enrollment dates to all full-time employees.

## Section 5

The Employer will familiarize new hires and current employees with the Family Health Insurance Assistance Program (FHIAP) and assist new hires and current employees in making informed decisions about premium subsidies provided through the FHIAP program. The Employer's obligation described in this Section is waived in the event the FHIAP program is no longer available by an act of the Oregon Legislature or enrollment limits established by the Oregon Insurance Pool Governing Board.

## **ARTICLE 28 -JURY DUTY**

An employee will be granted a leave without pay when required to report for jury duty. The employee must submit a copy of the summons before the leave is taken and provide verification of attendance.

Employees must report to work on workdays when they are excused from appearing for one (1) day or

more. The Employer will make a reasonable effort to reschedule employees to avoid financial hardships that may be caused by jury duty.

## **ARTICLE 29 -SUCCESSORSHIP**

### Section 1 Notice

Addus agrees to notify SEIU LOCAL 503, OPEU in the event any transaction is contemplated which may affect the interests of SEIU Local 503, OPEU members. Addus agrees to notify any potential purchaser of its Collective Bargaining Agreement with SEIU Local 503, OPEU and will make acceptance of such Agreements a condition of any sale, purchase, transfer, merger or other change in its business status.

### Section 2 Subcontracting

Addus will not sub-contract any bargaining unit work. In the event Addus enters into any business relationship which may impact SEIU LOCAL 503, OPEU members, Addus will notify SEIU Local 503, OPEU. This language will reflect the language of the national Agreement.

## **ARTICLE 30 -RIGHT OF ACCESS TO EMPLOYER'S PROPERTY**

### Section 1

The Employer agrees to admit to its offices the authorized representative of the Union for the purposes of adjusting grievances and conducting other legitimate, appropriate Union business. The representative shall advise the Employer of such visits in advance by notifying the Director or his/her designated representative.

### Section 2

In the exercise of the foregoing Section, there shall be no interference with the productive activities of the Employer.

**ARTICLE 31 -ADHERENCE TO EXISTING STATUTES**

The parties agree to abide by all applicable municipal ordinances and state and federal statutes, including but not limited to any and all statutes pertaining to discrimination in employment, to the extent said ordinances or statues have an impact upon the working conditions of the bargaining unit employees.

**ARTICLE 32 -LABOR-MANAGEMENT RELATIONS COMMITTEE**

Section 1

The Employer and the Union shall establish a Labor-Management Relations Committee. The purpose of the Committee shall be to consider matters affecting the relations between the Employer, the Union/Employees, and to recommend measures to improve client care in specific and the industry in general; provided, however, the Committee shall not engage in negotiations, nor shall the Committee consider matters properly the subject of a grievance.

Section 2

The Committee shall be composed of up to five (5) Union representatives, including a health and safety representative, and up to five (5) representatives of top and line management. In addition, the President or Executives of the organizations, or their designees may attend the meetings. Other provisions for the Committee are as follows:

- a. The Committee will be co-chaired by one of the employees and one of the Employer representatives.
- b. The Committee shall meet quarterly, unless mutually agreed otherwise at a time mutually convenient to the Union and the Employer.

- c. The Committee meetings will be scheduled so that employees are not on duty when the Committee meetings occur.
- d. The Union and the Employer will prepare an agenda to be presented to the Committee at least five (5) working days prior to the scheduled meeting.
- e. Employee Committee members are paid their regular rate of pay for participation and shall be reimbursed for all mileage at the rate of thirty-four cents (\$0.34) per mile.
- f. Agreed minutes of the meetings will be presented to the Employer and the Union within twenty-five (25) working days after the meeting.
- g. The Committee has no authority other than to recommend appropriate suggestions or solutions to envisioned problems identified and agreed-upon by the co-chairs.
- h. The Employer and the Union will address each recommended item in writing within twenty-five (25) days to the members of the Committee.
- i. The Statewide Labor-Management Committee shall meet at least twice per year. All provisions of this Article shall apply.

**ARTICLE 33 -APPLICABILITY OF NATIONAL AGREEMENT BETWEEN EMPLOYER AND UNION**

Employer and Union recognize the existence of a national Agreement between Addus Healthcare, Inc. and Service Employees International Union. Further, both Employer and Union agree that in the instance that a non-economic provision of this Agreement is in conflict with the National Agreement, the provision of the National Agreement shall prevail; however, nothing in this Article shall prevent the parties from agreeing to language which improves upon the national Agreement.

**ARTICLE 34 -TERM OF THE AGREEMENT**

This Agreement shall be effective upon ratification by the Union and its membership, as well as Addus' Board of Directors, and shall remain in full force and effect, unless amended by mutual written agreement of both parties, through July 31<sup>st</sup>, 2011.

Either party may serve written notice on the other at least ninety (90) days prior to the expiration date of this Agreement of its desire to amend any of the provisions thereof.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2008 at Salem Oregon.

FOR ADDUS HEALTHCARE INC:

\_\_\_\_\_  
Mark S. Heaney, President & CEO

\_\_\_\_\_  
Darby Anderson, Divisional Vice President

FOR THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 503, OPEU:

\_\_\_\_\_  
Leslie Frane, Executive Director  
SEIU Local 503, OPEU

\_\_\_\_\_  
Bill Uehlein, Director of Long Term Care  
SEIU Local 503, OPEU

\_\_\_\_\_  
Samuel M. Davila, Chief Negotiator  
SEIU Local 503, OPEU

\_\_\_\_\_  
Sherriel Stiles, Bargaining Team Chairperson

\_\_\_\_\_  
Lorna Burnell

\_\_\_\_\_  
Coleen Lawson

\_\_\_\_\_  
Debbie Crenshaw

\_\_\_\_\_  
Mary Engleman

\_\_\_\_\_  
Charlene Morgan-Stewart

**LETTER OF AGREEMENT BETWEEN ADDUS HEALTHCARE AND SEIU LOCAL 503**

The Parties agree to discuss restructuring the contract in order to clearly delineate Sections that apply only to IHSS or Assisted workers.

The Parties agree to implement any such proposed changes provided that they provide more clarity and do not in any way affect the meaning or intent of the contract language.

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For Addus Health Care

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Date:

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For SEIU Local 503

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Date:

**LETTER OF AGREEMENT BETWEEN  
ADDUS HEALTHCARE, INC. AND SEIU LOCAL 503**

Appendix A of the two most recent Collective Bargaining Agreements between SEIU Local 503 and Addus Healthcare, Inc. (Addus), the first of which was effective through June 30, 2005, and the second of which was a Statewide Contract effective through August 6, 2008 (hereafter referred to as the Agreements), outlines language related to contributions Addus would make to the SEIU National Industry Pension Fund (the Fund) on behalf of eligible collective bargaining unit employees (employees). After Addus and SEIU Local 503 had reached their collective bargaining agreement, including specific language concerning pension benefits, the Fund notified Addus and SEIU Local 503 that the pension plan language in the Agreements was not acceptable to the Fund and therefore participation in the Fund was rejected. This was a decision of the Fund reflecting its own interpretation of its plan requirements. Consistent with its rejection, the Fund returned to Addus all the contributions it had submitted in anticipation that the Fund would accept its participation, and the Fund instructed Addus to cease any additional payments.

While both parties acknowledge and agree that the Fund's rejection of the employees' participation in the Fund nullifies Addus' obligations under the Agreements, Addus agrees to utilize the funds accumulated in connection with the pension plan contributions to benefit current employees. These funds will be distributed to all current part-time and full-time employees who qualified for benefits under the pension plan language in the Agreement in the form of retention and longevity bonuses, as outlined below, and as otherwise mutually agreed by the parties.

- Retention Bonus

All current part-time and full-time employees will be paid a retention bonus equal to ten cents (\$0.10) per hour for all hours worked between October 1, 2004 and July 1, 2008. Since these bonus payments are considered regular compensation, they will be subject to all normal payroll taxes.

- Longevity Bonus

All current part-time and full-time employees will be paid a longevity bonus, in the gross amount set forth according the following schedule, minus required withholdings, based on their years of employment with Addus as of July 31, 2008.

<u>Years of Employment</u>	<u>Longevity Bonus</u>
3 or more	\$118.75
4 or more	\$190
6 or more	\$285
8 or more	\$380
10 or more	\$475
12 or more	\$570

Addus will provide SEIU Local 503 with an accounting of the retention and longevity bonus payments made pursuant to the provisions outlined above, along with the FICA Employer matching contributions made in connection with these payments. If there are additional dollars remaining in the accumulated funds after the payment of the retention and longevity bonuses and the Employer FICA contributions, the parties will mutually agree upon another use for those dollars that will benefit the employees.

\_\_\_\_\_  
For Addus Healthcare, Inc.

\_\_\_\_\_  
Date

\_\_\_\_\_  
For SEIU Local 503

\_\_\_\_\_  
Date