MEMORANDUM OF UNDERSTANDING #3
BETWEEN
NORTHERN MICHIGAN UNIVERSITY
AND
LOCAL 2178 - UAW
2012

This Memorandum of Understanding executed between Northern Michigan University (hereinafter referred to as the University) and the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW) Local 2178 (hereinafter referred to as the Union), the recognized bargaining unit agent for Administrative / Professional employees of the University, whereas the parties agree as follows:

1. The Board and the Union mutually agree that they will modify the following language in Article 17.5.1:
   In order to help mitigate the cost increases associated with the 80/20 contribution targets, the University agrees to create a Health Reimbursement Account (HRA) for each participating employee, including those who opt out of NMU's health plan, but excluding those with NMU spousal coverage.

2. The language will be modified to read as follows:
   In order to help mitigate the cost increases associated with the 80/20 contribution targets, the University agrees to fund a Health Reimbursement Account (HRA) for each participating employee, excluding those who opt out of NMU's health plan or those with NMU spousal coverage.

3. This modification is being driven by guidance NMU received from legal counsel advising NMU of regulatory changes at the federal level. Specifically, NMU has been advised:
   "an employer could continue to credit dollars to an employee's HRA in 2014 only if that employee was actually enrolled in that employer's major medical plan." An e-mail from the firm of Foster Swift dated July 11th noted "At this time the government doesn't care if that employee is enrolled in major medical elsewhere; the employee has to actually be enrolled in your plan in order to be HRA eligible starting in 2014."

4. This modification is in accordance with Article 1.3, which notes that:
   In the event that any provision of this Agreement, in whole or in part, is declared to be illegal, void, invalid, or unenforceable by any court of competent jurisdiction or by any administrative agency having jurisdiction from whose final judgment or decree no appeal has been taken within the time provided for doing so, all of the remaining terms, conditions, and provisions of this Agreement which are not rendered meaningless, inoperable, or ambiguous as a consequence of the declaration shall remain in full force and effect.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW AND ITS LOCAL 2178)

Robert Thomson
President
Dated: 12-16-13

ON BEHALF OF THE
NORTHERN MICHIGAN UNIVERSITY
BOARD OF TRUSTEES

R. Gavin Leach
Vice President for Finance and Administration
Dated: 12-6-13