

## SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is made and entered into by Pratt Institute (“Institute”) and the United Federation of College Teachers, Local 1460 (“Union”), (hereafter collectively referred to as “the parties”).

WHEREAS, on or before June 25, 2025 the Institute announced its intention to modify the Pratt Medical Plan provided to Administrators (“Administrator Plan”) and provided to eligible faculty under Article 25 of the collective bargaining agreement (“CBA”), effective January 1, 2026, including the following modifications:

- Reduction of the Institute contribution to employee Health Savings Account (“HSA”), from 100% of the deductible to 80% or 85% of the deductible, depending on salary
- Increase of the Out of Pocket Maximum from 100% of the deductible (\$2,000/single and \$4,000/family) for the In-Network HSA Plan to twice the deductible (\$4,000/single and \$8,000/family)
- Introduction of 10% Co-Insurance paid by employee once the deductible is met, up to the Out of Pocket Maximum
- Conversion to a new Pharmacy Benefit Manager, with prescription co-pays paid by the employee once the deductible is met, subject to the increased Out of Pocket Maximum

WHEREAS, the Union asserted a grievance against the Institute on July 2, 2025 and later filed a Demand for Arbitration under the collective bargaining agreement between the Institute and the Union (the “Collective Bargaining Agreement”), AAA Case No. 01-25-0004-0695 (the “Grievance”);

WHEREAS, on or about September 18, 2025 the Union filed a charge of an unfair labor practice with the National Labor Relations Board (“NLRB”) alleging the Institute made a unilateral change in terms and conditions of employment by announcing the above noted modifications of the Administrator Plan, Case No. 29-CA-373915 (“Charge”);

WHEREAS, the Institute continues to deny all of the material allegations asserted by the Union and have denied and continued to deny that they have violated the Collective Bargaining Agreement, the National Labor Relations Act, or any other law, rule or regulation; and

WHEREAS, the Union continues to assert that the proposed modifications were violations of the Collective Bargaining Agreement and the National Labor Relations Act; and

WHEREAS, the Parties to this Agreement desire to resolve and settle in full for the 2026 calendar year, and without litigation or adjudication, all claims, controversies, disputes, demands, and/or contentions and differences related to the Grievance and Charge;

NOW, THEREFORE, the Parties agree as follows:

1. Employee participants in the Administrator Plan will not be responsible for any co-

insurance expenses for medical care, or in-network prescription co-pays provided under the plan in calendar year 2026 and the Institute will promptly make employees whole for any co-insurance expenses or in-network prescription co-pays that may be incurred.

A Health Reimbursement Account (“HRA”), or equivalent, will be established to cover any co-insurance and in-network prescription co-pays and avoid any cost or expense for the covered employee. In the event that a faculty member does have an out-of-pocket expense, they will be reimbursed within thirty (30) calendar days of submitting the required documentation to the 3rd party provider of the HRA or equivalent.

2. For eligible faculty participating in the Administrator Plan and earning an annual salary of sixty-five thousand dollars (\$65,000.00) or less as of the date of this Agreement, the Institute will not reduce its contributions toward the HSA in calendar year 2026. For eligible faculty participating in the Administrator Plan and earning between sixty-five thousand (\$65,000) and one hundred thousand dollars (\$100,000), the Institute will contribute 85% of the deductible into an HSA in calendar year 2026. For eligible faculty participating in the Administrator Plan and earning above one hundred thousand dollars (\$100,000), the Institute will contribute 80% of the deductible into an HSA in calendar year 2026. The Institute will deposit the difference between the above dollar percentages and the initial January 2026 HSA contributions within fifteen (15) calendar days of the ratification of this Agreement.

3. The Institute will proceed with the modifications to the Administrator Plan for calendar year 2026 as noted above, except for the conditions noted in paragraphs 1 and 2.

4. The Institute intends to separately convene an advisory committee in 2026 to review employee benefits in the context of Institute finances, and recommend possible savings. The committee will be comprised of representatives from each bargaining unit as well as non-union employee groups. Part-time faculty participating on the committee will be compensated at a rate of \$75.00 per hour. Full-time faculty participating on the committee, if their participation in the committee exceeds 15 hours of service, will be compensated with the equivalent release time or at a rate of \$75.00 per hour. The committee will not be considered bargaining, nor alleviate the respective rights and obligations of the Institute and the respective unions under the CBAs and/or any bargaining obligations under the NLRA.

5. The Union will put its grievance and Demand for Arbitration in AAA Case No. 01-25-0004-0695 in abeyance.

6. The Union will seek to defer its Charge filed with the NLRB (No. 29-CA-373915), consistent with the terms of this Agreement.

7. This Agreement does not constitute an admission with respect to the position taken by either of the parties hereto and shall not set a precedent and shall not be introduced, cited, or referred to by either party except to enforce its terms.

8. The parties’ CBA will be the enforcement mechanism of this Agreement, under the grievance and arbitration procedure.

PRATT INSTITUTE

By 

Date: 2/27/26

LOCAL 1460,  
UNITED FEDERATION OF COLLEGE  
TEACHERS

By 

Date: 24 February 2026

By 

Date: 2-24-2026

By 

Date: 2/24/26

By 

Date: 2/25/2026