

Management Proposal

Bargaining Unit: 2

Date: June 11, 2021

Exclusive Representative: CASE

Time: 10:49 pm

MOU Proposals:

Section 5.1	Salaries	Agree w/ UP 6/11 @ 905 pm
Section 5.5	Bilingual Differential Pay	State's Prop 6/8
Section 5.13	Improving Access to HC \$260	Agree ties w/ 5.1, 16.1 delete
Section 7.6	Informal Discussion	Agree w/ UP 6/11/2021
Section 7.7	Formal Grievance – Step 1	Agree w/ UP 6/11/2021
Section 9.1	Vacation Leave	Agree w/ UP 6/11/2021
Section 9.11	Annual Leave Program	Agree w/ UP 6/11/2021
Section 9.19	PLP 2020 Program	Agree w/ UP 6/11/2021
Section 9.xx	Voluntary PLP	Agree w/ UP 6/11/2021
Section 11.1	CoBen Program	Agree w/ UP 6/11 @ 535
Section 12.3	Commute Program	State's Prop 6/8
Section 14.3	Retirement 1 st Tier	State's Prop 6/8
Section 15.7	Salary Survey	State's Prop 6/11 @ 319 pm
Section 15.9	Classification Consolidation	State Prop 6/11 @ 501 pm V2
Section 15.10	W/C Judge II Classification	State's Prop 6/11 422 pm
Section 16.1	Term	Agree w/ UP 6/11 @ 535
Section 19.1	Prefunding OPEB	State's Prop 6/8
Attachment A	Salary Schedule	State's Prop 6/8

Any provision of the May Revise COVID-19 Recession side letter not listed above is considered completed.

Any provision of the 2019-2020 MOU not listed above is considered that neither the State or CASE is proposing any changes and therefore is considered to be rolled over to the new MOU.

Kristine Rodrigues

Kristine M. Rodrigues DATE
Assistant Deputy Director
CalHR Labor Relations Division

Patrick Whalen 6/11/21 @ 10:45p

Pat Whalen DATE
Chief Negotiator, CASE

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Bargaining Unit: 2

Date: June ~~8~~11, 2021

Exclusive Representative: CASE

Time:

5.1 Salaries

- A. ~~Effective the pay period following ratification, all CASE represented employees shall receive a General Salary Increase (GSI) of 5%.~~
- B. ~~Effective July 1, 2017, all CASE represented employees shall receive a General Salary Increase (GSI) of 5%.~~
- C. ~~Effective July 1, 2018, all CASE represented employees shall receive a General Salary Increase (GSI) of 4%.~~

A. General Salary Increases (GSI)

Effective the first day of the pay period following ratification by both parties, all bargaining unit 2 employees shall receive a ~~4.04%~~ 4.55% salary increase. This salary increase includes ~~0.04%~~ 0.05% to account for the compounding of the two below increases:

- The GSI originally negotiated with an effective date of July 1, 2022 of 2.50%; and
- A new ~~1.5%~~ 2.00% GSI.

~~Effective July 1, 2022, all bargaining unit 2 employees shall receive a 2.0% GSI salary increase.~~

B. Special Salary Adjustments (SSA)

1. In addition to the GSI provided in Section A above, effective the first day of the pay period following ratification by both parties, employees in bargaining unit 2 shall receive a 1.33% SSA.
2. In addition to the GSI provided in Section A above, effective the first day of the pay period following ratification by both parties, but no earlier than August 1, 2021, the minimum and maximum of ranges A and B of the following classifications shall be increased by 15%. Employees in following classification in ranges A and B shall receive a 15% SSA:
 - a. 5539 Real Estate Counsel I Ranges A/B
 - b. 5730 – Deputy Attorney General Ranges A/B
 - c. 5753 – Deputy Legislative Counsel Ranges A/B

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- d. 5778 – Attorney Ranges A/B
- e. 5779 – Deputy Attorney, Caltrans Ranges A/B
- f. 5798 – Legal Counsel Ranges A/B
- g. 6110 – Fair Employment and Housing Counsel Ranges A/B
- h. 6185 – Fair Political Practices Commission Counsel Ranges A/B
- i. 6186- Fair Political Practices Commission Counsel Enforcement Ranges A/B
- j. Tax Counsel Ranges A/B

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5.5 Bilingual Differential Pay

Bilingual Differential Pay applies to those positions designated by the Department of Human Resources as eligible to receive bilingual pay according to the following standards:

A. Definition of bilingual positions for Bilingual Differential Pay

1. A bilingual position for salary differential purposes requires the use of a bilingual skill on a continuing basis averaging ten percent (10%) of the time. Anyone using their bilingual skills ten percent (10%) or more of the time will be eligible whether they are using them in a conversational, interpretation, or translation setting. In order to receive bilingual differential pay, the position/employee must be certified by the using department and approved by the Department of Human Resources. (Time should be an average of the time spent on bilingual activities during a given fiscal year.)
2. The position must be in a work setting that requires the use of bilingual skills to meet the needs of the public in either:
 - a) A direct public contact position;
 - b) A hospital or institutional setting dealing with patient or inmate needs;
 - c) A position utilized to perform interpretation, translation, or specialized bilingual activities for the department and its clients.
3. Position(s) must be in a setting where there is a demonstrated client or correspondence flow where bilingual skills are clearly needed.
4. Where organizationally feasible, departments should ensure that positions clearly meet the standards by centralizing the bilingual responsibility in as few positions as possible.
5. Actual time spent conversing or interpreting in a second language and closely related activities performed directly in conjunction with the specific bilingual transaction will count toward the ten percent (10%) standard.

B. Rate

1. An employee meeting the bilingual differential pay criteria during the entire monthly pay period would receive a maximum ~~one~~ two hundred dollars (\$~~100~~ \$200) per monthly pay period, including holidays.

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2. A monthly employee meeting the bilingual differential pay criteria less than the entire pay period would receive the differential on a pro rata basis.
 3. A fractional month employee meeting the bilingual differential pay criteria would receive the differential on a pro rata basis.
 4. An employee paid by the hour meeting the bilingual differential pay criteria would receive a differential of ~~fifty-eight cents (\$0.58)~~ \$1.15 per hour.
 5. An employee paid by the day meeting the bilingual differential pay criteria would receive a differential of ~~four dollars and sixty-one cents (\$4.61)~~ \$9.23 per day.
- C. Employees, regardless of the time base or tenure, who use their bilingual skills more than ten percent (10%) of the time on a continuing basis and are approved by the Department of Human Resources will receive the bilingual differential pay on a regular basis.
- D. Bilingual differential payments will become earnings and subject to contributions to the California Public Employees' Retirement System (CalPERS), OASDI, levies, garnishments, Federal and State taxes.
- E. Employees working in positions which qualify for regular bilingual differential pay as authorized by the Department of Human Resources may receive the appropriate pay during periods of paid time off and absences (e.g., sick leave, vacation, holidays, etc.).
- F. Employees will be eligible to receive the bilingual differential payments on the date the Department of Human Resources approves the departmental pay request. The effective date shall be retroactive to the date of appointment, not to exceed one (1) year, and may be retroactive up to two (2) years, to a position requiring bilingual skills when the appointment documentation has been delayed. The effective date for bilingual pay differential shall coincide with the date qualified employees begin using their bilingual skills on a continuing basis averaging ten percent (10%) of the time, consistent with the other provisions of this section.
- G. Bilingual salary payments will be included in the calculation of lump sum vacation, sick leave and extra hour payments to employees terminating their State service appointment while on bilingual status.
- H. Qualifying employees in Work Week Group 2 shall receive bilingual salary compensation for overtime hours worked.
- I. Employees receiving regular bilingual differential pay will have their transfer rights determined from the maximum step of the salary range for their class. Incumbents receiving bilingual pay will have the same transfer opportunities that other class incumbents are provided.

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- J. The bilingual differential pay shall be included in the rate used to calculate temporary disability, industrial disability and non-industrial disability leave benefits.

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~~5.13 Improving Affordability and Access to Healthcare~~

- ~~A. All CASE represented employees enrolled in a CalPERS health plan will continue to receive a monthly payment of \$260, regardless of party code enrollment.~~
- ~~B. This payment shall not be considered as "compensation" for the purposes of retirement and will cease to be paid, once the Personal Leave Program 2020 is eliminated, or no later than June 30, 2022.~~
- ~~C. This section not grievable beyond step 3 of the grievance process, and as a result is not arbitrable.~~

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Date: June 8, 2021

Exclusive Representative: CASE

Article: 7.6

Subject: Informal Discussion

An employee grievance initially shall be discussed with the employee's immediate supervisor. Within ~~seven (7)~~ **fourteen (14)** calendar days, the immediate supervisor shall give his/her decision or response.

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Date: June 118, 2021

Exclusive Representative: CASE

Article: 7.7

Subject: Formal Grievance - Step 1

- A. If an informal grievance is not resolved to the satisfaction of the grievant, a formal grievance may be filed no later than:
1. ~~Thirty (30) Twenty-one (21)~~ calendar days after the employee can reasonably be expected to have known of the event occasioning the grievance;
 2. ~~Twenty-one (21) Fourteen (14)~~ calendar days after receipt of the decision rendered in the informal grievance procedure.
- B. However, if the informal grievance procedure is not initiated within the period specified in Item (1) above, the period in which to bring the grievance shall not be extended by Item (2) above.
- C. A formal grievance shall be initiated in writing on a form provided by the State and shall be filed with a designated supervisor or manager identified by each department head as the first level of appeal.
- D. Within ~~fourteen (14)~~ **thirty (30)** calendar days after receipt of the formal grievance, the person designated by the department head as the first level of appeal shall respond in writing to the grievance.
- E. No contract interpretation or grievance settlement made at this stage of the grievance procedure shall be considered precedential.

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Date: June 11~~8~~, 2021

Exclusive Representative: CASE

Time:

9.1 Vacation Leave

- A. Employees shall not be entitled to vacation leave credit for the first six (6) months of service. On the first day of the monthly pay period following completion of six (6) qualifying monthly pay periods of continuous service, all full-time employees covered by this Section shall receive a one-time vacation bonus of forty-two (42) hours of vacation credit. Part-time employees shall be allowed, on a pro-rata basis, the fractional part of the bonus vacation credit. Thereafter, for each additional qualifying monthly pay period, full-time employees shall be allowed credit for vacation with pay on the first day of the following monthly pay periods as follows:

7 months to 3 years	7 hours per month
37 months to 10 years	10 hours per month
121 months to 15 years	12 hours per month
181 months to 20 years	13 hours per month
Over 20 years	14 hours per month

An employee who returns to State service after an absence of six (6) months or longer, caused by a permanent separation, shall receive a one-time vacation bonus on the first monthly pay period following completion of six (6) qualifying pay periods of continuous service in accordance with the employee's total State service before and after the absence.

- B. A full-time employee who has eleven (11) or more working days of service in a monthly pay period shall receive vacation leave credits as set forth under Subsection a., above. Absences from State service resulting from a temporary or permanent separation for more than eleven (11) consecutive working days which fall into two (2) consecutive qualifying pay periods shall disqualify the second pay period.

C. Part-Time Employees

For each additional qualifying monthly pay period, the employee shall be allowed credit for Vacation with pay on the first day of the following monthly pay period as follows:

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**CHART FOR COMPUTING VACATION, SICK LEAVE, AND HOLIDAY CREDITS
FOR ALL FRACTIONAL TIME BASE EMPLOYEES SUPERCEDES ACCRUAL
RATES IN MANAGEMENT MEMORANDUM 84-20-1**

TIME BASE	HOURS OF MONTHLY VACATION CREDIT PER VACATION GROUP							HOURS OF MONTHLY SICK LEAVE AND HOLIDAY CREDIT
	7	10	11	12	13	14	15	
1/5	1.40	2.00	2.20	2.40	2.60	2.80	3.00	1.60
2/5	2.80	4.00	4.40	4.80	5.20	5.60	6.00	3.20
3/5	4.20	6.00	6.60	7.20	7.80	8.40	9.00	4.80
4/5	5.60	8.00	8.80	9.60	10.40	11.20	12.00	6.40
1/8	0.88	1.25	1.38	1.50	1.63	1.75	1.88	1.00
1/4	1.75	2.50	2.75	3.00	3.25	3.50	3.75	2.00
3/8	2.63	3.75	4.13	4.50	4.88	5.25	5.63	3.00
1/2	3.50	5.00	5.50	6.00	6.50	7.00	7.50	4.00
5/8	4.38	6.25	6.88	7.50	8.13	8.75	9.38	5.00
3/4	5.25	7.50	8.25	9.00	9.75	10.50	11.25	6.00
7/8	6.13	8.75	9.63	10.50	11.38	12.25	13.13	7.00
1/10	0.70	1.00	1.10	1.20	1.30	1.40	1.50	0.80
3/10	2.10	3.00	3.30	3.60	3.90	4.20	4.50	2.40
7/10	4.90	7.00	7.70	8.40	9.10	9.80	10.50	5.60
9/10	6.30	9.00	9.90	10.80	11.70	12.60	13.50	7.20

D. Permanent Intermittent (PI) Employees

A PI employee will be eligible for vacation leave credit with pay on the first day of the following qualifying monthly pay period following completion of nine hundred sixty (960) hours of compensated work. Thereafter, a PI employee will be eligible for vacation credit with pay in accordance with the schedule in Article 9, Section 9.1(A), on the first day of the qualifying monthly pay period following completion of each period of one hundred sixty (160) hours of paid employment. The hours in excess of one hundred sixty (160) hours in a qualifying monthly pay period shall not be counted or accumulated.

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When it is determined that there is a lack of work for an intermittent employee, a department head or designee may:

1. Pay the employee in a lump sum payment for accumulated vacation leave credits; or
 2. Schedule the employee for vacation leave; or
 3. Allow the employee to retain his/her vacation credits, or
 4. Effect a combination of (1), (2), or (3) above.
- E. If an employee does not use all of the vacation that the employee has accrued in a calendar year, the employee may carry over his/her accrued vacation credits to the following calendar year to a maximum of six hundred forty (640) hours. A department head or designee may permit an employee to carry over more than six hundred forty (640) hours of accrued vacation leave hours if an employee was unable to reduce his/her accrued hours because the employee was:
1. Required to work as a result of fire, flood, or other extensive emergency;
 2. Assigned work of a priority or critical nature over an extended period of time;
 3. Absent on full salary for compensable injury;
 4. Prevented by department regulations from taking vacation until December 31 because of sick leave; or
 5. On jury duty; or,
 6. Prevented by the department head or designee from utilizing accrued vacation.
- F. It is the employee's responsibility to utilize all vacation hours in excess of the six hundred forty (640) hour cap by the end of each calendar year unless otherwise prevented from doing so as enumerated in subsection D (1-6) above. Whenever an employee's vacation accumulation exceeds six hundred forty (640) hours, the department head or designee has the right to order the employee to submit a vacation request which will demonstrate how and when the employee plans to use any hours which will exceed the cap by the end of the calendar year. If the employee does not use the time as planned for reasons other than those listed above, the department head or designee may then order the employee to take the excess time at the convenience of the department.

The 640 cap shall be increased by 192 hours which is the equivalent number of Personal Leave Program (PLP) 2020 hours employees received ~~have been~~ subjected to until June 30, 2024. ~~2023~~. 2025.

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- G. Upon termination from State employment, the employee shall be paid for accrued vacation credits for all accrued vacation time.
- H. Vacation requests must be submitted in accordance with departmental policies on this subject. Vacation shall be taken as agreed by the employee and the department head or designee. Requests for vacation may be denied for operational needs. However, when two or more employees on the same shift (if applicable in a work unit (as defined by each department head or designee) request the same vacation leave time and approval cannot be given to all employees requesting it, employees shall be granted their preferred vacation leave period in order of State seniority.
- I. If an employee's failure to take a vacation for an extended period of time adversely affects his/her work performance, the employee may be required to take vacation leave.
- J. Each department head or designee will make every effort to act on vacation requests in a timely manner.
- K. Vacations will be cancelled only when operational needs require it.
- L. For WWG 2 employees, vacation leave credits may be used in thirty (30) minute increments, except that fractional vacation leave credits may be used where/when accumulated.

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9.11 Annual Leave Program

- A. Employees may elect to enroll in the annual leave program to receive annual leave credit in lieu of vacation and sick leave credits. Employees enrolled in the annual leave program may elect to enroll in the vacation and sick leave program at any time except that once an employee elects to enroll in either the annual leave program or vacation and sick leave program, the employee may not elect to enroll in the other program until twenty four (24) months has elapsed from date of enrollment.

- B. Each full-time employee shall receive credit for annual leave in lieu of the vacation and sick leave credits of this agreement in accordance with the following schedule:

1 month to 3 years	11 hours per month
37 months to 10 years	14 hours per month
121 months to 15 years	16 hours per month
181 months to 20 years	17 hours per month
241 months and over	18 hours per month

Employees shall have the continued use of any sick leave accrued as of the effective date of this Agreement, in accordance with applicable laws, rules, or memorandum of understanding.

Part-time employees shall accrue proportional Annual Leave credits, in accordance with the chart shown below:

TIME BASE	HOURS OF MONTHLY CREDIT PER ANNUAL LEAVE GROUP				
	11	14	16	17	18
9/10	9.90	12.60	14.40	15.30	16.20
7/10	7.70	9.80	11.20	11.90	12.60
3/10	3.30	4.20	4.80	5.10	5.40
1/10	1.10	1.40	1.60	1.70	1.80
7/8	9.63	12.25	14.00	14.88	15.75
3/4	8.25	10.50	12.00	12.75	13.50

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TIME BASE	HOURS OF MONTHLY CREDIT PER ANNUAL LEAVE GROUP				
	11	14	16	17	18
5/8	6.88	8.75	10.00	10.63	11.25
1/2	5.50	7.00	8.00	8.50	9.00
3/8	4.13	5.25	6.00	6.38	6.75
1/4	2.75	3.50	4.00	4.25	4.50
1/8	1.38	1.75	2.00	2.13	2.25

A PI employee will be eligible for annual leave credit with pay in accordance with the schedule in section B above, on the first day of the qualifying monthly pay period following completion of each period of one hundred sixty (160) hours of paid employment. The hours in excess of one hundred sixty (160) hours in a qualifying monthly pay period shall not be counted or accumulated. When it is determined that there is a lack of work, a department head or designee may;

- a. Pay the PI employee in a lump-sum payment for accumulated annual leave credits; or
- b. By mutual agreement, schedule the PI employee for annual leave; or
- c. Allow the PI employee to retain his/her annual leave credits; or
- d. Effect a combination of a, b, or c, above.

All provisions necessary for the administration of this Section shall be provided by CALHR rule or memorandum of understanding.

- C. A full-time employee who has eleven (11) or more working days of service in a monthly pay period shall earn annual leave credits as set forth in CALHR Rules 599.608 and 599.609. Absences from State service resulting from a temporary or permanent separation for more than eleven (11) consecutive days which fall into two (2) consecutive qualifying pay periods shall disqualify the second pay period.
- D. Employees who work in multiple positions may participate in annual leave, provided an election is made while employed in an eligible position subject to these provisions. Annual leave accrual for employees in multiple positions will be computed by combining all positions, as in vacation leave, provided the result does not exceed the amount earnable in full-time employment, and the rate of accrual shall be determined by the schedule which applies to the position or collective bargaining status under which the election was made.
- E. If an employee does not use all of the annual leave that the employee has accrued in a calendar year, the employee may carry over his/her accrued annual leave credits to the following calendar year to a maximum of six hundred forty

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(640) hours. A department head or designee may permit an employee to carry over more than six hundred forty (640) hours of accrued hours because the employee: (1) was required to work as a result of fire, flood, or other extensive emergency; (2) was assigned work of a priority or critical nature over an extended period of time; (3) was absent on full salary for compensable injury; (4) was prevented by department regulations from taking annual leave until December 31 because of sick leave; or (5) was on jury duty.

The 640 cap shall be increased by 192 hours which is the equivalent number of Personal Leave Program (PLP) 2020 hours employees received have been subjected to until June 30, 2024. 2023. 2025.

- F. Upon termination from State employment, the employee shall be paid for accrued annual leave credits for all accrued annual leave time.
- G. The time when annual leave shall be taken by the employee shall be determined by the department head or designee. If on January 1 of each year an employee's annual leave bank exceeds the cap in Subsection e., the department may order the employee to take annual leave.
- H. Annual leave requests must be submitted in accordance with departmental policies on this subject. However, when two or more employees on the same shift (if applicable) in a work unit (as defined by each department head or designee) request the same annual leave time and approval cannot be given to all employees requesting it, employees shall be granted their preferred annual leave period in order of State seniority.
- I. Each department head or designee will make every effort to act on annual leave requests in a timely manner.
- J. Annual leave that is used for purposes of sick leave is subject to the requirements set forth in section 9.3, Sick Leave, of this agreement.
- K. The Enhanced Non-Industrial Disability Insurance (ENDI) in Section 11.7 applies only to those in the annual leave program described above in this Section.
- L. Employees who are currently subject to vacation and sick leave provisions may elect to enroll in the annual leave program at any time after twenty four (24) months has elapsed from date of last enrollment. The effective date of the election shall be the first day of the pay period in which the election is received by the appointing power. Once enrolled in annual leave, an employee shall become entitled to an enhanced NDI benefit (50 percent of gross salary).

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9.19 Personal Leave Program – 2020

Effective with the first day of the July 1, 2020 pay period through the June 2022 pay period, subject to the triggers found in the reopener section of this contract, employees will be subject to the Personal Leave Program 2020 (PLP 2020) for 2 days or 16 hours per month (9.23% reduction) in the manner outlined below. PLP 2020 shall have no cash value and may not be cashed out except upon separation from employment.

- A. Each full-time employee shall continue to work their assigned work schedule and shall have a reduction in pay equal to 9.23%
- B. Each full-time employee shall be credited with 16 hours of PLP 2020 on the first day of each pay period for the duration of the PLP 2020 program.
- C. Salary rates and salary ranges shall remain unchanged.
- D. Employees will be given discretion to use PLP 2020 subject to operational considerations.
 - 1. Where feasible, employees should use the leave in the pay period it was earned. and it should be used before any other leave.
 - 2. Employees may elect to use PLP 2020 in lieu of approved sick leave.
 - 3. PLP 2020 shall be requested and used by the employee in the same manner as vacation/annual leave.
 - 4. Subject to the above, requests for use of PLP 2020 leave must be submitted in accordance with departmental policies on vacation/annual leave.
 - 5. The hours earned under PLP2020 shall not have an expiration date.
- E. All leave earned under PLP 2020 should be used prior to voluntary separation. Appointing powers may schedule employees to take PLP 2020 time off to meet the intent of this section
- F. Time during which an employee is excused from work because of PLP 2020 leave shall not be considered as "time worked" for purposes of determining the number of hours worked in a work week for the purposes of overtime.

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- G. A State employee shall be entitled to the same level of State employer contributions for health, vision, dental, flex-elect cash option, and enhanced survivor's benefits they would have received had the PLP 2020 not occurred.
- H. PLP 2020 shall not cause a break in State service, nor a reduction in the employee's accumulation of service credit for the purposes of seniority and retirement. PLP 2020 does not affect other leave accumulations, or service towards a merit salary adjustment.
- I. PLP 2020 shall neither affect the employee's final compensation used in calculating State retirement benefits; nor reduce the level of State death or disability benefits to supplement those benefits with paid leave; nor affect the rate at which accrued leave is paid upon separation.
- J. The PLP 2020 reductions shall not affect transfer determinations between state civil service classifications.
- K. The PLP reduction shall not change the full time status of any full time employee.
- L. Part-time employees shall be subject to the same conditions as stated above, on a pro-rated basis. Pro-ration shall be determined based on the employee's time base consistent with the chart in Article 8.1K.
- M. PLP 2020 for permanent intermittent employees shall be pro-rated based upon the number of hours worked in the monthly pay period, pursuant to the chart in Section P below.
- N. PLP 2020 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.
- O. Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from PLP 2020 for that month.
- P. Seasonal and temporary employees are not subject to PLP 2020.
- Q. All Permanent Intermittent employees shall be subject to the pro-ration of salary and PLP 2020 credits pursuant to the chart below:

Hours Worked During	
0-10.9	1
11-30.9	2
31-50.9	4
51-70.9	6
71-90.9	8
91-110.9	10
111-130.9	12

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Hours Worked During	
131-150.9	14
151 over	16

- R. BU2 members shall be allowed to participate in the Voluntary Personal Leave Program (VPLP) as defined in Section VPLP 9 new, beginning the first pay period following the cessation of PLP 2020
- S. Disputes regarding the denial of the use of PLP 2020 time may be appealed through the grievance procedure. The decision by the Department of Human Resources shall be final and there may be no further appeals.

9.19 A PLP 2020

Effective the first day of the pay period following ratification by both parties, the Personal Leave Program 2020 (PLP 2020) will end. This will result in the elimination of the 9.23% reduction of employees' pay. Employees will no longer receive PLP 2020 leave credits effective the first day of the pay period following ratification. Provisions related to the use and compensability of PLP 2020 leave credits will remain unchanged.

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Bargaining Unit: 2

Date: June 8, 2021

Exclusive Representative: CASE

Time: Subject:

9.XX Voluntary Leave Program

- a. Each full-time employee choosing to participate in the Voluntary Personal Leave Program (VPLP) shall continue to work his or her assigned work schedule and shall have a reduction in pay equal to 4.62% (one day), 9.23% (two days), or 13.85% (three days). In exchange that the corresponding credits of 8 hours, 16 hours, or 24 hours of leave will be credited to the employee's VPLP balance.
- b. An employee may accumulate no more than two hundred forty (240) hours of voluntary personal leave. When an employee reaches two hundred (240) hours of personal leave, they shall be removed from the Voluntary PLP.
- c. When an employee is removed from the Voluntary PLP, they may not participate for a minimum of twelve (12) months and they are not eligible to re-enroll until their balance is reduced to a maximum of one hundred twenty (120) hours.
- d. VPLP shall be requested and used by the employee in the same manner as vacation or annual leave. Requests to use personal leave must be submitted in accordance with departmental policies on vacation and annual leave balances pursuant to Article 9 (Leaves) and Sections 9.1 (Vacation Leave) and 9.11 (Annual Leave).
- e. At the discretion of the State, all or a portion of unused personal leave credits may be cashed out at the employee's salary rate at the time the personal leave payment is made. It is understood by both parties that the application of this cash out provision may differ from department to department and from employee to employee. Upon separation from State employment, the employee shall be paid for unused personal leave credits in the same manner as vacation or annual leave. Cash out or lump sum payment for any Personal Leave credits shall not be considered as "compensation" for purposes of retirement. If funds become available, as determined by the Department of Finance, for the Personal Leave program, departments will offer employees the opportunity to cash out accrued personal leave. Upon retirement/separation, the cash value of the employee's personal leave balance may be transferred into a State of California, Department of Human Resources Defined Contribution plans as permitted.
- f. An employee may not use any kind of paid leave such as sick leave, vacation, or holiday time to avoid a reduction in pay resulting from the Voluntary Personal Leave Program.
- g. A State employee in the Voluntary Personal Leave Program shall be entitled to the same level of State employer contributions for health, vision, dental, flex-elect cash option, and enhanced survivor's benefits he or she would have received had the Personal Leave program not occurred.

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- h. The Voluntary Personal Leave Program shall not cause a break in State service, a reduction in the employee's accumulation of service credit for the purposes of seniority and retirement, leave accumulation, or a merit salary adjustment.
- i. The Voluntary Personal Leave Program shall neither affect the employee's final compensation used in calculating State retirement benefits nor reduce the level of State death or disability benefits the employee would otherwise receive or be entitled to receive nor shall it affect the employee's ability to supplement those benefits with paid leave.
- j. Part-time employees shall be subject to the same conditions as stated above, on a prorated basis.
- k. The Voluntary Personal Leave Program for intermittent employees shall be prorated based upon the number of hours worked in the monthly pay period.
- l. The Voluntary Personal Leave Program shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.
- m. Employees on EIDL, NDI, ENDI, SDI, IDL or Worker's Compensation for the entire monthly pay period shall be excluded from the Voluntary Personal Leave Program for that month.

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Management Union Proposal

Bargaining Unit: 2

Date: June 11XX, 2021

Exclusive Representative: CASE

Time:

11.1 Consolidated Benefits (CoBen) Program Description

A. CoBen Allowance

1. Effective on the first day of the pay period following Union ratification of this agreement and upon approval of funding by the Legislature (no retroactivity), the State agrees to continue paying the following contribution rates established on January 1, 2020, for the Consolidated Benefits (CoBen) Allowance. The allowance is based on the Health Benefit party codes in a health plan administered or approved by CalPERS. To be eligible for this contribution, an employee must positively enroll in a health plan administered or approved by CalPERS and/or a dental plan administered or approved by CalHR.
 - a) The State shall contribute \$655 per month for coverage of an eligible employee. (Party code one)
 - b) The State shall contribute \$1,298 per month for coverage of an eligible employee plus one dependent. (Party code two)
 - c) The State shall contribute \$1,689 per month for coverage of an eligible employee plus two or more dependents. (Party code three)
2. The employer health benefits contribution for each employee shall be a flat dollar amount equal to 80 percent of the weighted average of the Basic health benefit plan premiums for a State active civil service employee enrolled for self-alone, during the benefit year to which the formula is applied, for the four Basic health benefit plans that had the largest State active civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional flat dollar amount equal to 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four Basic health benefit plans that had the largest State active civil service enrollment, excluding family members, during the previous benefit year. The established flat dollar amounts shall be increased or decreased as appropriate pursuant to the formulas above on January 1, 2021, ~~and~~ and 2022, and 2023.

~~If, at the sole discretion of the Director of Finance, the scheduled 2.5% GSI cannot be paid on July 1 2022 because of insufficient state revenues and is suspended until January 1, 2023, the flat dollar amount will also be increased or decreased pursuant to the formula in this section on January 1, 2023.~~

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The established dollar amount(s) shall not be increased or decreased in subsequent years without a negotiated agreement by both parties. When an employee is appointed to a new position or class that results in a change in eligibility for the composite rate, the effective date of the change shall be the first of the month following the date the notification is received by the State Controller's Office if the notice is received by the tenth of the month.

3. Enrollment Options

Employees will be permitted to choose a different level of benefit coverage according to their personal needs, and the State's allowance amount will depend on an employee's selection of coverage and number of enrolled dependents. The State agrees to provide the following CoBen benefits:

- a) If the employee is enrolled in both a health plan administered or approved by CalPERS and a dental plan administered or approved by CalHR, the health benefit enrollment party code will determine the allowance amount.
- b) If the employee declines a health benefit plan which is administered or approved by CalPERS and certifies that he/she has qualifying group health coverage as defined by CalHR from another source, the employee's dental benefit enrollment party code will determine the amount of the contribution.
- c) If the employee elects not to enroll in a health plan administered or approved by CalPERS and in a dental plan administered or approved by CalHR and certifies that he/she has qualifying group health coverage and dental coverage as defined by CalHR from other sources the employee may enroll in the CoBen Cash Option program during the open enrollment period or as newly eligible to receive \$155 in taxable cash per month. Cash will not be paid in lieu of vision benefits and employees may not disenroll from vision coverage. Employees do not pay an administrative fee.
- d) If the employee elects not to enroll in a health plan administered or approved by CalPERS and certifies that he/she has qualifying group health coverage as defined by CalHR from another source, but enrolls in a dental plan administered or approved by CalHR, the employee may enroll in the CoBen Cash Option program during the open enrollment period or as newly eligible to receive \$130 per month. (The State will pay the premium cost of the dental plan and vision plan.) Cash will not be paid in lieu of dental benefits only or vision benefits, and employees may not disenroll from vision coverage. Employees do not pay an administrative fee.

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- e) Permanent Intermittent (PI) employees shall be eligible to participate in the CoBen Cash Option and receive a six-month cash payment for the first control period of each plan year if they certify having qualifying group health or health and dental coverage as defined by CalHR from another source and meet all of the following criteria:
- (1) must be eligible to enroll in health or health and dental coverage as of January 1 of the Plan Year for which they are enrolling and;
 - (2) must have a PI appointment that is effective from January 1 through June 30 of the Plan Year for which they are enrolling and;
 - (3) must be credited for at least four hundred eighty (480) paid hours during the January through June control period of the Plan Year for which they are enrolling and;
 - (4) must have submitted the enrollment form during the CoBen open enrollment period or as newly eligible.
This subdivision is not grievable or arbitrable.
- f) If the monthly cost of any of the State's benefit plans (health, dental and vision) in amount as set forth in subsection A.1.a., b. or c, or A.2., above, the employee shall pay the difference on a pre-tax basis. If there is money left over after the cost of these benefits is deducted, the remaining amount will be paid to the employee as taxable cash.

B. Health Benefits Eligibility

1. Employee Eligibility

For purposes of this section, "eligible employee" shall be defined by the Public Employees' Medical and Hospital Care Act.

2. Permanent Intermittent (PI) Employees

- a) Initial Eligibility – A permanent intermittent employee will be eligible to enroll in health benefits if the employee has been credited with a minimum of 480 paid hours in a PI control period. For purposes of this section, the control periods are January 1 through June 30 and July 1 through December 31 of each calendar year. An eligible permanent intermittent employee must enroll in a health benefit plan within 60 calendar days from the end of the qualifying control period.
- b) Continuing Eligibility – To continue health benefits, a permanent intermittent employee must be credited with a minimum of 480 paid hours

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in a control period or 960 paid hours in two consecutive control periods.

3. Family Member Eligibility

For purposes of this section, "eligible family member" shall be defined by the Public Employees' Medical and Hospital Care Act.

4. The parties agree to work cooperatively with CalPERS and the health plans to control premium increases.

C. Dental Benefits

1. Contribution

The employer contribution for dental benefits shall be included in the Consolidated Benefits Allowance as specified in subsection A.1 and A.2 of this agreement.

2. Employee Eligibility

Employee eligibility for dental benefits will be the same as that prescribed for health benefits under subsection B.1. and B.2 of this agreement.

3. Family Member Eligibility

Family member eligibility for dental benefits is the same as that prescribed for health benefits under subsection A.2 and B.3 of this agreement.

D. Vision Benefit

1. Program Description

The employer agrees to provide a vision benefit to eligible employees and dependents. The employer contribution rates for the vision benefit shall be included in the Consolidated Benefits Allowance as specified in subsection A.1 and A.2. The vision benefit provided by the State shall have an employee copayment of \$10 for the comprehensive annual eye examination and \$25 for materials.

2. Employee Eligibility

Employee eligibility for vision benefits is the same as that prescribed for health benefits under subsection B.1 and B.2 of this agreement.

3. Family Member Eligibility

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Family member eligibility for vision benefits is the same as that prescribed for health benefits under subsection A.2 and B.3 of this agreement.

E. FlexElect Program

1. Program Description

The State agrees to provide a flexible benefits program (FlexElect) under Internal Revenue Code Section 125 and related Sections 105(b), 129, and 213(d). All participants in the FlexElect Program shall be subject to all applicable state and federal laws and any related administrative provisions adopted by CalHR. The administrative fee paid by participants will be determined each year by CalHR.

2. Employee Eligibility

To be eligible to enroll in the FlexElect Medical Reimbursement Account and the Dependent Care Reimbursement Account, employees must have a permanent appointment with a time-base of half time or more and have permanent status, or if in a limited term or a temporary authorized (TAU) position, must have mandatory return rights to a permanent position (not Permanent intermittent). Permanent intermittent employees are not eligible for the FlexElect Medical Reimbursement Account or the Dependent Care Reimbursement Account.

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Date: June 8, 2021

Exclusive Representative: CASE

Time:

Section 12.3 Commute Programs

A. Mass Transit

Employees working in areas served by mass transit, including rail, bus, or other commercial transportation licensed for public conveyance shall be eligible for a seventy five percent (75%) discount on public transit passes sold by State agencies up to a maximum of one hundred sixty five dollars (~~\$100 65~~) per month. Employees who purchase public transit passes on their own shall be eligible for a seventy five percent (75%) reimbursement up to a maximum of one hundred sixty five dollars (~~\$100 65~~) per month. This shall not be considered compensation for purposes of retirement contributions. The State may establish and implement procedures and eligibility criteria for the administration of this benefit including required receipts and certification of expenses.

The increase in rates identified above are effective first of the pay period following ratification by both parties.

B. Vanpool

Employees riding in vanpools shall be eligible for a seventy five percent (75%) reimbursement of the monthly fee up to a maximum of one hundred sixty five dollars (~~\$100 65~~) per month. In lieu of the van pool rider reimbursement, the State shall provide one hundred thirty-five dollars (~~\$135 400~~) per month to each State employee who is the primary vanpool driver and meets the eligibility criteria and complies with program procedures as developed by the State for primary vanpool drivers. This shall not be considered compensation for purposes of retirement contributions. ~~A vanpool is defined as a group of five (5) or more people who commute together in a vehicle (State or non-State) specifically designed to carry an appropriate number of passengers. A vanpool must, at a minimum, meet the definition of a "commuter highway vehicle" in Internal Revenue Code section 132 (f), including seating capacity requirements.~~ The State may establish and implement procedures and eligibility criteria for the administration of this benefit.

The increase in rates identified above are effective first of the pay period following ratification by both parties.

C. Mass Transit and Vanpool

Employees headquartered out of State shall receive reimbursement for qualified public transportation and vanpool expenses for seventy five percent (75%) of the cost up to a maximum of one hundred sixty five dollars (~~\$100 65~~) per month or in the case of the primary vanpool driver, the one hundred thirty-five dollars (~~\$135 400~~) per month rate. The appointing power may establish and implement procedures regarding the certification of expenses.

The increase in rates identified above are effective first of the pay period following ratification by both parties.

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14.3 First Tier A Retirement Formula (2% at age 55), First Tier B Retirement Formula (2% at age 60) and Public Employees' Pension Reform Act (PEPRA) Retirement Formula (2% at age 62)

- A. First Tier members first employed by the State prior to January 15, 2011, are subject to the First Tier A retirement formula.
- B. First Tier retirement members first employed by the state on or after January 15, 2011, and prior to January 1, 2013, are subject to the First Tier B Retirement Formula. The First Tier B Retirement Formula does not apply to:
 - 1. Former state employees who return to state employment on or after January 15, 2011.
 - 2. State employees hired prior to January 15, 2011, who were subject to the Alternate Retirement Program (ARP).
 - 3. State employees on approved leave of absence prior to January 15, 2011, who return to active employment on or after January 15, 2011.
 - 4. Persons who are already members or annuitants of the California Public Employees' Retirement System (CalPERS) as state employees prior to January 15, 2011.

The above categories are subject to the First Tier A retirement formula.

- C. Employees who are brought into CalPERS membership for the first time on or after January 1, 2013 and who are not eligible for reciprocity with another California public employer as provided in Government Code Section 7522.02(c) shall be subject to the "PEPRA Retirement Formula." As such, the PEPRA changes to retirement formulas and pensionable compensation caps apply only to new CalPERS members subject to PEPRA as defined under PEPRA.
- D. First Tier Retirement Formulas

The table below lists the First Tier age/benefit factors for First Tier A, First Tier B, and PEPRA First Tier retirement formulas.

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Age at Retirement	First Tier A Formula (2% at age 55) G.C. 21354.1 Employees hired prior to January 15, 2011	First Tier B Formula (2% at age 60) G.C. 21353 Employees first hired on and after January 15, 2011 and prior to January 1, 2013	PEPRA Formula (2% at age 62) G.C. 7522.20 Employees eligible for CalPERS Membership for the first time on and after January 1, 2013
50	1.100	1.092	N/A
51	1.280	1.156	N/A
52	1.460	1.224	1.000
53	1.640	1.296	1.100
54	1.820	1.376	1.200
55	2.000	1.460	1.300
56	2.064	1.552	1.400
57	2.126	1.650	1.500
58	2.188	1.758	1.600
59	2.250	1.874	1.700
60	2.314	2.000	1.800
61	2.376	2.134	1.900
62	2.438	2.272	2.000
63	2.500	2.418	2.100
64	2.500	2.418	2.200
65	2.500	2.418	2.300
66	2.500	2.418	2.400
67	2.500	2.418	2.500

The factors for attained quarter ages, such as 52 $\frac{3}{4}$, will be included in CalPERS law. The retirement quarter age benefit factors will apply for service rendered on and after the effective date of the memorandum of understanding between the State and the Union. The quarter factors will also apply to past service that is credited under the First Tier A, First Tier B, and the PEPRA First Tier formulas.

E. Employee Retirement Contribution

1. As stated in Government Code Section 20677.5, Bargaining Unit 2 miscellaneous and industrial members in the First Tier retirement or the ARP,

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subject to social security, shall contribute nine percent (9%) of monthly compensation in excess of \$513 for retirement.

2. As stated in Government Code Section 20677.5, Bargaining Unit 2 miscellaneous and industrial members in the First Tier retirement or the ARP plan not subject to social security shall contribute ten percent (10%) of monthly compensation in excess of \$317 for retirement.
3. Effective July 1, 2022, Bargaining Unit 2 miscellaneous members in the First Tier retirement or the ARP, subject to social security, shall contribute eight and one half percent (8.5%) in excess of \$513 for retirement, and Bargaining Unit 2 miscellaneous members in the First Tier retirement or the ARP, plan not subject to social security, shall contribute nine and one-half percent (9.5%) of monthly compensation in excess of \$317 for retirement.
4. Effective July 1, 2023, the employee contribution rates described in 14.3(E)(1), 14.3(E)(2), or 14.3(E)(3) shall only be adjusted if CalPERS determines the total normal cost rate increases or decreases by more than 1 percent of payroll above or below the total normal cost rate, rounded to the nearest quarter of 1 percent, is greater or lesser than employee contribution rate described in 14.3(E)(1), 14.3(E)(2), or 14.3(E)(3). Each year thereafter, it shall only be adjusted if CalPERS determines the total normal cost rate increases or decreases by more than 1 percent of payroll above or below the total normal cost rate in effect at the time the employee contribution rate was last adjusted. Furthermore, the increase or decrease to the employee contribution in any given fiscal year shall not exceed 1 percent per year. Employee contributions will continue to be a percentage of pensionable compensation in excess of \$513 for retirement if subject to social security or in excess of \$317 for retirement if not subject to social security.

F. Final Compensation

Final compensation for an employee who is employed by the State for the first time and becomes a member of CalPERS prior to July 1, 2006, is based on the highest average monthly pay rate during twelve (12) consecutive months of employment.

Final compensation for an employee who is employed by the State for the first time and becomes a member of CalPERS on or after July 1, 2006, is based on the highest average monthly pay rate during thirty-six (36) consecutive months of employment.

State Safety A Retirement Formula (2.5% at age 55), State Safety B Formula (2% at age 55), and PEPR State Safety Formula (2% at age 57)

- A. State Safety members first employed by the State prior to January 15, 2011, are subject to the State Safety A Retirement Formula.

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B. State Safety retirement members first employed by the State on or after January 15, 2011, and prior to January 1, 2013, are subject to the State Safety B Retirement Formula. The State Safety B Retirement Formula does not apply to:

1. Former State employees who return to state employment on or after January 15, 2011.
2. State employees hired prior to January 15, 2011, who were subject to the ARP.
3. State employees on approved leave of absence prior to January 15, 2011, who return to active employment on or after January 15, 2011.
4. Persons who are already members or annuitants of the California Public Employees' Retirement System as state employees prior to January 15, 2011.

The above categories are subject to the State Safety A Retirement Formula.

C. Employees who are brought into CalPERS membership for the first time on or after January 1, 2013, and who are not eligible for reciprocity with another California public employer as provided in Government Code Section 7522.02(c), shall be subject to the "PEPRA Retirement Formula." As such the PEPRA changes to retirement formulas and pensionable compensation caps apply only to new CalPERS members subject to PEPRA as defined under PEPRA.

D. The table below lists the State Safety age/benefit factors for State Safety A, State Safety B, and PEPRA State Safety retirement formulas.

Age at Retirement	State Safety A Formula (2.5% at age 55) G.C. 21369.1 Employees hired prior to January 15, 2011	State Safety B Formula (2% at age 55) G.C. 21369 Employees first hired on and after January 15, 2011, and prior to January 1, 2013	PEPRA State Safety Formula (2% at age 57) G.C. 7522.25(b) Employees eligible for CalPERS Membership for the first time on and after January 1, 2013
50	1.7000	1.426	1.426
51	1.8000	1.522	1.508
52	1.9000	1.628	1.590
53	2.0000	1.742	1.672
54	2.2500	1.866	1.754
55 and over	2.5000	2.000	1.836

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Age at Retirement	State Safety A Formula (2.5% at age 55) G.C. 21369.1 Employees hired prior to January 15, 2011	State Safety B Formula (2% at age 55) G.C. 21369 Employees first hired on and after January 15, 2011, and prior to January 1, 2013	PEPRA State Safety Formula (2% at age 57) G.C. 7522.25(b) Employees eligible for CalPERS Membership for the first time on and after January 1, 2013
56	N/A	N/A	1.918
57 and over	N/A	N/A	2.000

E. The factors for attained quarter ages, such as 52 ³/₄, will be included as stated in CalPERS law. The retirement quarter age benefit factors will apply for service rendered on and after the effective date of the memorandum of understanding between the State and the Union. The quarter factors will also apply to past service that is credited under the State Safety A, State Safety B, and PEPRA State Safety retirement formulas.

F. Employee Retirement Contribution

1. As stated in Government Code Section 20683.2, effective July 1, 2013, State Safety members shall contribute an additional one percent (1%) to retirement. Accordingly, State Safety members shall contribute eleven percent (11%) of monthly pensionable compensation in excess of \$317 for retirement

2. Effective Jul 1 2020 the employee contribution rates described in 14.3 (F)(1) for State Safety A, State Safety B, and PEPRA State Safety retirement formulas shall be increased by 0.5 percent (0.5%). State Safety members shall contribute eleven and one half percent (11.5%) of pensionable compensation in excess of \$317 for retirement.

3. Effective July 1, 2023, the employee contribution rates described in 14.3(F)(2) shall only be adjusted if CalPERS determines the total normal cost rate increases or decreases by more than 1 percent of payroll above or below the total normal cost rate, rounded to the nearest quarter of 1 percent, is greater or lesser than employee contribution rate described in 14.3(F)(2). Each year thereafter, it shall only be adjusted if CalPERS determines the total normal cost rate increases or decreases by more than 1 percent of payroll above or below the total normal cost rate in effect at the time the employee contribution rate was last adjusted. Furthermore, the increase to the employee contribution in any given fiscal year shall not exceed 1 percent per year. Employee contributions will continue to be a percentage of pensionable compensation in excess of \$317 for retirement.

G. Final Compensation

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Final compensation for an employee who is employed by the State for the first time and becomes a member of CalPERS prior to July 1, 2006, is based on the highest average monthly pay rate during twelve (12) consecutive months of employment.

Final compensation for an employee who is employed by the State for the first time and becomes a member of CalPERS on or after July 1, 2006, is based on the highest average monthly pay rate during thirty-six (36) consecutive months of employment.

Second-Tier Retirement Plan

Unit 2 members may participate in the Second-Tier retirement plan as prescribed by Government Code Section 21070.5.

- A. Second Tier members first employed by the State and subject to CalPERS membership prior to January 1, 2013, are subject to the Pre-PEPRA Second Tier retirement formula.
- B. Employees who are brought into CalPERS membership for the first time on or after January 1, 2013, and who are not eligible for reciprocity with another California public employer as provided in Government Code Section 7522.02(c), shall be subject to the "PEPRA Retirement Formula." As such, the PEPRA changes to retirement formulas and pensionable compensation caps apply only to new CalPERS members subject to PEPRA as defined under PEPRA.
- C. The table below lists the Second Tier age/benefit factors for the Pre-PEPRA and PEPRA retirement formulas.

Age at Retirement	Pre-PEPRA Formula (1.25% at age 65) Employees first hired and subject to CalPERS membership prior to January 1, 2013	PEPRA Formula (1.25% at age 67) Employees eligible for CalPERS Membership for the first time on and after January 1, 2013
50	0.5000	N/A
51	0.5500	N/A
52	0.6000	0.6500
53	0.6500	0.6900
54	0.7000	0.7300
55	0.7500	0.7700
56	0.8000	0.8100
57	0.8500	0.8500
58	0.9000	0.8900

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Age at Retirement	Pre-PEPRA Formula (1.25% at age 65) Employees first hired and subject to CalPERS membership prior to January 1, 2013	PEPRA Formula (1.25% at age 67) Employees eligible for CalPERS Membership for the first time on and after January 1, 2013
59	0.9500	0.9300
60	1.0000	0.9700
61	1.0500	1.0100
62	1.1000	1.0500
63	1.1500	1.0900
64	1.2000	1.1300
65	1.2500	1.1700
66	1.2500	1.2100
67	1.2500	1.2500

D. Employee Retirement Contribution

As stated in Government Code Section 20683.2, effective July 1, 2013, Second Tier members, including ARP members, shall contribute one and one-half percent (1.5%) of monthly pensionable compensation for retirement, and will increase by 1.5% points annually. The first annual increase in the contribution rate shall be adjusted as appropriate to reach fifty percent (50%) of normal cost.

E. Final Compensation

Final Compensation for an employee, who is employed by the State for the first time and becomes a member of CalPERS prior to January 15, 2011, is based on the highest average monthly pay rate during twelve (12) consecutive months of employment.

Final Compensation for an employee, who is employed by the State for the first time and becomes a member of CalPERS on or after January 15, 2011, is based on the highest average monthly pay rate during thirty-six (36) consecutive months of employment.

Public Employees' Pension Reform Act of 2013 (PEPRA)

A. PEPRA Definition of "Pensionable Compensation"

Retirement benefit for employees subject to PEPRA are based upon the highest average pensionable compensation during a thirty-six (36) month period. Pensionable compensation shall not exceed the applicable percentage of the contribution and benefit base specified in Title 42 of the United State Code

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Section 430 (b). The 2019 limits are \$124,180 for members subject to Social Security and \$149,016 for members not subject to Social Security. The limit shall be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers.

B. Alternate Retirement Program – New Employees

Employees first hired on or after July 1, 2013 shall not be subject to the ARP. Existing ARP members are required to complete the twenty-four (24) month enrollment period. Upon completion of the twenty-four (24) month period, the employee shall make contributions to CalPERS. ARP members shall continue to be eligible for payout options beginning the first day of the 47th month of employment and ending on the last day of the 49th month of employment following his or her initial ARP hire date.

C. Equal Sharing of Normal Cost

As stated in Government Code Sections 7522.30 and 20683.2, equal sharing between the State employer and State employees of the normal cost of the defined benefit plans shall be the standard for all plans and employees. It shall be the standard that all employees pay at least fifty percent (50%) of the normal cost and the State employer shall not pay any of the required employee contributions. "Normal cost" is determined annually by CalPERS.

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Bargaining Unit: 2

Date: June 8, 2021

Exclusive Representative: CASE

Time:

15.7 Salary Survey

In ~~January 2020~~, September 2021, the parties will meet to explore the components and methodology for conducting a salary survey. Nothing in this section shall require the State to modify their existing total compensation methodology.

~~The parties understand that due to the recent release of the total compensation survey and the one year duration of this contract, the state shall not conduct a total compensation survey during the term of this agreement.~~

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Date: June 11, 2021

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Time:

~~15.9 Salary Gap and statewide legal professional classification issues:~~

~~CASE and the State agree that no later than six (6) months prior to the expiration of this Memorandum of Understanding, the parties will commence negotiations on a successor MOU, with the intent of developing a joint economic proposal for the successor MOU, designed to significantly reduce the pay disparity, if economically feasible as determined by the State, for CASE members in comparison to other public sector legal professionals. The parties intend to incorporate the reclassification of the various departmental legal professional classifications to statewide service classifications and will endeavor to include corresponding salary adjustments.~~

15.9 Classification Consolidations

A. Consolidation of Administrative Law Judges (ALJ)

No later than six months after ratification by both parties, the state will present to the State Personnel Board (SPB) a proposal to consolidate a majority of the ALJ I and ALJ II classifications, including judge classifications titled other than ALJ I/II into one statewide ALJ classification. This proposal includes a collapse of the ALJ Level I and Level II and other represented judge level I/II classifications into one deep class concept.

If any represented classification cannot be reclassified into the new consolidated classification, as identified above, a deep class concept will occur unless prevented by statute or any applicable laws, rules, and regulations.

Within one month after the ratification by both parties, CalHR will begin meeting with CASE to discuss in detail the proposal and timeline of activities.

B. Elimination of Attorney Range A/B

No later than 12 months after ratification by both parties, the state will present to the SPB a proposal to eliminate the current Range A/B of all attorney (entry level) classifications. This will reduce the current four ranges to two ranges with the entry, minimum salary of the class be equivalent to the minimum salary of Range C.

C. Consolidation (reduction) of Attorney classifications

KR 6/11/2021 11:12pm

PW 6/11/21 @ 11:02pm

BU

Management Proposal

No later than 18 months after ratification by both parties, the state will present to the SPB a proposal to collapse or reduce a majority of the Attorney classifications into one statewide classification.

At the same time, the state will also present to SPB a proposal to collapse or reduce a majority of the Attorney III classifications into one statewide Attorney III classification.

Simultaneously, the state will also present to SPB a proposal to collapse or reduce a majority of the Attorney IV classifications into one Attorney IV statewide classification.

Within one month after the ratification by both parties, CalHR will begin meeting with CASE to discuss in detail the proposal, and timeline of activities.

KR 6/11/2021 11:12pm

PW 6/11/21 @ 11:02pm

Management Proposal

Bargaining Unit: 2

Date: June 11, 2021

Exclusive Representative: CASE

Time:

15.10 Workers' Compensation Judge II Classification

The California Department of Human Resources (CalHR) agrees to prepare a classification proposal to create a Workers' Compensation Judge II class and revisions to the existing Workers' Compensation Judge I specifications to be submitted, no later than June 18, 2021 ~~within 6 months of the ratification of this agreement~~, to the State Personnel Board upon completion for the Board's review and approval. CalHR shall prepare and disseminate a pay letter no later than July 2, 2021. The Department of Industrial Relations shall perform a job analysis, create and administer an exam, and develop a WCJ II certification list no later than end of calendar year 2021. There is no additional funding in this contract for the establishment of these positions.

KR 6/11/2021 11:12pm

PW 6/11/21 @ 11:02pm

Management Union Proposal

Bargaining Unit: 2

Date: June 118, 2021

Exclusive Representative: CASE

Time:

16.1 Contract Term

The State and CASE agree the term of this agreement will be from ~~July 2, 2019~~ July 1, 2021 through June 30, 2022. ~~July 1, 2020~~ ~~June 30, 2023.~~

KR 6/11/2021 11:12pm

PW 6/11/21 @ 11:02 pm

Management Proposal

BU 2

June 8, 2021

ARTICLE 19 — RETIREE HEALTH AND DENTAL BENEFITS

19.1 Prefunding of Post-retirement Health Benefits

The State and Bargaining Unit 2 hereby agree to share in the responsibility toward the prefunding of post-retirement health benefits for members of Bargaining Unit 2; and, agree that the foregoing concepts will be implemented as a means to begin to offset the future financial liability for health benefits for retired members.

- A. Beginning July 1, 2017, the State and Bargaining Unit 2 will prefund retiree health care, with the goal of reaching a 50 percent cost sharing of actuarially determined total normal costs for both employer and employees by July 1, 2019. The amount of employee and matching employer contributions required to prefund retiree healthcare shall increase by the following percentages of pensionable compensation:
1. July 1, 2017: by 0.7 percent.
 2. July 1, 2018: by 0.6 percent, for a total of 1.3 percent.
 3. July 1, 2019: by 0.7 percent, for a total of 2.0 percent.
- B. Notwithstanding Government Code Sections 22940, 22942, 22943, 22944, 22944.2, 22944.3, and 22944.5, the employees' monthly contribution for prefunding other post-employment benefits for the 2020-21 ~~and 2021-22~~ fiscal years, as described in paragraph A, is suspended and shall not be withheld from employees' salaries beginning on the first day of the pay period following ratification, ~~and ending on June 30, 2022~~. The employer's monthly contribution for prefunding other post-employment benefits will continue in the 2020-21 ~~and 2021-22~~ fiscal years, as described in paragraph A.

Notwithstanding Government Code Sections 22940, 22942, 22943, 22944, 22944.2, 22944.3, and 22944.5, the employees' monthly contribution of two percent (2%) for prefunding other post-employment benefits, as described in section 19.1 (A) will resume and shall be withheld from employees' salaries beginning the first day of the pay period following ratification by both parties.

C. Employees Subject to Other Post Employment Benefit (OPEB) Prefunding

All bargaining unit members who are eligible for health benefits must contribute, including permanent intermittent employees. Bargaining unit members whose appointment tenure and/or time base make them ineligible for health benefits, such as: seasonal, temporary, and employees whose time base is less than half time, do not contribute. Bargaining unit members not subject to OPEB prefunding shall begin contributing upon attaining eligibility for health benefits. New hires and employees transferring into Bargaining Unit 2 shall begin contributing immediately, unless they are not subject, as set forth above.

D. Withholding of Contributions

KR 6/11/2021 11:12pm

PW 6/11/21 @ 11:02pm

Management Proposal

BU 2

June 8, 2021

Contributions shall be withheld from employee salary on a pre-tax basis, except for employees receiving disability benefits that require contributions to be withheld post-tax as determined by the State Controller's Office.

- E. Contributions will be deposited in a designated state subaccount for BU 2 of the Annuitant's Health Care Coverage Fund for the purpose of providing retiree health and dental benefits to state annuitants and dependents associated with BU 2. As defined in Government Code Section 22940, a designated state subaccount is a "separate account maintained within the fund to identify prefunding contributions and assets attributable to a specified state collective bargaining unit or other state entity for the purpose of providing benefits to state annuitants and dependents associated with a specified collective bargaining unit or other state entity."
- F. Contributions paid pursuant to this Agreement shall not be recoverable under any circumstances to an employee or his/her beneficiary or survivor.
- G. The costs of administering payroll deductions and asset management shall be deducted from the contributions and/or account balance.
- H. The parties agree to support any legislation necessary to facilitate and implement prefunding of retiree health care obligations.

KR 6/11/2021 11:12pm

PW 6/11/21 @ 11:02pm

Management Proposal

Bargaining Unit: 2

Date: June 8, 2021

Exclusive Representative: CASE

Time:

Attachment A – Salary Schedule

~~(to be provided at a later date)~~

PW 6/11/21 @ 11:02 pm

KR 6/11/2021 11:12 pm