

**ARTICLE 2  
TERM**

**2.1 Term**

- a. The terms of this contract shall go into effect on July 1, 2020 and shall remain in full force and effect through and including July 1, 2022.
- ~~b. PECG reserves the right to reopen negotiations after March 1, 2020, by giving the State written notice.~~
- b. If other Bargaining Units receive increases in items in these sections of the MOU, the same increases shall be provided to Unit 9 employees:

**3.4 Bilingual Differential**

**4.3 NDI**

**4.4 Enhanced NDI**

**4.12 Rural Subsidy Program**

**7.1 Business and Travel Expense**

**7.2 Commute Program**

**7.6 Overtime Meals**

  
Matt Hanson (Jun 18, 2020 23:22 PDT)

Jun 18, 2020

  
Candace M. W. Hyatt (Jun 18, 2020 22:56 PDT)

Jun 18, 2020

**ARTICLE 3**  
**SALARIES AND COMPENSATION**


**3.3 Professional Qualification Compensation**


a. Licensing Examinations – Fees and Time Off

1. Upon successful completion of any portion of the examination for the licenses listed below, the State shall reimburse Unit 9 employees for all fees and charges required to apply for and participate in the examination for the following professional licenses: Engineer, Architect, Landscape Architect, Land Surveyor, Engineer-in-Training, LSIT, Geologist-in-Training, Engineering Geologist, ~~and Geologist, and Geophysicist~~. The State shall also reimburse Unit 9 employees for their renewal fees for the above licenses provided, however, the State shall not reimburse employees for late fees (or penalties) due to untimely renewal.
2. Unit 9 employees ~~The State~~ shall accrue credit eight (8) hours of compensating time off upon successful completion of the examination needed to obtain one of the licenses listed in 1. above. ~~to compensate for that portion of the exam taken on the employee's normal day off.~~
3. If an employee is scheduled to take an examination for one of the licenses listed in 1. above during his/her work day, the employee will be granted paid State release time to take the examination upon presentation of proof that the employee is scheduled for the examination. Such release time is limited to the time required for the exam and includes reasonable travel time to and from the nearest examination site, not to exceed the normal work shift on the exam day.

b. Professional Society and Organization Dues

Unit 9 employees ~~who have an active license in the field in which they are employed shall, regardless of whether the license is required as a condition of employment for their classification (or range within a classification),~~ be reimbursed for dues paid to one or more job-related professional society societies or organization organizations. Said reimbursement shall not exceed one hundred (\$100) per fiscal year provided, however, the State shall not reimburse employees for late fees or penalties due to untimely renewal of their membership.

  
Matt Hanson (Jun 18, 2020 23:22 PDT)  
Jun 18, 2020

  
Candace M. W. Hyatt (Jun 18, 2020 22:56 PDT)  
Jun 18, 2020

# STATE COUNTER PROPOSAL

## BU 9/PECG

### Article 3 – Salaries and Compensation

#### Section 3.26 – Salaries

~~All Unit 9 employees shall receive a General Salary Increase (GSI) of 4.5% effective July 1, 2018.~~

~~All Unit 9 employees shall receive a General Salary Increase (GSI) of 4% effective July 1, 2019.~~

All Unit 9 employees shall receive a General Salary Increase (GSI) of 3% effective July 1, 2022.



Matt Hanson (Jun 18, 2020 23:22 PDT)

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Candace M. W. Hyatt (Jun 18, 2020 22:56 PDT)

Jun 18, 2020

## STATE COUNTER PROPOSAL #2

### BU 9/PECG

#### Article 5 – Leaves

##### Section – 5.4 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 42 hours of vacation credit. Thereafter, 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:


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
20 years and over	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 earn vacation credits as set forth under Subsection A., above. Temporary or permanent separation for more than eleven (11) consecutive working days which fall into two consecutive qualifying pay periods shall disqualify the second pay period.
- C. Employees working less than full-time accrue vacation in accordance with the following schedule.

#### 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							•SL/HOL•
	7	10	11	12	13	14	15	8
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

  
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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

**• HOURS OF MONTHLY SICK LEAVE AND HOLIDAY CREDIT**


D. 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 640 hours. A department head or designee may permit an employee to carry over more than 640 hours of accrued vacation leave hours if an employee was unable to reduce his/her 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 vacation until December 31 because of sick leave; or
5. Was on jury duty; or,
6. Was prevented by the department head or designee from utilizing accrued vacation.

It is the employee's responsibility to utilize all vacation hours in excess of the 640 hour cap by the end of each calendar year unless otherwise prevented from doing so as enumerated in paragraph D(1-6) above. Whenever an employee's vacation accumulation exceeds 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 submit a plan or fails to use the time as planned for reasons other than those listed above, the department head or designee may then order the employee to take excess time at the convenience of the department.

The 640 hour cap shall be increased by the equivalent number of Personal Leave Program (PLP) 2020 hours BU 9 employees have been subject to until June 30, 2025.

- E. Upon termination from State employment, the employee shall be paid for accrued vacation credits for all accrued vacation time.
- F. Employees shall request to take vacation. The department head or designee shall approve the request unless there is an operational need to deny the request.
- G. Vacation requests must be submitted in accordance with departmental policies on this subject. When two or more employees ask for the same vacation time and the department head or designee cannot approve all the employees' requests, approval shall be granted in chronological order of legitimate request, consistent with equity for all affected bargaining unit employees.
- H. Each department head or designee will make every effort to act on vacation requests in a timely manner.
- I. Vacations will be canceled only when operational needs require it.
- J. Unit 9 employees are authorized to use existing fractional vacation hours that may have been accumulated.
- K. Vacation leave credits may be used in thirty (30) (effective October 31, 2002, fifteen (15)) minute increments.

  
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## STATE COUNTER PROPOSAL #2

### BU 9/PECG

#### Article 5 – Leaves

##### Section – 5.12 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 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
- c. Part-time and hourly employees shall accrue proportional annual leave credits, in accordance with the applicable full time accrual charts. 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.

Time Base	1 months to 3 years	37 months to 10 years	121 months to 15 years	181 months to 20 years	241 months and over
1/10	1.10	1.40	1.60	1.70	1.80
1/8	1.38	1.75	2.00	2.13	2.25
1/5	2.20	2.80	3.20	3.40	3.60
1/4	2.75	3.50	4.00	4.25	4.50
3/10	3.30	4.20	4.80	5.10	5.40
3/8	4.13	5.25	6.00	6.38	6.75
2/5	4.40	5.60	6.40	6.80	7.20
1/2	5.50	7.00	8.00	8.50	9.00
3/5	6.60	8.40	9.60	10.20	10.80
5/8	6.88	8.75	10.00	10.63	11.25
7/10	7.70	9.80	11.20	11.90	12.60

3/4	8.25	10.50	12.00	12.75	13.50
4/5	8.80	11.20	12.80	13.60	14.40
7/8	9.63	12.25	14.00	14.88	15.75
9/10	9.90	12.60	14.40	15.30	16.20

An hourly employee will be eligible for annual leave credit with pay in accordance with the applicable full-time accrual chart 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.

- d. All provisions necessary for the administration of this Section shall be provided by CalHR rule or Memorandum of Understanding.
- e. A full-time employee who has 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 11 consecutive days which fall into two consecutive qualifying pay periods shall disqualify the second pay period.
- f. 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.
- g. 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 640 hours. A department head or designee may permit an employee to carry over more than 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 hour cap shall be increased by the equivalent number of Personal Leave Program (PLP) 2020 hours BU 9 employees have been subject to until June 30, 2025.

- h. Upon termination from State employment, the employee shall be paid for accrued annual leave credits for all accrued annual leave time.
- i. 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 (g), the department may order the employee to take annual leave.

- j. Annual leave request 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.
- k. Each department head or designee will make every effort to act on annual leave requests in a timely manner.
- l. Annual leave that is used for purposes of sick leave is subject to the requirements set forth in section 5.1, Sick Leave, of this Agreement.
- m. The Enhanced Non-Industrial Disability Insurance (ENDI) in Section 4.4, applies only to those in the annual leave program described above in this Section.
- n. Employees who are currently subject to vacation and sick leave provisions may elect to enroll in the annual leave program at any time after 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).



Matt Hanson (Jun 18, 2020 23:22 PDT)

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Candace M. W. Hyatt (Jun 18, 2020 22:56 PDT)


Jun 18, 2020

**ARTICLE 5  
LEAVES**


**5.16 Voluntary Personal 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), 9.24% (two days), or 13.86% (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 5 (Leaves) and Sections 5.4 (Vacation Leave) and 5.12 (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 termination 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 employees 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.

  
Matt Hanson (Jun 18, 2020 23:22 PDT)  
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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, 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 Proposal #2

**Bargaining Unit: 9**

**Date:**

**Exclusive Representative: PEGC**

### Article 5. Leaves

#### **Section 5.22 Personal Leave Program 2020 (NEW)**

Effective with the first day of the pay period following ratification through the June 2022 pay period, employees will be subject to the Personal Leave Program 2020 (PLP 2020) 16 hours per month in the manner outlined below.

- 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. PLP 2020 time must be used before any other leave that may be cashed out upon separation with the exception of Sick 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.
- 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. If an employee is unable to use this leave prior to an employee's separation and the separation date cannot be extended, PLP 2020 shall be cashed out.
- 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.
- 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.

  
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## Management Proposal #2

- 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.
- J. The PLP 2020 reductions shall not affect transfer determinations between state civil service classifications.
- K. 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 in the same manner as Sick Leave.
- L. 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.
- M. PLP 2020 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office.
- N. 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.
- O. Seasonal and temporary employees are not subject to PLP 2020.
- P. All Permanent Intermittent employees shall be subject to the pro-ration of salary and PLP 2020 credits pursuant to the chart below:

<u>Hours Worked During Credit Pay Period</u>	<u>PLP 2020</u>
<u>0-10.9</u>	<u>1</u>
<u>11-30.9</u>	<u>2</u>
<u>31-50.9</u>	<u>4</u>
<u>51-70.9</u>	<u>6</u>
<u>71-90.9</u>	<u>8</u>
<u>91-110.9</u>	<u>10</u>
<u>111-130.9</u>	<u>12</u>
<u>131-150.9</u>	<u>14</u>
<u>151 or over</u>	<u>16</u>

  
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- Q. 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.

  
Matt Hanson (Jun 18, 2020 23:22 PDT)  
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Jun 18, 2020

**ARTICLE 11  
RETIREMENT**

**11.6 State Safety A Retirement Formula (2.5% at age 55), State Safety B Retirement Formula (2% at age 55), and Public Employees’ Pension Reform Act (PEPRA) State Safety Formula (2% at age 57)/Employee Contributions/Final Compensation**

- A. State Safety retirement members first employed by the State prior to January 15, 2011 are subject to the State Safety A retirement formula.
- B. State Safety retirement members first employed by the State on or after January 15, 2011 and prior to January 1, 2013 and qualify for CalPERS membership are subject to the State Safety B Retirement Formulas. 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 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 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 State Safety age/benefit factors for State Safety A, State Safety B, and PEPRA State Safety.

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


E. Employee Retirement Contribution


1. As stated in Government Code Section 20683.2, State Safety members shall contribute an additional one percent (1%) retirement contribution. Effective July 1, 2013, State Safety members shall contribute ten percent (10%) of monthly pensionable compensation in excess of \$317 for retirement.
2. Effective July 1, 2014, State Safety members shall contribute an additional one percent (1%) retirement contribution. State Safety members shall contribute eleven percent (11%) of pensionable compensation in excess of \$317 for retirement.
3. On July 1, 2019, the employee contribution rates described in 11.6(E)(2) for State Safety A, State Safety B, and PEPR State Safety retirement formulas shall remain in effect unless CalPERS determines that (a) the total normal cost rate for the 2016-17 fiscal year has increased by 1 percent, and (b) 50 percent of that normal cost rate, rounded to the nearest quarter of 1 percent, is greater than the employee contribution rate described in 11.6(E)(2). If CalPERS determines (a) and (b) above have been met, the employee contribution rate for State Safety A and B members shall be adjusted to 50 percent of the normal cost rate rounded to the nearest quarter of one percent. The increase to the employee contribution shall not exceed 0.5 percent. After June 30, 2020, the employee contribution shall return to ten percent (10%) for E(1) and eleven percent (11%) for E(2). Upon receipt of the next General Salary Increase (GSI) provided for in Article 3.26 of this agreement, the Unit 9 employee contribution rate shall return to the level established by this Section for the 2019-20 fiscal year for a period of one year from the effective date of the GSI.

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 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.

  
 Matt Hanson (Jun 18, 2020 23:22 PDT)  
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**ARTICLE 11  
RETIREMENT**

**11.7 Miscellaneous/Industrial-First Tier Members: First Tier A (2% at age 55), First Tier B (2% at age 60), and (PEPRA) First Tier (2% at age 62) Formulas/ Contribution Rate/Final Compensation Earnable**

- A. First Tier Miscellaneous/Industrial retirement members first employed by the State prior to January 15, 2011 are subject to the First Tier A retirement formula.
- B. First Tier Miscellaneous/Industrial retirement members first employed by the State on or after January 15, 2011 and prior to January 1, 2013 and qualify for CalPERS membership are subject to the First Tier B Retirement Formulas. 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 as state employees prior to January 15, 2011.
  5. 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.

  
Matt Hanson (Jun 18, 2020 23:22 PDT)  
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D. The table below lists the First Tier age/benefit factors for First Tier A, First Tier B, and PEPRA First Tier retirement formulas.

Age at Retirement	First Tier A Formula (2% at age 55)	First Tier B Formula (2% at age 60)	PEPRA Formula (2% at age 62)
	Employees hired prior to January 15, 2011	Employees first hired on and after January 15, 2011 and prior to January 1, 2013	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

#### E. Employee Retirement Contribution

1. As stated in Government Code Section 20682, effective May 16, 2011, miscellaneous and industrial members in the First Tier retirement or the Alternate Retirement Plan (ARP) subject to social security shall contribute eight percent (8%) of monthly compensation in excess of \$513 for retirement.
2. As stated in Government Code Section 20682, effective May 16, 2011, miscellaneous and industrial members in the First Tier retirement or the ARP not subject to social security shall contribute nine percent (9%) of monthly compensation in excess of \$317 for retirement.
3. As stated in Government Code Section 20683.2, industrial members shall pay an additional one percent (1%) employee retirement contribution to retirement. Effective July 1, 2013, industrial members subject to social security shall contribute nine percent (9%) of pensionable compensation in excess of \$513 to retirement. Industrial members not subject to social security shall contribute ten percent (10%) of pensionable compensation in excess of \$317 to retirement.
4. On July 1, 2019, the employee contribution rates described in 11.7(E)(1), 11.7(E)(2), and 11.7(E)(3) for First Tier A, First Tier B, and PEPRA First Tier retirement formulas shall remain in effect unless CalPERS determines that (a) the total normal cost rate for the 2016-17 fiscal year has increased by 1 percent, and (b) 50 percent of that normal cost rate, rounded to the nearest quarter of 1 percent, is greater than the employee contribution rate described in 11.7(E)(1), 11.7(E)(2), or 11.7(E)(3), respectively. If CalPERS determines (a) and (b) above have been met, the employee contribution rate for miscellaneous or industrial members shall be adjusted to 50 percent of the normal cost rate rounded to the nearest quarter of one percent. The increase to the employee contribution shall not exceed 0.5 (five) percent. After June 30, 2020, the employee contribution shall return to 11.7(E)1 (8%), 11.7(E)2 (9%), and 11.7(E)3 (9%) and (10%) respectively. Upon receipt of the next General Salary Increase (GSI) provided for in Article 3.26 of this agreement, the Unit 9 employee contribution rate shall return to the level established by this Section for the 2019-20 fiscal year for a period of one year from the effective date of the GSI.

#### 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 January 15, 2011, is based on the highest average monthly pay rate during twelve (12) consecutive months of employment.

  
Matt Hanson (Jun 18, 2020 23:22 PDT)

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Candace M. W. Hyatt (Jun 18, 2020 22:56 PDT)

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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 on or after January 15, 2011, is based on the highest average monthly pay rate during thirty-six (36) consecutive months of employment.

  
Matt Hanson (Jun 18, 2020 23:22 PDT)

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## STATE COUNTER PROPOSAL #2

### BU 9/PECG

#### Article 26 – Furlough Protection

The state shall not implement a furlough program while BU 9 is subject to the Personal Leave Program (PLP) 2020 ~~or a mandated Personal Leave Program during the two years of this agreement from July 1, 2018 to July 1, 2020.~~

  
Matt Hanson (Jun 18, 2020 23:22 PDT)

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# Management Proposal #2

BU 9

June 2020

## ARTICLE 28 — RETIREE HEALTH BENEFITS

### 28.1 Prefunding of Postretirement Post-Retirement Health Benefits

The State and Bargaining Unit 9 hereby agree to share in the responsibility toward the prefunding of post-retirement health benefits for members of Bargaining Unit 9; 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 9 will prefund retiree healthcare, 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 0.5 percent.
  2. July 1, 2018: by 0.5 percent, for a total of 1.0 percent.
  3. July 1, 2019: by 1.0 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.

#### C.B. 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. ~~The employee prefunding contribution for a permanent intermittent employee shall be based on a ratio comparing their annual scheduled hours of work in comparison to those of a corresponding permanent employee for that position.~~ 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 9 shall begin contributing immediately, unless they are not subject, as set forth above.

#### D.G. Withholding of Contributions

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, in which case contributions will be withheld post-tax. ~~Positive pay employee contributions shall be taken in arrears, based on the prior~~

  
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Candace M. W. Hyatt (Jun 18, 2020 22:56 PDT)

## Management Proposal #2

BU 9

June 2020

~~month's hours worked. Positive pay employees paid semi-monthly, will have the whole month's contributions withheld from the second warrant during each monthly pay period.~~

- ~~1. Employees with a single hourly appointment shall have contributions withheld only up to the amount that would have been deducted had the employee held a full-time appointment.~~
- ~~2. Employees with an appointment subject to OPEB prefunding and an additional appointment in a bargaining unit not subject to OPEB prefunding, shall have contributions withheld only from the appointment subject to OPEB prefunding.~~
- ~~3. Employees with multiple appointments subject to OPEB prefunding shall have contributions computed by combining all subject appointments, provided the results do not exceed the amount earnable in full-time employment, as follows:~~
  - ~~a. Employees with a full-time appointment and an additional appointment (e.g., hourly), shall have contributions withheld from the full-time appointment only.~~
  - ~~b. Employees with multiple part-time or hourly appointments, shall have contributions withheld from any/all appointments, up to the amount that would have been deducted had the employee held a full-time appointment.~~


~~If an employee has multiple hourly appointments, the highest pay rate will be used to compute what the deduction would be if the employee held a full-time appointment at that pay rate. For employees with a part-time and hourly appointment, the deduction amount will be computed based upon the part-time appointment's pay rate.~~


E. Contributions will be deposited in a designated state subaccount for BU 9 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 9. 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.D. Contributions paid pursuant to this agreement shall not be recoverable under any circumstances to an employee or his/her beneficiary or survivor.

G.E. The costs of administering payroll deductions and asset management shall be deducted from the contributions and/or account balance.

H.F. The parties agree to support any legislation necessary to facilitate and implement prefunding of retiree health care obligations.

  
Matt Hanson (Jun 18, 2020 23:22 PDT)  
Jun 18, 2020

  
Candace M. W. Hyatt (Jun 18, 2020 22:56 PDT)  
Jun 18, 2020

## Management Proposal #2

BU 9

June 2020

### ARTICLE 29 — Contract Reopener Language (NEW)

#### 29.1 Contract Reopener Language - Elimination of Pay Decreases and Suspensions

A. Effective the first day of the pay period following ratification through the June 2022 pay period, due to the significant economic impacts of the COVID-19 Recession, in accordance with Section 3517.6 of the Government Code, notwithstanding any other provision of law, the following economic provisions of the existing memorandum of understanding (MOU), which may require the expenditure of funds for increased salaries and wages that were to become effective at any point during the 2020-21 and 2021-22 fiscal year, are hereby suspended:

- The employee share of Prefunding of Postretirement Health Benefits (OPEB) provided for in Article 28.1.
- Article 3.26 Salaries.

B. The remainder of the MOU, including economic terms of the agreement not specifically related to the various pay items listed in paragraph A, such as the amount necessary for the payment of compensation and employee benefits that were in effect prior to the 2020-21 fiscal year, shall continue in full effect, subject to the reductions agreed to in Article 5.22 Personal Leave Program 2020. Notwithstanding any other provisions of law, this MOU represents the only entitlement to payment of compensation and employee benefits.

C. The determination of sufficient funding relative to this section and Article 5.22 Personal Leave Program 2020 shall be at the sole discretion of the Director of the Department of Finance if either of the following circumstances occur:

1. If the Director of the Department of Finance, as a result of appropriate federal legislation providing additional funding to the state to address the impacts of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.
2. If the Director of the Department of Finance, as a result of state revenue becoming sufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the cost of providing the various pay items that have been suspended or reduced as a result of the COVID-19 Recession, elects to restore, at their sole discretion, some or all of the various pay items that have been suspended or reduced.

D. In the event that neither of the circumstances in paragraph C occur and/or the Director of the Department of Finance does determine at their sole discretion that projected state revenues at the 2022-23 May Revision to the Governor's Budget continue to be insufficient to fully fund existing statutory and constitutional obligations, existing fiscal policy, and the costs of providing the aforementioned pay increases to all eligible employees, the July 1, 2022, 3% General Salary Increase (GSI) provided for in Article 3.26 Salaries, shall become effective on July 1, 2023. Determination of funding availability relative to this section shall be at the sole discretion of the Director of the Department of Finance

  
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Candace M. W. Hyatt (Jun 18, 2020 22:56 PDT)

Jun 18, 2020





## Management Proposal #2

BU 9

June 2020

E. No provision of this Article shall be subject to the grievance and arbitration procedure; this Article is specifically not subject to arbitration.

  
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# Management Rollover Proposal

**Bargaining Unit: 9**

**Date:**

**Exclusive Representative: PEGG**

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SIDE LETTER – (AB 119 OF 2017)

SIDE LETTER – ACCESS TO NEW EMPLOYEE ORIENTATION SESSIONS

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SUBJECT INDEX

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