

AGREEMENT REACHED ON NEW UNIT 9 MOU!... ...Pending Approval of the PECG Membership and the Legislature

After several months of negotiations, your PECG Bargaining Team, representing Unit 9 employees, and the CalHR Team, representing the Governor, have reached agreement on a new Memorandum of Understanding (MOU) or contract. To be implemented, the contract must be approved by the Legislature and ratified by a vote of the PECG members in Unit 9.

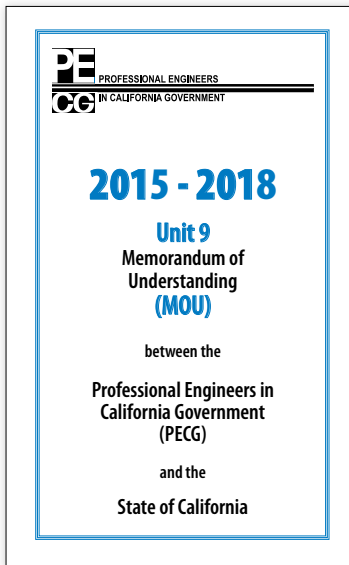
The major elements of the agreement are described in this *Informer*. The actual contract wording is on the PECG website. In the coming weeks, ratification meetings will be held throughout the state to explain the bargaining process and contract provisions and to answer questions from members. If you are a Unit 9 fee payer but not a member and wish to vote on the contract, you can join PECG by filling out a membership application online on the PECG website at www.pecg.org.

Ratification ballots will be mailed to your home and will be available at the ratification meetings. Your PECG Bargaining Team, which consists of Unit 9 employees either elected by you or appointed by the PECG President and Bargaining Chair, recommend approval (ratification) of the new MOU. However, the decision to approve or reject the MOU will be made by you, the Unit 9 PECG members.

The following are the major elements of the new MOU.

Salaries -- In addition to the 3.3% raise you received on July 1, 2015, all employees and pay ranges will receive a **5% increase** on July 1, 2016 and **another 2% increase** on July 1, 2017. As this is written, no other state Bargaining Unit is scheduled to receive a salary increase next July, although three of the other 20 Bargaining Units are currently in contract negotiations.

Term -- The new MOU runs through June 30, 2018, so your PECG Bargaining Team will be back in negotiations during that spring to seek compensation increases for July 1, 2018 and beyond.



Vacation/Annual Leave Cash Out -- The previous contract allowed employees to request a cash out of up to 20 hours of vacation or annual leave per year, depending on department approval. The cash out maximum **will increase to 80 hours**.

Work Shifts -- Two problems were addressed and solved. Some employees are required to work "split shifts", meaning a shift interrupted by a period of time other than the regular meal period. That will no longer be permitted. Also, some employees have seen their work day cut short at the end of the week, if they worked overtime during the week, to restrict them to a total of 40 hours for the week. That will also be

prohibited.

Furlough Protection -- Furloughs will be prohibited during the first two years of the contract and could only occur in the third year if authorized by the Legislature.

Benefits -- The state will continue to pay its share of health plan premiums on the 85%/80% formula, the highest of any state Bargaining Unit. The state will also continue to pay 75% of the dental premium and 100% of the vision care premium.

Moving and Relocation -- Employees at a work location that has been moved by up to 50 miles have not been eligible to receive reimbursement for relocation of their residence. That distance will be decreased to 35 miles.

Shift Differential -- The hourly shift differential of 40 cents (for hours between 6 p.m. and midnight) and 50 cents (midnight to 6 a.m.) increased to 80 cents/\$1.00 on July 1, 2015, and will increase again to **\$1.80/\$2.00** on July 1, 2016.



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PECG HEADQUARTERS

(916) 446-0400
455 Capitol Mall, Suite 501
Sacramento, CA 95814

PECG SAN FRANCISCO

(415) 861-5720
100 Pine Street, Suite 750
San Francisco, CA 94111

FAX

Headquarters (916) 446-0489
Los Angeles (818) 247-2348
San Francisco (415) 861-5360

PECG TOLL FREE NUMBERS

Sacramento (800) 338-1480
Los Angeles (888) 980-7324
San Francisco (800) 924-5575

PECG LOS ANGELES

(818) 500-9941
215 N. Marengo Avenue, Ste 185
Pasadena, CA 91101

PECG INSURANCE INFO

(415) 956-1344

EMAIL

pecg@pecg.org

VISIT PECG ON THE WEB

www.pecg.org

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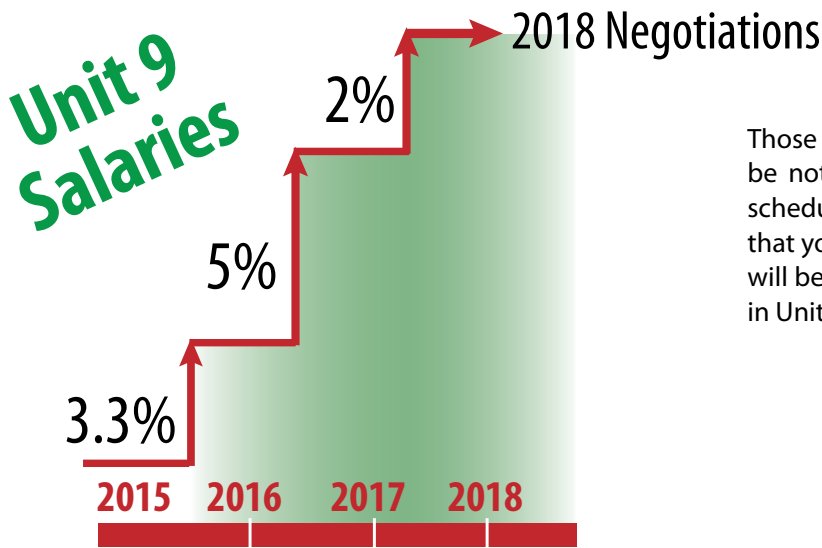
Travel Expenses -- The lodging reimbursement rates for Alameda, San Mateo, and Santa Clara Counties will be increased from \$125 to \$140 effective July 1, 2016. Mileage reimbursement will continue to be based on the federal standard mileage rate.

Membership -- Fair share fee provisions will continue. Members who wish to become fee payers, rather than full members, can do so during the last 30 days of the MOU.

Retiree Health Benefits -- Due to the national clamor for "pension reform" and concerns over "unfunded liabilities", in 2011 employees began paying 3% more toward their pensions (offset by a 3% increase in the salary top step). Now, retiree health plan premiums, which are currently paid on a 100%/90% formula by the state, are also receiving criticism.

Under the new MOU, health plans and state contributions to premiums are not affected. However, on July 1, 2017, employees will begin paying 0.5% of salary (pre-tax) into a fund intended to start reducing the "unfunded liability" for retiree health care. This amount is scheduled to increase to a total of 2% of salary by July 1, 2019, although, as noted above, PEGC will be back in negotiations in early 2018 to address that as well as the other compensation items. The State will match the employee contribution into the fund.

There are two changes for future hires. Current employees become fully vested in the retiree health plan after 20 years, with the state's contribution based on the 100%/90% formula. For employees hired after January 1, 2016, the full vesting will increase to 25 years and the state's contribution when they retire will be based on a lower 80%/80% formula.



Those are the major elements of the new MOU. You will be notified of ratification meetings in your area and the schedule will be posted on the PEGC website. It is important that you vote either before, at, or after the meeting (ballots will be mailed to your home) as a majority of the members in Unit 9 must vote for the contract to be approved.

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