PECG 2020-2022 MOU
Memorandum of Understanding
Frequently Asked Questions

PECG Professional Engineers in California Government

Q&A

Q: I'M NEW TO STATE SERVICE, WHAT'S AN MOU?

A: The PECG MOU is a labor contract that governs the pay, benefits, and working conditions for all Unit 9 (engineers and related) employees of the State of California. As the exclusive representative for Unit 9, PECG's Bargaining Team negotiates the agreement with CalHR (representing the State) on behalf of all Unit 9 employees.

Q: DOES THE MOU INCLUDE A PAY RAISE?

A: Yes, all Unit 9 employees will receive a General Salary Increase (GSI) of 3% on July 1, 2022. The MOU also includes a provision that would allow PECG members to receive the raise earlier should California receive additional federal funding or the fiscal condition of the State improves. This is the largest GSI negotiated with the Newsom Administration. The State also insisted on a provision authorizing the Director of the Department of Finance to postpone this raise for one additional year should the State's fiscal condition not improve by May 2022. This provision has also been required in the other state bargaining unit agreements reached this month.

Q: WHAT HAPPENS TO THE LONGEVITY PAY DIFFERENTIAL?

A: PECG's longevity pay differential remains in place, in its entirety, in the agreement. On July 1, 2020, PECG members with 22 years of experience will receive a pay increase of 1% (for a cumulative 4%), as will those reaching 22 years of experience during the fiscal year. On July 1, 2021, PECG members with 23 years of experience will receive a pay increase of 1.5% (for a cumulative 5.5%), as will those reaching 23 years of experience during the fiscal year. PECG's longevity raises at 20 (2%) and 21 (3%) years will also continue, per the provisions in PECG's 2018-20 MOU.

Q: HOW ABOUT THE GEOGRAPHIC PAY DIFFERENTIAL?

A: The new MOU keeps in place the $250 monthly geographic pay differential provided to Unit 9 employees whose worksites are located in any of five counties — Alameda, Marin, San Francisco, San Mateo, and Santa Clara.

Q: WHAT'S A PERSONAL LEAVE PROGRAM (PLP)?

A: To avoid two unpaid furlough days a month, and to meet the Administration's demand for Unit 9 employee cost savings to close the $54 billion state budget deficit, the MOU requires Unit 9 employees to be subjected to two Personal Leave Program (PLP 2020) days (16 hours per month) for up to two years, which is equal to a temporary 9.23% reduction in pay. PLP 2020 allows employees to take leave when they choose and build their leave balances. If you are not able to use your PLP hours prior to departing State service, the PLP hours will be cashed out. The agreement also includes a provision ending PLP 2020 early should California receive federal funding or the State's budget circumstances improve. PLP 2020 does not change salary ranges and does not affect an employee's final-year compensation used to calculate retirement benefits.

Q: WHAT DOES IT MEAN TO SUSPEND OPEB/CERBT?

A: Per a previous agreement, all Unit 9 employees currently pay 2% per month to prefund health care costs in retirement. The payment appears as OPEB/CERBT (Other Post Employee Benefits/California Employers' Retiree Benefit Trust) on employee pay stubs. Under the new agreement, this 2% monthly payment will be suspended for two years. This will reduce some of the impact of the loss in take home pay resulting from the PLP 2020 program.

Q: WHAT ARE THE CHANGES IN THE VACATION AND ANNUAL LEAVE CAPS?

A: The MOU increases the 640 hour vacation and annual leave caps, until June 30, 2025, by the equivalent number of PLP hours Unit 9 employees are subjected to during the agreement. PLP leave can be used instead of vacation or annual leave, which employees can then bank.

This is a significant benefit of the new agreement because the value of two banked leave days per month is greater than the two days of pay lost under PLP 2020. Why? Because for the next two years, employees will not contribute the 2% OPEB, so the actual monthly loss of pay will be 7.23%. The leave days that the PLP replaces, however, will be banked at full value: 9.23% of salary. Put another way, PLP 2020 allows Unit 9 employees to bank leave at a 22% discount.

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Q: WHAT IS THE IMPACT ON MY TAKE HOME PAY?

A: With this agreement, most Unit 9 employees will see a 6.73% reduction in their current take home pay. The PLP 2020 will result in a loss of 9.23% of salary. But with the suspension of the 2% monthly OPEB payment, and the elimination of a .5% monthly payment to CalPERS that was part of PECG's 2018-20 MOU, the result will be a 6.73% reduction in take home pay. Those receiving a 1% longevity pay increase for 20, 21, and 22 years of State service will see a 5.73% reduction in take home pay.

Q: WHAT'S THE IMPACT ON THOSE WHO PLAN TO RETIRE IN THE NEAR FUTURE?

A: The PECG MOU protects all of the benefits you are counting on prior to retirement. The PLP 2020 does not change Unit 9 salary ranges and it does not affect an employee's final-year compensation used to calculate retirement benefits.

With this agreement, the PECG Bargaining Team also ensured that the Longevity Pay differential will continue, unchanged, over the next two years, allowing members to receive the final-year compensation they were expecting in their retirement planning.

Q: DOES ANYTHING PREVENT ME FROM BEING FURLOUGHED DURING THE AGREEMENT?

A: The agreement protects Unit 9 employees from furloughs while PLP 2020 is in place.

Q: WHAT SHOULD I DO IF I'M SIGNED UP FOR THE VOLUNTARY PERSONAL LEAVE PROGRAM (VPLP)?

A: The answer will be different for every PECG member and depends on how many days of VPLP days you have selected. But if you are currently signed up for two VPLP days, and want to maintain your current take home pay for the July pay period, submit the paperwork to drop your two VPLP days now. By doing so, your two PLP 2020 days will replace the two VPLP days. Interestingly enough, if you do this, your pay will actually go up by 2.5% on July 1 and you will receive leave of the same value. The two VPLP days currently come at a price of 9.23% of salary. Effective July 1, the two PLP days will come at a price of 7.23% of salary. On July 1, Unit 9 employees in the miscellaneous and safety categories will also see a .5% reduction in their contribution to CalPERS, per the 2018-20 MOU.

Final note: The new MOU allows Unit 9 employees to sign up for a third VPLP day if they choose, which is likely to be a more attractive benefit after the end of the PLP 2020.

Q: BESIDES PLP 2020, ARE THERE ANY OTHER PROVISIONS OF THE NEW MOU THAT WILL LOWER MY PAY OR REDUCE THE VALUE OF ANY OF THE OTHER BENEFITS I RECEIVE?

A: No. There are no other concessions within the agreement. Unit 9 employee salary schedules, pensions, health, dental, and vision benefits, leaves and leave accrual, and every other provision of previous MOUs remain in place. Merit Salary Adjustments will continue to be paid per Article 3.2 of the MOU.

Q: ARE THERE ANY OTHER IMPROVED BENEFITS WITHIN THE AGREEMENT?

A: A few, though the State rejected every other PECG proposal that had an economic impact or cost money due to the State budget deficit. But under Article 3.3 (Professional Qualification Compensation), all Unit 9 employees, not just those with licenses, are now eligible for $100 a year to pay dues to one or more job-related professional societies or organizations. Also in Article 3.3, Geologists-in-Training and Geophysicists are added to ensure their exam fees are reimbursed, they are eligible for paid time off to take exams, and receive time off after licensure.

Q: IS THERE ANYTHING ELSE I SHOULD KNOW?

A: Even with the threat of imposed furloughs, it was not easy for the PECG Bargaining Team to be forced to bargain away part of the hard earned salaries of PECG members. However, these are uncertain times. This MOU provides certainty to PECG members by ensuring that our pay levels, pensions, health care, leave accrual, and the many other benefits provided by this and previous agreements will remain in place. The PECG Bargaining Team urges your support for ratification.

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Q: WHAT ABOUT A GOLDEN HANDSHAKE?

A: Many members have requested that PECG seek a Golden Handshake, or an early retirement incentive, for members to help reduce Unit 9 employee costs as demanded by the Newsom Administration in recent negotiations. A Golden Handshake would provide Unit 9 employees additional service credit toward their CalPERS defined benefit pension. In exchange, the employee would retire immediately to reduce State payroll costs.

PECG did make a Golden Handshake proposal at the table. Unfortunately, it was immediately rejected. The State's position was that Golden Handshakes simply do not provide the immediate cost savings needed to address the budget deficit. They also said that Golden Handshakes would not be part of any agreement reached with State bargaining units to reduce employee compensation costs. That has proven to be true.