

HUMAN RESOURCES MEMORANDUM 13-015		DATE ISSUED: August 29, 2013
SUBJECT: Bargaining Unit 12 and 16 Other Post-Employment Benefits (OPEB) Prefunding		REFERENCE: PML-025
TO: Managers, Supervisors, Personnel Liaisons and Attendance Clerks		SUPERCEDES: None

**PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR
BU 12 EMPLOYEES AND THEIR SUPERVISORS**

Purpose

The purpose of this memorandum is to inform Bargaining Unit (BU) 12 staff regarding implementation of the new Other Post-Employment Benefits (OPEB) Prefunding.

Effective

The OPEB prefunding begins effective July 1, 2012.

Background

Agreements were reached in 2010 with Bargaining Unit 12—Craft & Maintenance Employees represented by the International Union of Operating Engineers (IUOE) to begin prefunding of OPEB effective July 1, 2012.

In 2011, side letters modified the agreements specifying that rank and file employees would begin contributing 0.5% of base salary toward prefunding of OPEB effective July 1, 2013.

Deduction Frequency

The pretax deduction will be applied monthly regardless of the employee's pay frequency (e.g., monthly, semi-monthly, bi-weekly) and printed on the statement of earnings under deductions as BU 12 CERBT.

Negative Pay Employees; Monthly

While the deduction is effective July 1st, there will not be any deduction taken from the July pay warrants. The first deduction (0.5%) for negative pay employees, i.e., roll codes 1 and 2, will be taken from the August 2013 pay warrant.

- The deduction for the July pay period (0.5%) will be taken from the September pay warrant, in addition to the September deduction (0.5%), for a total of a 1% deduction on the September pay warrant.
- Beginning with October 2013, the deduction will stabilize at 0.5% per month ongoing.

Positive Pay Employees (Intermittents)

While the deduction is effective July 1st, there will not be any deductions taken from the July pay warrants for positive pay employees (i.e., monthly, semi-monthly).

Monthly

- For positive pay employees paid monthly, i.e., roll codes 3 and 4, the 0.5% deduction will be based upon the hours paid the previous month. For example, the deduction held from the September payroll will be calculated based upon hours paid during the August pay period.
- The first deduction (0.5%) will occur in the August pay warrant.
- The deduction for the July pay period (0.5%) will not show up until the September pay warrant, in addition to the September deduction (0.5%), for a total of a 1% deduction on the September pay warrant.
- Beginning with October 2013, the deduction will stabilize at 0.5% per month ongoing.

Semi-monthly

- For positive pay employees paid semi-monthly, the 0.5% deduction will be based upon the hours paid the previous month and will be taken from the second warrant during each monthly pay period. For example, the deduction held from the second September pay warrant will be calculated based upon hours paid during the August pay period.
- The first deduction (0.5%) will occur in the second warrant in August.
- The deduction for the July pay period (0.5%) will not show up until the second September pay warrant, in addition to the September deduction (0.5%), for a total of a 1% deduction in the second September pay warrant.
- Beginning with October 2013, the deduction will stabilize at 0.5% per month ongoing.

Questions

If employees have questions regarding their union agreement, they should contact their union representative directly.

ANGIE BOLDRINI, Personnel Officer
Office of Human Resources

AB:tbw