PAY FOR FAMILY CARE AND BONDING

Side Letter Agreement

A. The parties to this Side Letter Agreement are the University of California and International Union of Operating Engineers, Local 501.

B. The terms of this Side Letter Agreement modify Article 17 - Leaves of Absence in the Local 501 (K5) bargaining unit.

C. GENERAL

1. In order to support employees' need to take leave to care for their family members, the University offers eligible employees Pay for Family Care and Bonding (PFCB), which is a partial income replacement option for up to eight workweeks per calendar year that may be available to employees taking Family and Medical Leave (FML) as set forth below. Although Article 17 - Leaves of Absence states that FML is unpaid except for those situations where the Article authorizes and/or requires the use of specified paid leave accruals during FML, this Side Letter Agreement modifies the Article to give employees the option to be paid during FML using PFCB in accordance with the terms below.

2. In order to be eligible for PFCB, an employee must be on an approved block Family and Medical Leave (FML) taken for one of the qualifying reasons below, and the employee must be taking that leave in a block of a minimum of one workweek.

3. Family and Medical Leaves that qualify for the PFCB option are those leaves taken under the FMLA and/or CFRA for parental bonding, to care for a family member with a serious health condition, for Military Caregiver Leave, or for Qualifying Exigency Leave. Section D in Article 17 - Leaves of Absence outlines the eligibility requirements for Family and Medical Leave. PFCB is not an option available during any other type of leave.

4. If an employee elects to use PFCB for a particular qualifying FML block leave rather than using paid leave accruals or taking the leave without pay, the employee must continue to use PFCB until they either exhaust their full eight workweeks of PFCB for the calendar year or that qualifying FML block leave ends. If their leave ends before they have used the full eight workweeks of PFCB for the calendar year, the remainder is available to use during a qualifying FML block leave later in the calendar year.

5. An employee may not use any paid leave accruals (e.g., vacation, sick leave, PTO, CTO, as applicable), while receiving PFCB.

D. PFCB CALCULATION

The PFCB option provides pay calculated at seventy percent (70%) of an employee's eligible earnings.

a. Eligible Earnings

Eligible earnings include an employee's base salary payable through the University. Eligible earnings do not include (if applicable) bonuses, perquisites, overtime pay, out of classification pay, shift differentials, uniform allowances, certification pay, specialty pay, emergency response pay, charge differentials, on-call differentials, or any pay that is received in addition to that of the employee's regular appointment, and any other additional cash compensation received that is more than 100% of the base salary of the full-time equivalent of the employee's regular position.

b. Appointments Established at a Fixed Percentage

If the employee has an appointment established at a fixed percentage, PFCB is based on the salary rate in effect during the employee's leave.

c. Appointments Established at a Variable Percentage

If the employee has an appointment established at a variable percentage, eligible earnings are an average of the employee's eligible earnings for the three calendar months (for an employee paid on a monthly basis) or six pay periods (for an employee paid on a bi-weekly basis) immediately prior to the period in which the leave begins, excluding periods with furlough or approved leave without pay. This average is calculated as follows:

i. For an employee paid on a bi-weekly basis, the sum of hours paid in the six pay periods immediately prior to the period in which the leave begins is divided by 12 to determine the average hours worked per week. The average hours worked per week is then multiplied by 0.7 to determine the number of hours per week the employee is to be paid at 70%.

ii. For an employee paid on a monthly basis, the sum of the time paid in the three calendar months immediately prior to the period in which the leave begins is divided by 3 to

determine the average time worked per month. The average time worked per month is then multiplied by 0.7 to determine the time per month the employee is to be paid at 70%.

If the consecutive three months or six bi-weekly pay periods immediately preceding the beginning of the leave cannot be used due to furlough or approved leave without pay, the look-back period may be extended up to, but no longer than, one year prior to the beginning of the leave, using the most recent applicable pay periods.

E. PAY AND BENEFIT CONSIDERATIONS

i. Accruals and Service Credit

Because an employee is paid 70 percent of eligible earnings when receiving PFCB, accruals and service credit are calculated as if the employee is on pay status for 70 percent of their normal hours.

ii. Taxability and Deductions

PFCB is considered taxable wages. An employee's normal deductions are taken from PFCB.

iii. Benefits

Health and welfare benefits deductions will be taken from PFCB in accordance with the employee's benefit elections. Receiving PFCB does not, in itself, affect benefits status or eligibility. However, benefits regulations affecting return to pay status after a leave without pay will apply if an employee returns to pay status by receiving PFCB.

F. This side letter agreement shall remain in effect during the term of this collective bargaining agreement unless the parties mutually agree to modify its terms or delete it.

FOR THE UNIVERSITY

6/9/21
Date

FOR THE UNION

6/9/21
Date