

**LETTER OF UNDERSTANDING
BETWEEN
THE UNIVERSITY OF SANTA CRUZ CALIFORNIA
AND THE
AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES (AFSCME)
EXPLANATION OF ARTICLE 41 UNIVERSITY BENEFITS AGREEMENT
EFFECTIVE JANUARY 3, 2020**

To ensure the parties share the same understanding of the intention of Article 41 University Benefits Agreement, the parties agree to the following interpretations. This letter of understanding incorporates and replaces the prior "Side Agreement, University Benefits - Article 36" contained in the expired October 1, 2011 – September 30, 2017 labor agreement.

Section 1. Definitions

- "AFSCME Skilled Crafts employees" refers to all employees in the unit.
- "Eligible employees" refers to eligibility as defined by the applicable health and retirement plan.
- "UC health plans" refers to active and retiree health insurance plans and employee and retiree contributions to the retirement plans.
- "Terms and conditions" refers to but not limited to the timing and amount of required employee contribution, such as when employees begin paying increased employee contributions to health and retirement plans and how much they pay.

Section 2. Post-Employment Benefits

With respect to the post-employment benefit changes, the parties agree that upon ratification of this agreement, the AFSCME Skilled Craft employees who are hired, rehired, or who become UCRP eligible will be subject to the provisions negotiated by the University and AFSCME 3299 Service Agreement. If the AFSCME Service unit later negotiates modifications to retiree health eligibility, or employee contribution rates to the UCRP, those changes will apply equally to the AFSCME Skilled Crafts employees.

Section 3. Health Benefits

With respect to the UC health plans, the parties agree that upon ratification of this agreement, the AFSCME Skilled Crafts employees will participate in and pay the 2019 contribution rates although the AFSCME Service unit may be paying different rates for certain plans while the parties continue negotiations. If the AFSCME Service unit later negotiates modifications to the UC health plans benefits or contribution rates currently in effect or in later years of this agreement, those modifications will apply equally to the AFSCME Skilled Crafts employees.

Section 4. Release Time for System-wide Bargaining

At the request of AFSCME, the University will provide paid release time for one union designated bargaining unit employee, consistent with Article 32, to attend meet and confer sessions between AFSCME Local 3299 and the University of California Office of the President, on the dates that the parties have planned to negotiate health and/or retirement benefits covered by Article 41 – University Benefits.

Section 5. Expiration of the Letter of Understanding

This letter of understanding will expire with the successor agreement to the expired 2019-2023 collective bargaining agreement between AFSCME Local 3299 and UC Santa Cruz.