

**Article 41
WAGES**

A. GENERAL PROVISIONS

Following receipt of written notification from AFSCME of its ratification and acceptance of the entire Agreement with the University of California, the University will provide compensation as set forth below.

1. The University will process the October 1, 2008 increases as soon as practicable, but in no event more than ninety (90) calendar days following the first pay date after the effective date of this Agreement.
2. The parties recognize that the actual salary rate adjustments provided under this Article may vary slightly due to rounding. For monthly paid employees, increases are effective on the first monthly pay period following ratification or the first monthly pay period following the effective date of the increase in the out years of the contract. For bi-weekly paid employees, increases are effective on the first bi-weekly pay period following ratification or the first bi-weekly pay period following the effective date of the increase in the out years of the contract.
3. Eligible employees shall be those members of the bargaining unit who are on the payroll as of the effective date of the increase and who remain on payroll when the payment is calculated.

B. RANGE ADJUSTMENTS AND INDIVIDUAL INCREASES

1. **Contract Year 1**
 - a. Effective on the first monthly or bi-weekly pay period following 10/1/08 and in accordance with the general eligibility criteria listed in Section A.1.-A.3. above:
 - 1) The range will be adjusted by 3%.
 - 2) Employees shall receive a 3% within range, across the board
 - 3) Employees who are at, near or above the maximum of the range annualized, non-base building, pro-rated by appointment percentage, retirement eligible, lump sum on the remaining portion of the 3% increase that was not provided within range.
 - b. Effective on the first monthly or bi-weekly pay period following 7/1/09 and in accordance with the general eligibility criteria listed in Section A.2 and A.3 above:
 - 1) The range will be adjusted by 1%.
 - 2) Employees shall receive a 1% within range, across the board increase.
 - 3) The minimum of each range will be at least equal to \$12.00/hour.
 - 4) Employees who are at, near or above the maximum of the range will have their base pay increased to the maximum of the range and will then receive a one time, annualized, non-base building, pro-rated by appointment percentage, retirement eligible, lump sum on the remaining portion of the 1% increase that was not provided within range.
2. **Contract Year 2** – Effective on 10/1/09 and in accordance with the general eligibility criteria listed in Section A.2 and A.3 above:

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- a. Employees shall receive a 3% within range, across the board increase.
 - 1) Employees who are at, near or above the maximum of the range will have their base pay increased to the maximum of the range and will then receive a one time, annualized, non-base building, pro-rated by appointment percentage, retirement eligible, lump sum on the remaining portion of the 3% increase that was not provided within range.
 - 2) Across the board increases outlined in Section B.2.a. above are subject to negotiations in the event the parties engage in re-openers identified in Article 4a – University Health and Welfare Benefits and defined in Article 8 – Duration.
- b. Step Structure – The University will establish a step based compensation structure. The structures are identified by location and title in Appendix A-__. The minimum of this new structure will be \$12.50 and the step structures will generally be based on current ranges with 2% intervals.
- c. Transition to Step Structure – The University will transition existing employees onto the step structure based on each employee's full years of qualifying UC service (qualifying service is counted as each month of service on pay status for 50% or more time) since the most recent date of hire at the location without a break in service.

Each year of full service within a title as of September 30, 2009, will count towards step placement in the following way depending upon location:

- 1) UCSF/UCSFMC – 1 year of experience per step, up to the maximum step of the range.
- 2) All Other Locations - 2 years of experience per step up to the maximum step of the range.
- 3) Transition to step structure will not result in a decrease in rate of pay.

3. Contract Year 3

- a. Effective on 10/1/10 and in accordance with the general eligibility criteria listed in Section A.2 and A.3 above:
 - 1) The range of the new step structure will be increased by 3% resulting in an increase of approximately 3% to each within range employee.
 - 2) Employees who are at, near or above the maximum of the range will have their base pay increased to the maximum of the range and will then receive a one time, annualized, non-base building, pro-rated by appointment percentage, retirement eligible, lump sum on the remaining portion of the 3% increase that was not provided within range.
 - 3) Across the board increases outlined above are subject to negotiations in the event the parties engage in re-openers identified in Article 4a – University Health and Welfare Benefits and defined in Article 8 – Duration.
 - 4) The minimum of each of the ranges in the unit will be no less than \$13.00.
- b. Step Increases - Effective on 7/1/11, non-probationary career employees who are within range will receive one step increase up to the maximum step of the range.
- c. Additional Transition to Step Structure – Effective on 7/1/11, if an employee did not fully transition to the step structure based on a year for year calculation of UC experience within a title as outlined in section B.2.c above, or through the step increase effective above, then the employee shall receive an additional step

increase up to the maximum step of the range.

4. **Contract Year 4**

- a. The salary ranges will be increased by 3%, effective October 1, 2011 for monthly and semi-monthly paid employees, and October 2, 2011 for bi-weekly employees (the first pay period following October 1, 2011), to be reflected no later than the employee's December paycheck. Following implementation of the salary range increases, the minimum of the salary range will be increased to \$13.70, effective the first day of the individual's first bi-weekly, semi-monthly, or monthly pay period on or following October 1, 2011, to be reflected no later than the employee's December paycheck. This increase will be paid in accordance with the general eligibility criteria listed in Section A.2 and A.3., above.
- b. The University shall pay employees a one-time non base-building lump sum based on actual earnings for the pay period commencing October 1 and concluding on the last day of the pay period prior to the implementation of the salary range increase. This lump sum shall be retirement eligible. All appropriate taxes and UCRP contributions shall be deducted from the lump sum payment. For employees at the minimum of the salary range, this lump sum payment shall also include the difference between their September rate of pay and the new \$13.70 salary range minimum, calculated from October 1 through the last day of the pay period prior to the implementation of the new minimum rate. The lump sum payment shall be payable between ninety (90) and one-hundred twenty (120) calendar days following ratification of the 2011 reopener negotiations.
- c. On October 1, 2011, employees who are at, near or above the maximum of the range will have their base pay increased to the maximum of the range and will then receive a one time, annualized, non-base building, pro-rated by appointment percentage, retirement eligible, lump sum on the remaining portion of the 3% increase that was not provided within range.
- d. Step Increase – Effective July 1, 2012, non-probationary career employees who are within range will receive one step increase up to the maximum step of the range.
- e. Additional Transition to Step Structure – Effective July 1, 2012, if an employee did not fully transition to the step structure based on a year for year calculation of UC experience within a title as outlined in section B.2.c above, or through the step increase(s) effective above, then the employee shall receive an additional step increase on up to the maximum step of the range.

5. **Contract Year 5**

- a. Effective on 10/1/12 and in accordance with the general eligibility criteria listed in Section A.2 and A.3 above:
 - 1) The salary ranges will be increased by 3%, effective the first day of the individual's first bi-weekly, semi-monthly, or monthly pay period on or following October 1, 2012. Following implementation of the salary range increases, the minimum of the salary range will be increased to \$14.42, effective the first day of the individual's first bi-weekly, semi-monthly, or monthly pay period following October 1, 2011. This increase will be paid in accordance with the general eligibility criteria listed in Section A.2 and A.3., above.
 - 2) Employees who are at, near or above the maximum of the range will have their base pay increased to the maximum of the range and will then receive

a one time, annualized, non-base building, pro-rated by appointment percentage, retirement eligible, lump sum on the remaining portion of the 3% increase that was not provided within range.

- b. Step Increase – Effective on 7/1/13, non-probationary career employees who are within range will receive one step increase up to the maximum step of the range.
- c. Additional Transition to Step Structure – Effective on 7/1/13, if an employee did not fully transition to the step structure based on a year for year calculation of UC experience within a title as outlined in section B.2.c above, or through the step increase(s) effective above, then the employee shall receive an additional step increase on up to the maximum step of the range.

C. ORDER OF INCREASES

- 1. **Contract Year One:** If more than one salary adjustment takes place on the same date, actions occur in the order listed in §C.1.a-d below. After all of the above increases, if an employee remains below the minimum of the range then he/she will be raised to the new range minimum.
 - a. salary range adjustment;
 - b. general salary increases (i.e. across the board increases);
 - c. equity adjustments;
 - d. salary actions resulting from promotion, reclassification, transfer, or demotion.
- 2. **Contract Year Two:** If more than one salary adjustment takes place on the same date, actions occur in the order listed in §C.2.a-d, below. After all of the above increases, if an employee remains below the minimum of the range then he/she will be raised to the new range minimum.
 - a. general salary increases (i.e. across the board increases);
 - b. equity adjustments;
 - c. placement on step structure;
 - d. salary actions resulting from promotion, reclassification, transfer, or demotion.
- 3. **Contract Years Three, Four and Five:** If more than one salary adjustment takes place on the same date, actions occur in the order listed in §C.3.a.-e., below. *After all of the above increases have occurred, if an employee remains below the minimum of the range then he/she will be raised to the new range minimum.*
 - a. salary range adjustments (i.e. across the board increases in step structure; value of each step increases);
 - b. salary structure adjustments (i.e. change to new minimum of the range);
 - c. equity adjustments;
 - d. within range step increase;
 - e. salary actions resulting from promotion, reclassification, transfer, or demotion.

D. OTHER INCREASES

- 1. The University may increase, during the term of this agreement, individual salary rates, or salary ranges for selected classes at selected locations. The University may also increase, for selected classes at selected locations, during the term of the agreement, shift differentials, on-call rates and/or extend the coverage of such rates. Likewise, nothing shall preclude the University from providing equity adjustments in addition to

those provided in Section E, below.

2. At least thirty (30) calendar days prior to implementing the increases referenced in Section D.1., above, the University shall inform AFSCME.

E. PAY EQUITIES

1. The University of California supports reasonable pay rate equity (within 2%), resulting from the University's initially hiring new career employees at a rate of pay at least 2% higher than the pay of current career employees in the same hiring unit in the same classification and who are assigned the same duties. For the purposes of this Section, a hiring unit is equivalent to a layoff unit. When examining reasonable equity rate issues, the University and AFSCME shall consider the employees':
 - a. Years of experience performing the duties related to the position;
 - b. Years of experience in the same or equivalent classification;
 - c. Current employee's work history (reasonably objective work-related issues or concerns that have been documented);
 - d. Appointment type;
 - e. Overall skills, knowledge and ability that can be applied to the job;
 - f. Education (where applicable);
 - g. New employees' documented and objective eligibility for other salary adjustments (e.g., special differentials) or UC benefits; and
 - h. Actual duties assigned.
2. The University will use the criteria in Section E.1., when setting the salaries of initial hires and the parties will use the Section E.1. criteria when assessing claims of salary rate equity. All criteria must be met to invoke the University's obligation to increase wages to within 2% of a new hire with a higher salary.
3. The University will provide AFSCME with a list of each campus', hospital's, and the LBNL's current layoff units.
4. An equity rate adjustment concern does not include salary actions/agreements for employees who are entering a hiring unit from other University facilities/units, preferential rehire, or rehire from rehabilitation or disability. For the purposes of this section, probationary employees are considered "new employees", unless their movement is done to avoid layoff.
5. For the period, February 1, 2012 through and including January 31, 2013, see Side Letter dated January 24, 2009 regarding this Pay Equity language.

F. PAY RATE EQUITY ADJUSTMENTS PROCESS - Grievability and Arbitrability

- a. Only an affected employee or AFSCME on behalf of the affected employee can raise a pay equity grievance. Pay equity must be defined in accordance with the provisions in Section E.1., above. An affected employee may only raise a pay equity grievance pertaining to his or her current classification.
- b. At all steps of the grievance and arbitration procedure, the remedy is limited to whether the University properly applied the criteria in Section E.1. The arbitrator shall have no authority to set individual wage rates that are less than 2% different from the wages of the comparator new employee.

G. SHIFT DIFFERENTIAL RATE CHANGES

1. Shift differential rates are found in Appendix A. It is the intent of the parties that

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employees who are assigned to the second or third shift will receive a shift differential, unless such a shift differential is built into their base salary.

2. On call employees who are called into work during the evening or night shift shall be paid the applicable shift differential allocated to the title for all hours the employee actually worked during the shift(s) provided he/she works four (4) or more hours in that shift.

H. LBNL – All contract year 1 increases will apply to employees at LBNL as described in Section B.1 above. For increases in contract years 2 through 5, all increases will be effective on October 1st of each year.