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## **SR 80782 Requirements CNA Dues Structure Changes**

### **Objective:**

This service request addresses required changes to the CNA (NX) dues and agency fee structure:

- monthly dues for employees working more than 30% of available pay period hours will pay 2.2 times their hourly pay rate, up to the maximum of \$80 per month; employees working 30% or less will be charged a flat dollar amount.
- for employees paid biweekly or semi-monthly, the multiplier, cap, and flat amounts are proportionately adjusted
- agency fees are calculated using the same formula, but with reduced multipliers, caps, and flat fees.

### **Project Type:**

The project is a change to an existing dues assessment process in PPS.

### **Requested by:**

HR&B Labor Relations

### **Analyst:**

Carrie Gatlin

### **Due Date(s):**

The requested changes should be in place for April 1, 2004 earnings paid April 30, 2004 (or for biweekly pay schedules, April 11-24 earnings).

## Background:

In December 2003, members of CNA (California Nurses Association) voted to change their dues structure, effective with dues charged beginning April 1, 2004:

*“Effective April 1, 2004, the monthly dues for bargaining unit members being paid for more than 12 hours per week will be 2.2 times their Base Hourly Rate of Pay, limited to a maximum of \$80 per month; those paid 12 or fewer hours per week will be charged a flat rate of \$40 per month.”*

CNA subsequently agreed that the University may use an equivalent ‘percentage of hours worked’ threshold rather than ‘hours per week’.

## Current Process:

Currently, the CNA dues and agency fee process is based on a two-tiered structure. During compute processing, the total regular pay hours reported for the employee for the pay period is compared to the total hours available in the pay period to determine the percentage of time worked. If that percentage equals or exceeds the ‘Threshold Percentage’ (Benefits Rates Table), the employee has the full deduction amount taken—currently a flat dollar amount. If the calculation percentage is less than the ‘Threshold Percentage’, the employee is assessed a reduced fixed dollar amount (‘Reduced Deduction Amount’, Benefits Rates Table).

## Proposed Process:

Like the current CNA dues process, the proposed process is a two-tiered structure, where the threshold is a percentage of available hours worked during a pay period. In the proposed process, dues payers who work more than 30% of the available work hours in the pay period are assessed dues according to the following formula:

$n * \text{‘Base Hourly Rate of Pay’}$  up to the maximum cap for the pay period

where  $n$  is a multiplier and ‘Base Hourly Rate of Pay’ is the quotient of eligible gross earnings divided by eligible hours worked in the pay period.

Dues payers who work 30% or less of the available work hours in the pay period are charged a flat rate. Note that in the proposed process, dues payers on biweekly pay schedules are assessed dues each pay period.

Agency fee is assessed using the same formula but with deductions and cap calculated at 93.86% of the corresponding dues values.

## Dues

Pay Schedule	Hours Worked in Pay Period	Rate	CAP
Monthly	> 30%	2.2 * Base Hourly Pay Rate	\$80.00
Monthly	30% or less	\$40.00 flat rate	----
Biweekly <sup>1</sup>	> 30%	1.015 * Base Hourly Pay Rate	\$36.92
Biweekly <sup>2</sup>	30% or less	\$18.46 flat rate	----

<sup>1</sup> Deducted each pay period

<sup>2</sup> Deducted each pay period

Semi-monthly	> 30%	1.1 * Base Hourly Pay Rate	\$40.00
Semi-monthly	30% or less	\$20.00 flat rate	----

### Agency Fee

Pay Schedule	Hours Worked in Pay Period	Rate	CAP
Monthly	> 30%	.9386 * 2.2 * Base Hourly Pay Rate	\$75.09
Monthly	30% or less	\$37.54 flat rate	----
Biweekly	> 30%	.9386 * 1.015 * Base Hourly Pay Rate	\$34.66
Biweekly	30% or less	\$17.33 flat rate	----
Semi-monthly	> 30%	.9386 * 1.1 * Base Hourly Pay Rate	\$37.54
Semi-monthly	30% or less	\$18.77 flat rate	----

## Requirements:

### 1.0 Control Table Updates

#### 1.1 Benefits Rates Table (BRT)

In the Gross-to-Net section of the Benefits Rates Table, the GTN numbers associated with CNA deductions should be updated to reflect the new dues structure. To calculate agency fee values, the dues multiplier, reduced deduction amount, and cap are multiplied by .9386. Note that the threshold remains '30%'.

#### 077 CNA Dues (075 at Santa Cruz)

<i>Pay Schedule</i>	<i>Threshold Percentage</i>	<i>Multiplier</i>	<i>Reduced Deduction Amount</i>	<i>Pay Period Cap</i>
monthly	30.0000	2.2	40.00	80.00
biweekly	30.0000	1.015 (2.2 * 12/ 26)	18.46	36.92
semi-monthly	30.0000	1.1 (2.2 * 12 / 24)	20.00	40.00

#### 460 CNA Agency Fee

<i>Pay Schedule</i>	<i>Threshold Percentage</i>	<i>Multiplier</i>	<i>Reduced Deduction Amount</i>	<i>Pay Period Cap</i>
monthly	30.0000	2.065	37.54	75.09
biweekly	30.0000	0.953	17.33	34.66
semi-monthly	30.0000	1.032	18.77	37.54

GTN entries for the three CNA charities (506, 507, 508) should also be modified to mirror the agency fee structure outlined above.

### 2.0 Compute Process Changes

PPP400 and calculation routine 15 should be modified in the following way:

1. The routine should first use existing logic to compare the number of hours the employee worked to the number of working hours in each cycle.
2. This ratio should then be compared to the 'Threshold Percentage' value from the GTN entry on the BRT. If the percent of hours worked is larger than the 'Threshold Percentage' value:
  - a. the routine should determine the Base Hourly Rate by dividing the base NX earnings (regular hours) by the number of hours worked in the bargaining unit.
  - b. dues should be assessed at  $n$  times this Base Hourly Rate, up the maximum amount for the pay period (where  $n$  is the pay period-specific multiplier).

Otherwise, if the percent of hours worked is equal to or less than the 'Threshold Percentage' value, the routine should assess the flat fee associated with the appropriate pay period.

### Addendum

In the Compute Process (section 2.0), for employees paid a non-hourly pay period rate, the system should develop an annualized Hourly Rate (i.e. Monthly Rate \* 12 / 2088) to use in the dues calculation.