

EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:		GENERAL MANAGER ACTION REQ'D:			
 DATE: 5/27/2021					
Originator/Prepared by: Shana Dines Dept: Labor Relations Signature/Date: 6/1/21		General Counsel 6/1/21	Controller/Treasurer 6/01/21 []	District Secretary []	BARC 6/1/21 []

Temporary Upgrade Pay Provision for ATU

PURPOSE:

To approve a Memorandum of Understanding (MOU) codifying temporary upgrade pay for employees represented by the Amalgamated Transit Union Local 1555 (ATU) in a form prescribed by California Public Employees' Retirement System (CalPERS).

DISCUSSION:

The District contracts with CalPERS for employee retirement benefits. CalPERS' rules control whether compensation qualifies as reportable to CalPERS for purposes of retirement calculations. For special pay compensation, including temporary upgrade pay, to be reportable for purposes of retirement calculation, CalPERS requires that the eligible special pay provisions be approved by the Board.

To meet the CalPERS reportable compensation requirements, for represented employees, their collective bargaining agreements (CBAs) document their special pay provisions and are ratified by the Board. However, a special pay provision that is an established long-standing past practice may not be codified in the CBA, and consequently does not meet the requirements to be considered "compensation earnable" by CalPERS. Therefore, an administrative action is needed by the Board to document the special pay provision to make it reportable to CalPERS. This is the case with ATU's temporary upgrade pay provision, which is a long-standing past practice, but not codified in the CBA.

An MOU was reached between the District and ATU to clarify the temporary upgrade pay provision in their CBA. An MOU does not require formal ratification by the Board of

Directors and members of the union, because it is only clarifying, and not modifying the CBA. However, in this case, to be able to qualify the ATU temporary upgrade pay as reportable to CalPERS for purposes of retirement calculations, staff requests that the Board approve the attached MOU regarding the temporary upgrade pay provision. There are already temporary upgrade pay provisions in the American Federation of State, County and Municipal Employees Local 3993 (AFSCME) and Service Employees International Union Local 1021 (SEIU) CBAs that qualify as reportable compensation for CalPERS.

The District is proposing an effective date of July 1, 2013, the beginning of their contract term.

FISCAL IMPACT:

There is no fiscal impact. Based on the long-standing past practice and other CBA provisions related to past practices, the temporary upgrade pay provision has already been implemented and is currently being reported to CalPERS.

ALTERNATIVES:

To not approve the attached MOU regarding the temporary upgrade pay provision for documentation purposes for CalPERS. However, failure to do so will result in CalPERS' disqualification of past reported temporary upgrade pay as "compensation earnable" for reporting and determination of District employees' retirement benefits, which will likely negatively impact pension calculations for current BART retirees.

RECOMMENDATION:

Approve the following motion.

MOTION:

The Board approve the attached Memorandum of Understanding (MOU) codifying the temporary upgrade pay for employees represented by Amalgamated Transit Union Local 1555 (ATU) in a form prescribed by California Public Employees' Retirement System (CalPERS) effective on July 1, 2013.

ATU/MOU 21-02

MEMORANDUM OF UNDERSTANDING BETWEEN THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT AND
THE AMALGAMATED TRANSIT UNION LOCAL 1555

RE: TEMPORARY UPGRADE

This Memorandum of Understanding is entered into between the San Francisco Bay Area Rapid Transit District (District) and the Amalgamated Transit Union Local 1555 (ATU) in clarification of the conditions under which an employee covered by the terms of the Collective Bargaining Agreement (CBA) between the parties may be assigned in writing to a temporary upgrade and receive temporary upgrade pay.

Whenever an employee is temporarily assigned to perform duties of a higher classification, the employee shall be paid consistent with the Temporary Instructor's Employee Development Specialist's Pay in Section S21.3, which is the difference between their current step rate and the same pay step of the position they're upgraded into, as specified in the base wage schedule at Section 47.1, while assigned to such duties. No reduction in pay shall occur because of any temporary assignment.

FOR THE DISTRICT



Shana Dines
Director of Labor Relations
Bay Area Rapid Transit District

5/27/2021

Date

FOR THE UNION



Jesse J. Hunt
President/Business Agent
ATU Local 1555

5/27/2021

Date