

AFSCME Local 3580 Factsheet

Schedule reduction and Work Share LOA ratification

Overview

The ratification vote is to approve a letter of agreement (LOA) for AFSCME represented employees to reduce schedules by 20% and participate in the Oregon Work Share program to maintain benefits and offset wage loss.

The LOA and resulting schedule reductions would be effective beginning June 1, and end July 31, 2020 for a period of approximately 8 weeks.

The schedule reduction would be mandatory, and while that means less money in Metro paychecks, employees will also receive a separate, weekly unemployment benefit that includes Oregon unemployment compensation and the CARES Act \$600 PUC payment. It is highly unlikely any employees will have wage loss, in fact most employees will make more. See the pay information on pages 3 and 4.

This agreement does not change the July 1, 2.5% wage increase in the negotiated contract extension LOA. If ratified by membership vote the wage increase will begin July 1, 2020.

The full, tentatively agreed LOA is at the end of this document, pages 6 to 8.

AFSCME Local 3580 Executive board ratification statement – YES vote

The executive board of AFSCME Local 3580 recommends a YES vote of membership to approve the letter of agreement and participate in the Work Share program.

Signed by members of 2018-20 AFSCME Local 3580 Executive Board

Elizabeth Goetzinger, President; Rob Nathan, Vice president; Angela Houck, Chief steward; Laura Garlie, Secretary; Zackariah Sloane, Treasurer; Frank Culbertson, Katie Hentges, Bill Stein and Enrique Vargas, Site representatives.

The following represents the current, best understanding of the Work Share program and Metro's implementation of the program for non-represented employees. Information has been researched and compiled from Oregon Employment Department, Oregon AFSCME Council 75 and Metro.

What is the Oregon Work Share program? [Visit the Work Share webpage](#)

Work Share is a short-time compensation program through the Oregon Employment department that provides employers an alternative to layoffs. It has been available to Oregon organizations and businesses since 1983. Under Work Share employees who have their scheduled reduced maintain full benefits and have their loss of wages offset by unemployment payments. The program allows for a 20 to 40% percent reduction. Metro is implementing a 20% reduction.

CARES Act covers 100% costs of the program, PUC \$600 payments to workers

The CARES Act is a federal stimulus package passed in March to respond to economic fallout from the COVID-19 pandemic. The CARES Act covers 100% of the costs of short-time compensation programs like Work Share. The CARES Act also included a \$600 weekly federal pandemic unemployment compensation (PUC) payment to workers who claim unemployment through July 31. Oregon is reimbursed for program costs by the federal legislation.

Hours and FTE requirements under Work Share

Work Share allows a 20 to 40% reduction in hours, no less, no more. Most employees who participate will go from a 1.0 to 0.80 FTE during the agreement period of 8 weeks. Employees who currently work 40 hours would reduce their schedule by 8 hours. If an employee works 32 hours or less, they will reduce their schedules too but can't take work less than 24 hours a week. If you are at part time, and already work 20 hours a week you will not be eligible to participate, no schedule change.

Work Share length of employment requirement

To qualify for Work Share, employees must have worked for at least 6 months at a full-time schedule or at least 12 months at a part-time schedule. If you are newer to Metro you will not be eligible to have your schedule reduced. Similarly, temporary or variable hour folks are not generally eligible.

Schedules

Employees will fill out a schedule preference form with the options of taking either :

- An entire Friday or Monday off.or
- Two hours less, each day Monday to Thursday or Tuesday to Friday.

Interim schedules will need to be approved by supervisors. And as normal, we are here to advocate for you if you run into issues on this one!

Employees who currently work alternate schedules like 9-hour days with every other Friday off, or four, 10-hour shifts will be required to temporarily adjust their schedules for the period of this agreement to be eligible for Work Share. While the above schedule options are preferred, folks can work with their supervisors on a schedule that works for them. If you work Saturday or Sundays you can request a schedule that works for you.

When does it start? End?

If we vote to ratify the LOA, the week of June 1 will be our first reduced schedule week. For that first week it is likely but not confirmed, that Metro will want all AFSCME employees to take Friday, June 5 off (just as they did with non-represented employees). From there the schedule preference will be used for the remaining weeks. The schedule reduction ends July 31, 2020.

Essential functions and WPES ineligibility

Department directors have discretion to identify positions as ineligible for schedule reduction due to their duties being critical to the operations of a facility, department and Metro as a whole. We do not expect this to be a large amount of folks but there will be some.

And then there is WPES. The director of WPES made the decision that all staff in that department are ineligible to have their schedule reduced and participate in Work Share. A lot of

the work WPES is responsible for is essential.... Garbage has to keep moving and we have to keep hazards out of the waste stream. Management felt not allowing some, but others presented issues, including equity. We're sure the decision was not made lightly. While we cannot negotiate who Metro designates as essential, or eligible for this schedule reduction, we can advocate for our members. We need to hear how WPES members feel about being ineligible for Work Share.

Health insurance, vacation and sick leave

While participating in Work Share employers must maintain benefits for employees. Health insurance premiums remain at your regular, not reduced, schedule, same for vacation and sick leave accruals. From June 1 to July 31, 2020 there are no changes to these benefits while folks have the reduced schedule and remain eligible under Work Share. Premiums will not increase, vacation and sick leave continues to accrual. Through work with unions at Metro, the vacation accrual cap of 275 hours is eliminated through June 30, 2021.

Wage loss compensation, unemployment and CARES \$600 PUC

While participating in Work Share, employees claim Oregon unemployment to cover the loss of wages from the schedule reduction. In addition to the weekly Oregon unemployment payment, workers also receive the \$600 flat weekly PUC payment. So, in almost all cases, employees earn more each week during this schedule reduction.

Employees will not have to file for unemployment each week, Metro will file on behalf of employees each week.

Weekly wage with Work Share through July 31, 2020

Schedule reduction scenario with Work Share: \$65,000 annual gross wages, amounts estimated and rounded

Weekly salary	\$ 1,250	$\$65,000 \div 52 \text{ weeks} = \text{weekly salary}$
<u>20% reduction of hours</u>	<u>- 250</u>	$\$1,250 \times 0.20 = \$250 \text{ reduced salary}$
Reduced weekly salary	\$ 1,000	
Work Share unemployment payment	\$ 130	$\$648^* \times 0.20 = \130 unemployment
<u>CARES- PUC payment</u>	<u>+ 600</u> **	
Total weekly unemployment	\$ 730	
Reduced weekly salary	\$ 1,000	
<u>Weekly unemployment</u>	<u>+ 730</u>	
Weekly salary under Work Share	\$ 1,730	$\$480 \text{ increase in weekly earnings}$

* The current Oregon unemployment weekly maximum payment is \$648. While this amount will be relevant to many employees, some may have a lower weekly benefit. See chart below for more examples

**The \$600 PUC benefit is a flat amount all workers receive regardless of wage history or hourly wage amount.

Weekly wage examples with Work Share through July 31, 2020 (estimated)

What you currently make		What you will make with 20% schedule reduction		Unemployment benefits			Weekly salary and estimated increase	
Annual gross wages	Weekly salary	20% reduction of hours	Reduced weekly salary	Work Share payment	CARES Act PUC	Total UE payment	Weekly salary under Work Share	Increase in weekly salary
<i>annual salary ÷ 52 weeks = weekly salary</i>		<i>Weekly salary x 0.20 = reduced salary</i>		<i>Work share unemployment + CARES Act \$600 PUC = Total weekly unemployment payment</i>			<i>Employees receive more each week despite -20% of hours Work Share</i>	
\$32,000	\$615	\$123	\$492	\$80	\$600	\$680	\$1,172	\$557
\$45,000	\$865	\$173	\$692	\$130	\$600	\$730	\$1,422	\$557
\$65,000	\$1,250	\$250	\$1,000	\$130	\$600	\$730	\$1,730	\$480
\$75,000	\$1,442	\$288	\$1,154	\$130	\$600	\$730	\$1,884	\$442
\$105,000	\$2,019	\$404	\$1,615	\$130	\$600	\$730	\$2,345	\$326

Using sick and vacation leave during Work Share

You cannot use leave and be eligible for Work Share benefits. Therefore, for any weeks in which sick or vacation leave is used, no unemployment benefits can be claimed for that week.

You absolutely cannot work on a reduced schedule day or hours off

It will be a significant problem for folks to work on days they are on reduced schedule. If audited, an employee who works on a reduced schedule day would be required to pay back unemployment benefits, and Metro could be ineligible entirely to use the Work Share problem. This goes for everyone and if this agreement is approved by our members, we will be notifying management of our union’s expectation that no member be asked to “just this one time” work on a reduced schedule day, and that management make adjustments to work expectations to accommodate and support the reduction of hours.

PERS is ... confusing

How our benefits under Oregon’s Public Employee Retirement System (PERS) are changed under Work Share is under debate. Some public employers believe *Work Share requires* that the PERS employer and employee contributions be funded at the employee’s regular, not reduced, schedule. Others, like Metro interpret that *PERS legislation requires* the contributions to be paid at the employee’s actual wages earned, meaning our PERS contributions, for the 8 weeks of this agreement, under Work Share, are funded at the 20% reduced salary.

Our union does not believe that Metro’s is pointing to PERS legislation as an excuse to erode retirement benefits and save money. This is a new situation for everyone and not surprising that PERS is causing confusion. We will be following this issue until the answer is clearer. Metro could lose their Work Share eligibility as an employer if they did not meet benefit requirements for the program. The reduced PERS contribution is not impacting money in the pocket now, and the weekly salary with the \$600 PUC offsets the total contribution deficit (without any interest or investment dividends). But still, during the 8 weeks, it is a lower contribution amount.

Defined benefit portion of PERS, retiring in the next 3 years?

For the defined benefit portion of PERS (sometimes referred to as the pension benefit or Full Formula), the creditable service calculation is not impacted by working a reduced schedule.

If you have notified management you plan to retire in 3 years you are ineligible to reduce your schedule under this LOA. This is because the schedule reduction will impact the final average salary which is used to determine retirement benefits. Folks who are closer to retirement decisions, but uncertain about timing can participate in the schedule reduction, just know the impact, while only for 8 weeks, will change the final average salary calculation.

Unemployment wait times and one-time advance to help household budgets

We should plan that the weekly unemployment checks will be delayed by 2 to 4 weeks. If our first week of reduced schedules is June 1, our first paycheck showing the 20% reduction would be the June 19 pay date. While not certain, expect unemployment checks (and those back payments) to start coming in the weeks of June 29 or July 6.

For folks who are not able to swing the 20% loss of pay each week while waiting for the unemployment checks, Metro will provide a one-time advance to cover the gap of pay. We're here to help our members if they want a review and advice on a household budget and calculating the advance amount to request.

Work share through July 31, 2020 reduces total eligibility weeks for unemployment

Work Share requires folks file for unemployment to cover lost wages, and Oregon provides a total of 26 weeks of benefits each year. So, the 8 weeks of this schedule reduction does mean your future unemployment eligibility would be 18 weeks. The CARES Act does provide an additional 13 weeks of unemployment and future federal stimulus packages, if passed, could also provide additional eligibility weeks.

Visit oregonmetro.gov/workshare for the Metro FAQ document on Work Share and other information they have provided non-represented employees. Non-represented employees begin the program on May 25. Metro has contacted other labor unions at Metro to negotiate this agreement with them too.

Terms used in this document

Letter of Agreement, LOA: a letter of agreement generally limited to a specific issue or several, similar issues. May sometimes be used to resolve grievances or clarify existing contract terms.

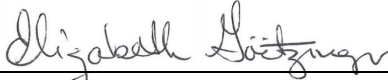
Ratification: process to approve an agreement.

Tentative agreement, TA: when an agreement is reached during negotiations it is called a tentative agreement until it is put into effect and/or each side ratifies or votes to approve it.

TENTATIVE AGREEMENT

Metro

Date

 5/21/2020

AFSCME Local 3580 Date

LETTER OF AGREEMENT

**Metro and AFSCME Local 3580, Schedule reduction and
Work Share program, through July 31, 2020**

This Letter of Agreement is hereby entered into by and between Metro and AFSCME Local 3580 for the purpose of modifying the work schedules and compensation for impacted members of the bargaining unit.

WHEREAS, the parties recognize the significant challenges presented by the ongoing public health emergency caused by the COVID-19 pandemic; and

WHEREAS, the parties agree that the pandemic will have both short-term and long-term adverse impacts on Metro's budget; and

WHEREAS, the parties acknowledge the presence of state and federal resources that can be accessed during this emergency in the form of assistance to eligible workers whose schedules are reduced;

THEREFORE, Metro and AFSCME Local 3580 hereby agree to the following:

1. The hours of the work week for all members of the bargaining unit (who are not exempted from this Letter of Agreement per paragraphs 5 and 6) shall be reduced by 20%, for each week beginning June 1, 2020, through July 31, 2020. For example, an employee regularly working 40 hours per week reduced by 20% will work 32 hours per week. Work schedules will be determined based on the member's job responsibilities at the direction of the supervisor. As permitted by operational needs, Metro will make every effort to ensure 4 consecutive work days.
2. The compensation of bargaining unit members shall be reduced by 20% for each of the weeks in which the schedule reduction is in place. An impacted bargaining unit member's benefits such as health insurance, and sick and vacation leave accruals are still covered in full so long as the impacted bargaining unit member's hours are reduced 20% of their normal work schedule. PERS contributions will be based on your actual, reduced wages due to the schedule reduction. There will be no reduction in the creditable service calculation that determines the years and months of employment in a PERS-qualifying position and this in turn determines the full formula benefit for retirement.
3. Bargaining unit members will not be expected to and must not perform any duties whatsoever or to be available for any purpose on their scheduled days off during the weeks in which the schedule reduction are in place.

4. The parties acknowledge the waiver of Oregon’s one-week waiting period for unemployment eligibility announced by Governor Kate Brown, thereby allowing bargaining unit members to be eligible for benefits beginning with the first reduced work week. Metro and AFSCME Local 3580 will collaboratively provide information to bargaining unit members to assist with the submission of state and federal unemployment claims, with the intention of allowing members to access all available government assistance, including assistance provided by the Federal Pandemic Unemployment Compensation program (PUC program) as set forth in the CARES Act.

5. The parties acknowledge that the CARES Act and Oregon’s unemployment insurance laws and regulations govern eligibility of employees for access to unemployment insurance benefits, including the CARES Act PUC program payments of \$600 per week per eligible employee, and further acknowledge that neither party can guarantee determination of eligibility, which is outside the control of the parties. Metro will exclude bargaining unit members from participation in the reduced work schedule program and maintain their regular wages, if the parties anticipate, or when they learn, that the bargaining unit member will be ineligible for state and federal resources based on the following factors:
 - A. The bargaining unit member has not been employed with Metro for 6 months full-time or 12 months part-time;
 - B. The bargaining unit member takes time off due to non-COVID-19 related illness or injury that excludes them from eligibility, so long as that is reported to Metro in advance of Metro’s weekly submission to the Oregon Employment Department;
 - C. If the Oregon Employment Department determines a bargaining unit member is ineligible for the work share program, Metro will allow the employee to retroactively apply available leave balances to make up the lost hours; or in instances where all leave banks have been exhausted, provide an advance of leave hours to cover the lost hours.
 - D. The bargaining unit member is determined to be “seasonal, intermittent or temporary”;
 - E. In addition, bargaining unit members who have notified Metro of their intention to retire by June 30, 2023 will be excluded; or
 - F. Employees who have retired in the past 18 months.

6. In addition, certain departments may not be able to participate in the schedule reductions in whole or in part due to operational needs. Metro will provide AFSCME Local 3580 with written notification of the departments who will not participate in the schedule reductions in whole or in part.

7. Subject to approved by the Oregon Employment Division, Metro will make available on a one-time basis, upon written request from an employee, an advance on payroll to help bridge the gap between when the benefits described in paragraphs 4 and 5 are paid out to impacted bargaining unit members.

8. Should state or federal resources be denied or otherwise not be made available, all impacted bargaining unit members will be returned to their work schedule in effect prior to their participation the Work Share program. However, Metro will not provide compensation to make up the difference should any impacted bargaining unit member experience a loss of income due to their participation in the Work Share program.
9. All other provisions of the parties' Collective Bargaining Agreement not expressly modified by this Memorandum shall remain in full force and effect.
10. This Memorandum shall expire on July 31, 2020, and shall not set precedent for any future action.
11. This Letter of Agreement is not precedent setting for any interpretation of the collective bargaining agreement, Metro's personnel policies, any other letter of agreement, or any past practice. The Agreement shall not be cited or used in any subsequent grievance, negotiation, or in any other forum except to enforce the terms of this Agreement.

For Metro

 Jenny Marston
 Metro Deputy Human Resources Director

 Date

For AFSCME Local 3580

 Elizabeth Goetzinger
 President, AFSCME Local 3580

 Date

 Lori Baumann
 Oregon AFSCME Council 75

 Date