

City of Philadelphia's Final Offer to DC 33
1-16-13

The City presents this final offer as a comprehensive package proposal to establish the terms of a new collective bargaining agreement between the City and DC 33. The summary below is followed by the proposed terms of agreement.

Summary of Proposed Terms

Term	Provision
<i>Duration</i>	July 1, 2009 – June 30, 2014
<i>Health Care</i>	<ul style="list-style-type: none"> • The current PEPM contribution will continue for the term of the agreement. • The City will make a lump sum payment to the health fund of \$15 million within 30 days after an agreement takes effect. • The City shall make a lump sum payment to the health fund of \$10 million on January 1, 2014.
<i>Wages</i>	<ul style="list-style-type: none"> • 2.5% increase effective the latter of March 15, 2013 or 30 days after an agreement takes effect. • 2% increase effective January 1, 2014.
<i>Furloughs</i>	Employees may be furloughed up to 15 days per fiscal year.
<i>Pension</i>	All employees hired after the date an agreement takes effect will participate in Plan 10. Current employees have 60 days from that date to make an irrevocable election to move from their existing plan to Plan 10.
<i>Pension</i>	Effective July 1, 2013, the employee contribution for all employees participating in the Municipal Retirement System on the date an agreement takes effect (i.e., all employees who are not in Plan 10) shall be increased so it is no less than 50% of the normal cost of the plan in which they participate without any offset.
<i>Overtime</i>	Eliminate double time effective 30 days after an agreement takes effect.
<i>Overtime</i>	No paid leave hours, except vacation or education and training leave, count as hours worked for purposes of determining when overtime is due effective 30 days after an agreement takes effect. As a result of this change, employees will not be paid overtime unless the employee actually works or takes vacation or education and training leave more than 40 hours in the work week.
<i>Step and Longevity Increments</i>	Step and longevity increments are restored prospectively as of the effective date of the first pay raise described above under wages.
<i>Layoff</i>	Update layoff scoring process to permit automated calculation of seniority and performance scores.
<i>Competitive Contracting</i>	The City and the Union will form a committee to develop procedures to implement the competitive bid process created under the 2008-09 collective bargaining agreement.
<i>Continuity of Benefits</i>	All other existing contract terms, including those governing the Redesigning Government Initiative, continue for the term of the agreement.

Proposed Terms of Agreement

TERM:

The collective bargaining agreement shall expire on June 30, 2014.

HEALTH CARE:

The City's contribution to the District Council 33 Health and Welfare Fund shall remain at \$975.76 per eligible employee and retiree per month (PMPM) for the term of the agreement.

The City will make a lump sum payment to the health fund of \$15 million within 30 days after the agreement takes effect through ratification or otherwise.

The City shall make a lump sum payment to the health fund of \$10 million on January 1, 2014.

WAGES:

All employees in classes represented by District Council 33, except those in classes represented by Local 159B, shall receive an increase in the applicable pay range of 2.5% effective the latter of March 15, 2013 or 30 days after the agreement takes effect through ratification or otherwise.

All employees in classes represented by District Council 33, except those in classes represented by Local 159B, shall receive an increase in the applicable pay range of 2% effective January 1, 2014.

The freeze on step and longevity increments that took effect in July 2009 shall be lifted and all step and longevity increments will be restored prospectively as of the effective date of the first pay raise described above. As of that date, employees wages will be adjusted to reflect the step increment and longevity amount the employee would have been entitled to if the increments had not been frozen, but employees will not be entitled to receive any additional compensation for the period that the freeze was in effect from July 6, 2009 through 30 days after the agreement takes effect through ratification or otherwise.

FURLOUGHS:

Upon 7 days advance notice to the Union and the affected employee(s), the City shall have the unrestricted right to temporarily furlough any employee or employees without pay for a definite length of time, which shall not exceed a total of 15 days per employee in any fiscal year. Such furloughs may occur in one or more blocks of time (e.g., a workweek every four months) or in a specified number of single days (e.g., every Friday for six weeks). The notice will specify the length of each furlough and the anticipated schedule, if known. All furloughs must be authorized in advance by the Finance Director and the Director of Human Resources and shall not be used in place of disciplinary action against any

employee. Time spent on furlough shall be an unpaid leave of absence and shall be treated as such for purposes of accruing pension and service credit. The City shall not be required to follow the lay off procedure set forth in Civil Service Regulation 16.01 and its sub-parts with regards to such furloughs. The City will continue to make health benefit contributions on behalf of the employee during the furlough period. Furloughs shall not be considered a separation from service.

PENSIONS:

(a) Member Contributions

Effective July 1, 2013, the employee contribution for employees who participate in the Municipal Retirement System on the date that the agreement takes effect through ratification or otherwise shall be increased so it is no less than 50% of the normal cost for the plan in which the employee participates, based on the most recent plan valuation report, without any offset. For employees participating in Plan 87 (Plan Y), this change means that the employee contribution shall be increased from 30% of the normal cost to 50% of the normal cost for Plan Y. For employees participating in Plan 67 (Plan J), this change means that the employee contribution will be the greater of 6% or 50% of the normal cost for Plan J and the reduced contribution rate provided for in § 22-902(2)(b) of the Pension Code shall be inapplicable.

(b) New Pension Plan

All employees hired on or after the agreement takes effect through ratification or otherwise shall be placed in Plan 10 for municipal employees, which currently exists in the Pension Code and is applicable to employees of the Register of Wills. At a minimum, Plan 10 shall have the following features:

- (i) Years of Credited Service: Only the first 20 years will be calculated
- (ii) Average Final Compensation: City will take the 5 year period in which the employee's compensation is greatest
- (iii) Multiplier: $1.25\% \times \text{Years of Credited Service up to } 20 \times \text{Average Final Compensation}$
- (iv) Employees will contribute 50% of normal cost of Plan 10 towards the defined benefit. These contributions will continue until the employee leaves City service or enters the DROP.
- (v) Voluntary defined contribution plan: The City will contribute \$1 for each \$2 the employee contributes for up to 3% of the employee's compensation contributed to the defined contribution plan (City will contribute no more than 1.5% of eligible compensation).

At the time that the new pension plan goes into effect, existing employees shall have the option, for a period of 60 days, to make an irrevocable election to enter the new pension plan. If any employee so elects, his or her benefits in the existing pension plan shall be frozen and all future earnings and service credits shall count only towards benefits under the new pension plan. An employee who transfers into

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Plan 10 will not be permitted to earn an aggregate pension benefit in excess of the maximum benefit permitted under the employee's original plan. Any earnings in the voluntary defined benefit plan shall not count towards that maximum benefit.

OVERTIME:

Effective 30 days after the agreement takes effect through ratification or otherwise, double time shall be eliminated and no employee shall be permitted to earn more than one-and-one-half times the applicable overtime rate for any hour worked.

Effective 30 days after the agreement takes effect through ratification or otherwise, employees will be entitled to be paid overtime at one-and-one-half times the applicable rate only when the employee actually works or takes approved vacation or education and training leave in excess of 40 hours in the workweek, regardless of the number of hours worked in a day. Sick time, compensatory time, annual administrative leave, paid holidays, paid leaves of absence, funeral leave and all other types of paid leave, other than vacation and education and training leave, will not be included in determining hours or days worked in a work day or a work week for determining when overtime is due. When the employee does qualify for overtime pay by working or using approved vacation or education and training leave that totals more than 40 hours in the workweek, only those qualifying hours (meaning hours worked, approved vacation or education and training leave) in excess of 40 hours will be paid at the overtime rate. For example, if the employee works 44 hours in the week and takes 8 hours of sick time in the week, the employee will be entitled to receive 48 hours at a straight time rate (40 hours worked plus 8 hours of sick time) plus 4 hours at one-and-one-half the applicable rate. If an employee whose regular weekly work schedule is 37.5 hours does not use leave other than vacation or education and training leave during a work week in which the employee works on the sixth or seventh day, it will be assumed that the employee has worked 40 hours during the first five days of the work week for the purpose of determining when the employee is eligible for overtime on the sixth or seventh day of the work week.

LAYOFFS:

The process for calculating layoff scores shall be adjusted to permit the City to calculate and update the applicable scores automatically. In order to effectuate this change, the employee's longevity date as maintained in the Office of Human Resources Information System shall be used to compute the employee's seniority credit under Civil Service Regulations 16.012.

COMPETITIVE CONTRACTING:

The City and District Council 33 will form a joint committee to develop procedures to implement the competitive contracting process created under the 2008-2009 collective bargaining agreement.

REDESIGNING GOVERNMENT INITIATIVE (RGI):

The RGI initiative, including the provisions regarding layoffs in paragraph 6 of this section of the 1996 Agreement, will continue in its current form as set forth in the 1996 Memorandum of Agreement, as extended by subsequent agreements, for the term of the agreement.

CONTINUITY OF BENEFITS:

Except as modified by the agreement, all terms and conditions of the collective bargaining agreement between the City and District Council 33 covering the period July 1, 2008 through June 30, 2009 which do not contain specific expiration dates shall remain in full force and effect for the term of this agreement, July 1, 2009 through June 30, 2014.