



ESC Local 20 PG&E Member Bulletin: October 31, 2016

Please Post and Distribute

Change to Vacation Purchase Plan

To all ESC shop stewards,

ESC was very pleased to negotiate the addition of the “Vacation Purchase Plan” to our leave benefits in our new contract. The Company had promised to implement this option for 2017, with the sign-up period for it in Open Enrollment this year (November 7-21).

In a very frustrating turn of events management recently notified the Union that it is changing the format of the Vacation Purchase Plan. PG&E’s new format is the option to purchase five Unpaid Days Off (“PUV” or “Purchased Unpaid Vacation”) – the main difference from the old plan being that you pay for the PUV days at the time you take them. The PUV will have the same contractual significance as vacation days in terms of scheduling, or taking in increments.

Under the plan in place when the Union agreed to vacation purchase, you paid for the extra vacation days through a year-long payroll deduction. PG&E has said that this is not legal under the tax code, because people who don’t use the purchased vacation get it cashed out the following year and that is an illegal form of transferring pay from one tax year to another. Under PUV the financial impact falls in the pay period when the PUV is used. This can result in a financial constraint (i.e. if a member takes a week of PUV they will receive a week less pay in that pay period), which means that some members will not be able to use PUV due to their inability to sustain unpaid time (especially in the beginning of the year).

There is an advantage to PUV in that since it is the employee’s choice to code vacation taken as vacation or PUV, there is no risk to signing up for PUV during open enrollment. Members will be able to use PUV intermittently, later in the year (so the financial impact is after receiving most of their annual compensation), or not at all. However, the fact remains that the Union negotiated for – and PG&E agreed to – the existing vacation purchase plan. If PG&E discovered a legal problem, the contract requires management to negotiate “a substitute provision which will, as nearly as possible, reflect the intent of the suspended clauses in a lawful manner”, but management cannot come up with their own solution and implement it unilaterally. Some ESC members have suggested to modify the plan so that unused purchased vacation days are cashed out in December, to fix the tax-year problem.

Grievance Filed

ESC has filed a Business Manager’s Grievance and will be attempting to get PG&E to restore the vacation purchase option to its original format, or to work with ESC to negotiate a new, agreed-upon format which meets members’ needs and concerns.

As a practical matter, we do not expect the Company to restore the plan in time for this year's Open Enrollment, since they notified us so close to the deadline. The Union will seek retroactive remedies, in addition to ensuring that for future years the vacation purchase plan in practice aligns with what PG&E agreed to.

Guidance for Members

In the meantime, according to PG&E HR, there is no risk to signing up for the five PUV days. If you don't take them, absolutely nothing happens to you. If you use them, you won't be paid for those days. It seems sensible to sign up for these days, even if you don't plan to use them, as a "just in case" form of insurance for if you need extra days off that you didn't expect at the beginning of the year.

In solidarity,

John Mader, ESC President

Joshua Sperry, Sr. Union Representative