State of Wisconsin

OFFICE OF STATE EMPLOYMENT RELATIONS

- COMPENSATION AND LABOR RELATIONS BULLETIN -

Date:	July 1, 2008
Locator No:	OSER-0196-CLR/PP/LR

Subject: Information on the Adjusted State Prevailing Rate and Other Compensation Provisions for Employees Affected by the 2007-2009 Building Trades Collective Bargaining Agreement

A. INTRODUCTION

The purpose of this bulletin is to inform agencies of the adjusted state prevailing rate percentages, in accordance with Article VII and Negotiating Notes #1 and #2 of the 2007-2009 collective bargaining agreement between the State and the Building Trades Negotiating Committee, and to provide interpretations of contract language changes regarding compensation for Trades employees who work on state holidays.

B. ADJUSTED STATE PREVAILING RATE. Effective June 7, 2008, the Adjusted State Prevailing Rate, pursuant to Article 7/1/1 will be:

1. 82.8% of the gross area building construction prevailing rate, less the cost of the optional health insurance, for the 84 or 100 hour annual leave option.

2. 81.5% of the gross area building construction prevailing rate, less the cost of the optional health insurance, for the 124 or 140 hour annual leave option.

3. 80.2% of the gross area building construction prevailing rate, less the cost of the optional health insurance, for the 180 hour annual leave option.

These rate percentages are the same percentages as in the 2005-07 Agreement.

C. LUMP SUM FOR THE DELAY IN IMPLEMENTATION OF THE AGREEMENT

Pursuant to Negotiating Note #1 of the Agreement, employees in pay status on June 7, 2008, will receive a lump sum payment for hours in pay status in a permanent position (employment types 01, 02 and 06) in the bargaining unit (DP Unit Code 4) from July 1, 2007, to June 7, 2008 (the Agreement effective date). This lump sum payment will be equal to the difference between the amount the employee would have received if the Agreement had been in place by July 1, 2007, minus the amount the employee actually received.

Employees who went on a leave of absence on or after July 1, 2007, and have not returned to pay status will be eligible for this lump sum upon their return to pay status in the bargaining unit during the term of the Agreement.

Agencies will be notified as soon as administratively feasible of changes to gross area prevailing rates that were effective on or after July 1, 2007, but had not been processed due to the expiration of the 2005-07 Agreement and ongoing negotiations for the 2007-09 successor Agreement.

D. HOLIDAY PREMIUM PAY

Employees may be compensated for work on a legal holiday in various ways, depending on the situation. (See Article 7/12/1 of the Agreement.) There are two types of situations: (1) the employee is required to work on a legal holiday, or (2) the employee and Employer mutually agree to alternative compensation for work on a legal holiday. Compensation under these two situations will be as follows:

1. The employee is required by the Employer to work on a legal holiday.

An employee who is required to work on a legal holiday shall be paid at the holiday premium rate of 136% of the total gross area prevailing rate for all hours worked between 12:00 a.m. and 11:59 p.m. on those days. If the legal holiday falls on a Sunday and the following Monday is legally observed as the holiday, the premium rate will be provided only on the legally observed Monday. In addition to the holiday premium pay, the employee shall receive time off in an amount equal to the actual hours worked on the holiday, not to exceed 8 hours. This time off <u>replaces</u> the holiday leave hours the employee would have received if the employee had not been required to work on the holiday, it is not in addition to the holiday leave hours.

Example. Sam is required to work for 6 hours on Martin Luther King Day. Sam receives the premium pay rate equal to 136% of the gross area prevailing rate for those 6 hours. For that day, Sam would also receive 2 hours of legal holiday pay at his regular rate. Since Sam was only able to use 2 of his 8 legal holiday hours for Martin Luther King Day, the remaining 6 hours of legal holiday leave are available to Sam as leave credits for use at a later date.

2. The Employer and employee mutually agree to alternative compensation for holiday work.

In lieu of premium compensation as described in 1., above, the Employer and employee may agree to pay the employee his/her regular rate of pay for actual hours worked on a legal holiday (or on the date that the legal holiday is observed), not to exceed 8 hours for each holiday. The employee will either receive pay for actual hours worked, or be compensated with leave credit to be used later, <u>but not both</u>. If leave credits are chosen in lieu of pay, the leave credits shall be available for use at a later date, and shall be equal to the number of hours worked, not to exceed 8 hours for each holiday.

The agreement by an Employer and employee to non-premium compensation for working on a legal holiday may arise in a situation where an employee would prefer to work on a holiday and take an equivalent amount of leave at a different time, but the Employer does not wish to pay the premium holiday rate for such holiday work.

E. NO PYRAMIDING OF OVERTIME AND HOLIDAY PREMIUM PAY

1. **Rate for overtime.** Per 7/3/1 of the Agreement, the premium rate for overtime is specified as 136% of the total gross area prevailing rate. Alternatively, per 7/3/3 of the Agreement, the Employer and employee can mutually agree to provide compensatory time for some or all of the hours in excess of 40 hours in a workweek. Such compensatory time shall be equal to 1 and ½ times the number of hours in pay status beyond 40 that are being compensated with compensatory time in lieu of cash.

2. **Holiday premium pay.** Per 7/12/1/C. of the Agreement, when an employee is required by the Employer to work on a legal holiday, the pay rate is 136% of the gross area prevailing rate. (See D.1., above.)

3. **No pyramiding.** Since the premium rates for both overtime and holiday work are specified in the Agreement as equal to 136% of the gross area prevailing rate, and provided that both rates are at least equal to the legal overtime rate of 1 and ½ times the regular pay rate as calculated under FLSA rules, no employee shall receive a pay rate greater than 136% of the gross area prevailing rate for any time in pay status.

   Example. An employee works 48 hours in a week, and 8 of these hours were required work on a legal holiday. The employee would receive 40 hours of pay at the regular rate, and 8 hours at the premium rate of 136% of the gross area prevailing rate. The employee would also retain the unused holiday leave credits for use at a later date.

   In this example, it does not matter whether the holiday hours were worked at the beginning, middle, or end of the work week. It also would not matter if some portion of the 40 non-holiday hours were sick leave or regular vacation leave, because under the Agreement overtime is paid for all hours in pay status over 40.

Note. It is possible that an employee could receive an overtime rate greater than 136% of the gross area prevailing rate for actual hours worked under a FLSA calculation. This could happen in a pay period where an employee works more than 40 hours and receives a large enough amount of standby pay or cash-out of compensatory time to increase the regular rate as calculated per FLSA rules to a rate which, multiplied by the FLSA overtime rate of 1.5, is greater than 136% of the gross area prevailing rate.

F. REFERRAL OF QUESTIONS

Employee questions regarding their pay rates or the pay adjustments included in this bulletin should be referred directly to their agency Human Resources or Payroll Office.

Agency questions regarding the ***current prevailing rates*** should be directed to Randy Peltier, Division of Compensation and Labor Relations, at (608) 266-9602 or e-mail at randy.peltier@wisconsin.gov.

Questions regarding ***all other contract provisions*** should be directed to Bert St. Louis, Division of Compensation and Labor Relations, at (608) 266-9992 or e-mail at bert.stlouis@wisconsin.gov.

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James A. Pankratz, Administrator
Division of Compensation and Labor Relations

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