

## **ARTICLE 42**

### **WAGES**

#### **A. YEAR ONE- RANGE ADJUSTMENTS AND INDIVIDUAL INCREASES**

1. Salary Range Adjustments – Effective upon ratification

The University will adjust the existing salary ranges as identified in Appendix A-1.

2. Individual Within Range Increases – Effective upon ratification

a. The University shall provide each within range employee with a base-building salary adjustment of at least four percent (4%), as identified by location and title in Appendix A-1 of this contract. For those titles with a greater than 4% increase, percentage increases are indicated in Appendix A-1. The increases will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following the effective date of the agreement (i.e. ratification date.)

b. Employees within the salary range who are not eligible for the full amount of the within range increase, or who are situated above the range, shall be compensated so that the employee's individual salary rate is raised to the maximum of the range, if applicable, and then paid a one time, annualized, non-base building, retirement eligible, lump sum on the remaining percentage not provided within range.

3. Transition to Steps – Effective 120 days following ratification

a. The University will implement a step based compensation structure. The structures are identified in Appendix A-2.

b. Employees will be transitioned to the step structure based on a minimum of UC years of experience in the current title. See Side Letter regarding methodology for transition by location.

c. In the event placement on a step, based on a minimum of UC years of experience within a title, would result in an increase of more than 10%, the employee may be placed on a step that results in no more than a 10% increase. (For example, if an employee has 8 years of experience within a title and Step 8 would result in an 11% increase, then the employee would be placed on Step 7 with an increase of 9%.) See Side Letter regarding methodology for transition by location.

See Section B.4 below for the completion of transition to step structure based on a minimum of UC years of experience.

- d. The increases resulting from placement on the new structure will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following 120 days following the date of the agreement (i.e. 120 days after the ratification date.)

#### 4. Order of Increases

If more than one salary adjustment takes place on the same date, actions occur in the following order:

- a. salary range adjustment
- b. individual salary increase
- c. equity adjustments
- d. salary action resulting from promotion, reclassification, transfer, or demotion.

In the event an individual's salary remains below the new range minimum after the implementation of all base building increases, his or her salary will be increased to the new range minimum.

#### 5. Eligibility for Increases

All employees will be transitioned to steps as described above, regardless of pay or leave status. With the exception of the transition to steps, to be eligible for any of the increases described above, employees must be on pay status or on approved leave, in the EX Bargaining Unit on the effective date of the increase and the date of payout.

## **B. YEAR TWO- RANGE ADJUSTMENTS AND STEP INCREASES**

### 1. Salary Range Adjustments – January 2009

- a. The University shall provide a minimum 2.5% range increase. The increases resulting from the range adjustment will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following January 1, 2009.
- b. Employees within the salary range who are not eligible for the full amount of the within range increase, or who are situated above the range, shall be compensated so that the employee's individual salary rate is raised to the maximum of the range, if applicable, and then paid a one time,

annualized, non-base building, retirement eligible, lump sum on the remaining percentage not provided within range.

- c. Across the board increases outlined above are subject to negotiations in the event the parties engage in re-openers identified in Articles 4a and 4b - University Health and Welfare Benefits and University Retirement and Savings Plans as well as Article 8 - Duration.

## 2. Salary Range Adjustments – July 2009

- a. The University shall provide a minimum 2.5% range increase. The increases resulting from the range adjustment will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following July 1, 2009.
- b. Employees within the salary range who are not eligible for the full amount of the within range increase, or who are situated above the range, shall be compensated so that the employee's individual salary rate is raised to the maximum of the range, if applicable, and then paid a one time, annualized, non-base building lump, retirement eligible, sum on the remaining percentage not provided within range.
- c. Across the board increases outlined above are subject to negotiations in the event the parties engage in re-openers identified in Articles 4a and 4b - University Health and Welfare Benefits and University Retirement and Savings Plans as well as Article 8 - Duration.

## 3. Step Increases – July 2009

- a. Employees who are within range will receive a one step increase. For those at locations with experience banded steps (UCSF / UCSFMC and UCLA / UCLAMC), employees who are within range and who have achieved a new level of experience, will receive a step increase. See Side Letter regarding movement through the step structure.
- b. The increases resulting from the step increase will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following July 1, 2009.

## 4. Completion of Step Transition – One Year from Effective Date of Transition to Steps

In the event an employee's transition to the step structure in as outlined in Section A.3. above, did not completely recognize his/her UC years of experience within a title due to the cap on percentage of increase, the employee will have remaining movement through

the step structure to account for a minimum of his/her UC years of experience within a title by no later than one year from effective date of transition to steps (i.e. employee with 8 years of experience within a title who was only moved to Step 7 as of transition date would now be moved up to at least Step 9 since he/she is now at 9 years of UC experience within the title.)

#### 5. Order of Increases

If more than one salary adjustment takes place on the same date, actions occur in the following order:

- a. salary range adjustment
- b. individual salary increase/step increase
- c. equity adjustments
- d. salary action resulting from promotion, reclassification, transfer, or demotion.

In the event an individual's salary remains below the new range minimum after the implementation of all base building increases, his or her salary will be increased to the new range minimum.

### **C. YEAR THREE- RANGE ADJUSTMENTS AND STEP INCREASES**

#### 1. Salary Range Adjustments – January 2010

- a. The University shall provide a minimum 3% range increase. The increases resulting from the range adjustment will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following January 1, 2010. See Appendix A-\_\_.
- b. Employees within the salary range who are not eligible for the full amount of the within range increase, or who are situated above the range, shall be compensated so that the employee's individual salary rate is raised to the maximum of the range, if applicable, and then paid a one time, annualized, non-base building, retirement eligible, lump sum on the remaining percentage not provided within range.
- c. Across the board increases outlined above are subject to negotiations in the event the parties engage in the re-openers identified in Articles 4a and 4b - University Health and Welfare Benefits and University Retirement and Savings Plans as well as Article 8\_ - Duration.

#### 2. Step Increases – July 2010

- a. Employees who are within range will receive a one step increase. For those at locations (UCLA/UCLAMC &

UCSF/UCSFMC) with experience banded steps, employees who are within range and who have achieved a new level of experience, will receive a step increase.

- b. The increases resulting from the step increase will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following July 1, 2010.

### 3. Order of Increases

If more than one salary adjustment takes place on the same date, actions occur in the following order:

- a. salary range adjustment
- b. individual salary increase/step increase
- c. equity adjustments
- d. salary action resulting from promotion, reclassification, transfer, or demotion.

In the event an individual's salary remains below the new range minimum after the implementation of all base building increases, his or her salary will be increased to the new range minimum.

## **D. YEAR FOUR- RANGE ADJUSTMENTS AND STEP INCREASES**

### 1. Salary Range Adjustments – January 2011

- a. The University shall provide a minimum 3% range increase. The increases resulting from the range adjustment will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following January 1, 2011. See Appendix A-\_\_.
- b. Employees within the salary range who are not eligible for the full amount of the within range increase, or who are situated above the range, shall be compensated so that the employee's individual salary rate is raised to the maximum of the range, if applicable, and then paid a one time, annualized, non-base building, retirement eligible, lump sum on the remaining percentage not provided within range.
- c. Across the board increases outlined above are subject to negotiations in the event the parties engage in the re-openers identified in Articles 4a and 4b - University Health and Welfare Benefits and University Retirement and Savings Plans as well as Article 8 - Duration.

2. Market Equity Pool - Additionally, the University shall provide a minimum of 1% to be made available for market equity increases.

The allocation of equity increases shall be at the University's sole discretion.

- a. Upon written request by AFSCME, each medical center will meet locally in December 2010 to discuss its intentions for allocation of the equity pool.
- b. Upon written request by AFSCME, each medical center will meet to confirm that a minimum of 1% (on an annualized basis) was utilized for equity increases.
- c. If the University fails to provide a minimum 1% (on an annualized basis) market equity distribution, the University shall use the remaining funds to increase the range adjustment in the following contract year.

3. Step Increases – July 2011

- a. Employees who are within range will receive a one step increase. For those at locations (UCLA/UCLAMC & UCSF/UCSFMC) with experience banded steps, employees who are within range and who have achieved a new level of experience, will receive a step increase.
- b. The increases resulting from the step increase will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following July 1, 2011.

4. Order of Increases

If more than one salary adjustment takes place on the same date, actions occur in the following order:

- a. salary range adjustment
- b. individual salary increase/step increase
- c. equity adjustments
- d. salary action resulting from promotion, reclassification, transfer, or demotion.

In the event an individual's salary remains below the new range minimum after the implementation of all base building increases, his or her salary will be increased to the new range minimum.

## **E. YEAR FIVE- RANGE ADJUSTMENTS AND STEP INCREASES**

1. Salary Range Adjustments – January 2012

- a. The University shall provide a minimum 3% range increase. The increases resulting from the range adjustment will take effect on the first day of the individual's bi-weekly, semi-

monthly, or monthly pay period nearest and following January 1, 2012. See Appendix A-\_\_\_.

- b. Employees within the salary range who are not eligible for the full amount of the within range increase, or who are situated above the range, shall be compensated so that the employee's individual salary rate is raised to the maximum of the range, if applicable, and then paid a one time, annualized, non-base building, retirement eligible, lump sum on the remaining percentage not provided within range.
  - c. Across the board increases outlined above are subject to negotiations in the event the parties engage in the re-openers identified in Articles 4a and 4b - University Health and Welfare Benefits and University Retirement and Savings Plans as well as Article 8 - Duration.
2. Market Equity Pool - Additionally, the University shall provide a minimum of 1% to be made available for market equity increases. The allocation of equity increases shall be at the University's sole discretion.
    - a. Upon written request by AFSCME, each medical center will meet locally in December 2011 to discuss its intentions for allocation of the equity pool.
    - b. Upon written request by AFSCME, each medical center will meet to confirm that a minimum of 1% (on an annualized basis) was utilized for equity increases.
    - c. If the University fails to provide a minimum 1% (on an annualized basis) market equity distribution, the University shall use the remaining funds to increase the range adjustment in the following contract year.
  3. Step Increases – July 2012
    - a. Employees who are within range will receive a one step increase. For those at locations (UCLA/UCLAMC & UCSF/UCSFMC) with experience banded steps, employees who are within range and who have achieved a new level of experience, will receive a step increase.
    - b. The increases resulting from the step increase will take effect on the first day of the individual's bi-weekly, semi-monthly, or monthly pay period nearest and following July 1, 2012.
  4. Order of Increases

If more than one salary adjustment takes place on the same date, actions occur in the following order:

- a. salary range adjustment
- b. individual salary increase/step increase
- c. equity adjustments
- d. salary action resulting from promotion, reclassification, transfer, or demotion.

In the event an individual's salary remains below the new range minimum after the implementation of all base building increases, his or her salary will be increased to the new range minimum.

#### **F. OTHER INCREASES**

1. The University may increase, individual salary rates, or salary ranges for selected classes at selected locations. The University may also increase, for selected classes at selected locations, during the term of the agreement, shift differentials, on-call rates and/or extend the coverage of such rates. Likewise, nothing shall preclude the University from providing equity adjustments.
2. At least thirty (30) calendar days prior to implementing the increases referenced in Section B.1, above, the University shall inform AFSCME.

**G.** The range and rate adjustments, base or non-base, if any, provided in this Article shall not be subject to Article 9 - Grievance Procedure, or Article 3 - Arbitration Procedure, of this Agreement.

#### **H. PAY EQUITIES**

The University of California supports reasonable pay rate equity (within 2%), resulting from the University's initially hiring new career employees at a rate of pay at least 2% higher than the pay of current career employees in the same hiring unit in the same classification and who are assigned the same duties. For the purposes of this Section, a hiring unit is equivalent to a layoff unit. When examining reasonable equity rate issues, the University and AFSCME shall consider the employees':

- a. Years of experience performing the duties related to the position;
- b. Years of experience in the same or equivalent classification;
- c. Current employee's work history (reasonably objective work-related issues or concerns that have been documented);

- d. Appointment type;
  - e. Overall skills, knowledge and ability that can be applied to the job;
  - f. Education (where applicable);
  - g. New employees' documented and objective eligibility for other salary adjustments (e.g., special differentials) or UC benefits; and
  - h. Actual duties assigned.
3. The University will use the criteria in Section H above, when setting the salaries of initial hires and the parties will use the Section H criteria when assessing claims of salary rate equity. All criteria must be met to invoke the University's obligation to increase wages to within 2% of a new hire with a higher salary.
  4. An equity rate adjustment concern does not include salary actions/agreements for employees who are entering a hiring unit from other University facilities/units, preferential rehire, or rehire from rehabilitation or disability.
  5. Effective October 1, 2011, see side letter regarding this Section H.