



REVIEW COMMITTEE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
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RECEIVED MAY 20 1996

**CASE CLOSED
FILED & LOGGED**

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060
R.W. STALCUP, SECRETARY

MARGARET A. SHORT, CHAIRMAN

- DECISION
- LETTER DECISION
- PRE-REVIEW REFERRAL

Fresno Division Grievance No. FRO-94-60
Fact Finding Committee No. 5961-94-410
Pre-Review Committee File No. 1965

MONICA OAKES
Company Member
Local Investigating Committee

FRANK HUTCHINS
Union Member
Local Investigating Committee

Subject of the Grievance

This case concerns Company's failure to include on the paycheck overtime worked during the covered pay period or to issue a T-Check. The payment was included on the employees' next regular paycheck.

Facts of the Case

On September 23 and 24, 1994 (Friday and Saturday), four employees worked overtime. The first paycheck following the dates worked was dated September 30 and covered the pay period from Sunday, September 11 through Saturday, September 24 inclusive. The next paycheck was dated October 14, 1994 and included pay for the overtime worked on September 23 and 24.

In order for time to be included on a paycheck, it must be entered and released not later than 5:00 p.m. on the Tuesday before the payday. In this instance, that would have been by Tuesday, September 27. The LIC report does not indicate whether the deadline was met.

When the overtime was not included in the September 30 check, the employees and Union requested that a "T" check (special issue) be issued. Payroll declined based on the Policy letter issued August 24, 1994 which stated that "T" checks for overtime would no longer be issued, that the payment would be made on the employee's next regular paycheck.

Discussion

The Union opined that Company is obligated to issue "T" checks based on past practice and to discontinue doing so violated Section 107.1, Anti-Abrogation. Further, Union cited Subsection 204.1 of the Agreement which states:

"Wages shall be paid at biweekly intervals on Fridays for a two weeks' payroll period ending not less than four nor more than ten days prior to the pay date, provided that if the regular pay date falls on a holiday payment shall be made on the preceding workday."

Company stated that issuing "T" checks is a manual, not automated process and is relatively costly, approximately \$67 per check. The deductions on a "T" check are at the supplemental income rate, roughly 42%, rather than the W-4 designation. This can result in less net pay to the employee than if the missed pay is included on the next paycheck.

At prior steps in the grievance procedure, Company took the position that the reference to wages in Subsection 204.1 referred to base salary and not overtime and further that the State Labor Code allowed for the payment of overtime earned in one pay period to be paid no later than the payday of the following pay period. In checking with the Law Department, it was determined that that same the Labor Code provision also states:

"...when employees are covered by a collective bargaining agreement that provides different pay arrangements, those arrangements shall apply to the covered employees."

Turning then to our labor agreement, there is nothing in our bargained agreement or prior grievance settlements that would support an interpretation that overtime compensation is anything other than wages and therefore must be paid in compliance with Subsection 204.1 of the Agreement.

DECISION

It was agreed that there was a violation of the contract in this case. However, the owed compensation has been paid.

The importance of timely reporting, inputting, and releasing of payroll information cannot be stressed enough. Doing so obviates the need to even discuss specially generated checks.

In those instances where overtime is not included on the regular paycheck for that pay period in which it is worked, the overtime will be included on the employee's next regular paycheck. Employees may, however, insist on being paid before the next regular paycheck and the Company will comply within a reasonable period. In making such a request, employees should consider whether it would be more beneficial financially for them to wait until the next regular paycheck given the withholdings and the cost to the company of issuing special checks.

This case is closed based on the foregoing.

Margaret Short
Margaret A. Short, Chairman
Review Committee

5/17/96
Date

Roger Stalcup
Roger W. Stalcup, Secretary
Review Committee

5/17/96
Date