



**Robert Joga**  
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November 1, 2016

Mr. Tom Dalzell, Business Manager  
Local Union No. 1245  
International Brotherhood of  
Electrical Workers, AFL-CIO  
P.O. Box 2547  
Vacaville, CA 95696

Dear Mr. Dalzell:

This letter and its attachments will confirm the table agreement reached by the Company's Negotiating Committee and the Union's Negotiating Committee with respect to the IBEW Clerical Agreement and the Benefits Agreement ("Benefit Agreement").

#### **Ratification Vote**

The Company's GWI, Working Conditions, and Benefits proposals are dependent upon ratification of both the Clerical and Benefits Agreement. Implementation of the GWI, working conditions and benefits changes will not occur until both the Clerical Agreement and Benefits Agreement are ratified.

#### **Term**

The Clerical Agreement and Benefit Agreement each will have a four-year term of January 1, 2016 through December 31, 2019.

#### **Wages**

If this agreement is ratified, employees who are on the active payroll on the ratification date of this agreement will receive payment equal to the amount they would have received if a 3% general wage increase had been implemented on January 1, 2016. This payment will be made on two separate checks. The Company's agreement to provide this payment is contingent upon ratification of this settlement. This payment will be included in covered compensation for the purposes of the Savings Fund Plan and Retirement Plan for employees who retired in 2016 and will not be included for any other benefit plan purposes. The 3% general increase for 2016 will be included in wage rates before applying the 3.0% general wage increase for 2017.

Employees who have retired since February 1, 2016, will receive a retroactive pay increase and pension recalculation as soon as administratively possible.

In addition, the Company will grant a general increase using normal rounding of 3.0 percent (3.0%) effective January 1, 2017; 3.25 percent (3.25%) effective January 1, 2018; and 3.25 percent (3.25%) effective January 1, 2019.

## **Voluntary Disability Insurance and Voluntary Paid Family Leave Program Design**

All terms in this subparagraph shall be effective on January 1, 2018.

1. The Company intends to apply to the State of California to implement a Voluntary Disability Insurance Plan (the "Voluntary Plan") that provides a weekly benefit of either 60% of an employee's basic wage rate (55% for Hiring Hall, Temporary Additional, non-regular status intermittent employees) on the date of disability or 55% of subject wages up to the maximum amount prescribed by the State of California, whichever is greater. The details of the proposed Voluntary Plan will be consistent with the terms of this agreement and a draft summary is attached hereto as an Exhibit; the final draft of the plan is subject to approval by the Union only to determine if it is consistent with this agreement.
2. The Union and its members agree and affirmatively acknowledge that the ratification of the Collective Bargaining Agreement shall constitute 100% approval of its membership for purposes of demonstrating consent and approval of the plan pursuant to the State of California Employment Development Department, requirements. If a Voluntary Disability Insurance Plan is established in accordance with State law then all Voluntary Disability Insurance Plan benefits shall be in accordance with the Voluntary Plan to extent permitted by law upon the effective date of the Voluntary Plan (the "Voluntary Plan Effective Date").
3. The Company will establish a new Long Term Disability (LTD) Plan IV. The Plan Document will be the governing document. The final draft of the document is subject to approval by the Union only to determine if it is consistent with this agreement.
4. Employees on Long Term Disability (LTD) Plan III have the option to elect the applicable provisions of Section 7.10(b) or 7.10(d) in the event they return to work.

The Summary of Benefits Handbook, Clerical Agreement, and any other impacted letters of agreement will be revised consistent with these changes.

### **Long Term Disability Adjustment**

Company will provide a 4% adjustment to the LTD benefit of employees currently in Plan I, II or III who have been on LTD for at least five years as of the implementation date.

### **Joint Oversight Committee**

A joint oversight committee will be established to oversee the implementation of the Voluntary Disability Insurance Plan, Paid Family Leave Plan, Long Term Disability Plan IV and Return to Work agreement. The committee shall have the authority to make recommendations to the Company's Chief Negotiator and the Union Business Manager pertaining to:

- Contractual impacts that may result from this agreement.
- Quarterly review of employees who may become eligible for LTD Plan IV and Stay at Work/Return to Work benefits. In an effort to create opportunities to Stay at Work or Return to Work, the joint oversight committee may recommend current job vacancies and/or recommend newly created positions on a case-by-case basis.
- The third party administrator for the Short-Term Disability/Paid Family Leave benefits.

## **Cooperation**

### **Safety**

The Company and Union agree that nothing is more important than the safety of PG&E employees, contractors, and the public. In order to improve and sustain the safety culture at PG&E, it will be imperative that the parties jointly cooperate on this issue. Therefore, the parties have agreed to establish a Safety Partnership Committee that will develop a clear charter focused on how the Company and Union can partner to create and execute safety initiatives. The Safety Partnership Committee shall consist of an equal number of employees that will be appointed by the Company and the Union respectively.

### **Competitive Challenges**

The parties recognize that the utility landscape is changing due to changing energy policies and competition, especially in California. The political and regulatory challenges will require both parties' efforts to combat many obstacles on the horizon. To meet these challenges, PG&E must be safe and reliable and affordable to establish itself as the provider of choice for our customers. However, to further position PG&E and its employees for a successful future, it is in the parties mutual interest to work together to address the reality that our customers' choices continue to grow. Therefore, the parties have also agreed to establish a Strategic Opportunities Committee that will be charged with finding opportunities to partner and face the competitive challenges in our industry. The Strategic Opportunities Committee shall consist of an equal number of employees appointed by the Company and Union respectively.

## **Ad Hoc Committees**

The parties agreed to establish the following ad hoc committees consistent with Title 22 of the Clerical Agreement:

- Overtime provisions of Title 12
- Items which were discussed by the parties in subcommittees during general negotiations

## **Re-Opener for PG&E Retiree Benefits**

The parties agree to re-open negotiations in 2017 to discuss the retiree benefits for PG&E Retirees.

## **Board Approval and IBEW Membership Ratification**

The tentative agreement reached for the general wage increase and Benefits are subject to approval by the PG&E Corporation Compensation Committee and collective ratification by both the IBEW Physical and Clerical bargaining units.

## **Effective Date**

The changes made in the Table Settlement for the Clerical Agreement and the Benefits Agreement will have an effective date as noted herein.

Attached are amended Contract sections as agreed to during the negotiations, as follows:

- A. Clerical Agreement Amendments
- B. Benefits Agreement (includes Voluntary Disability Insurance Plan, Voluntary Paid Family Leave Plan and Long Term Disability)

If any of the above or the attachments thereto are not in accordance with your understanding of our settlement, please let me know immediately.

Sincerely,

PACIFIC GAS & ELECTRIC COMPANY

***s/Robert Joga***

By: \_\_\_\_\_  
Robert Joga  
Senior Director and Chief Negotiator

The Union is in agreement with this letter and its attachments.

LOCAL UNION NO. 1245, INTERNATIONAL  
BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

***November 1***  
\_\_\_\_\_, 2016

***s/Tom Dalzell***  
By: \_\_\_\_\_  
Tom Dalzell  
Business Manager

## TITLE 6. LEAVE OF ABSENCE

### 6.1 ELIGIBILITY

"Leave of absence" without pay shall be granted to regular employees, under the conditions set forth in this Title for urgent or substantial personal reasons, provided that adequate arrangements can be made to take care of the employee's duties without undue interference, *or if required by law, undue hardship*, with the normal routine of work. A "leave" will not be granted if the purpose for which it is requested may lead to the employee's resignation. For the purpose of this Agreement the terms "leave of absence" and "leave" signify absence without pay for periods in excess of ten consecutive workdays. In the computation of the length of a "leave of absence" there shall not be included any time the employee is absent with pay. Absences without pay for ten consecutive workdays or less shall also be authorized under these provisions. *(Amended 1-1-09)*

In addition to the provisions of this Title, it is the intent of the parties to include leave benefits as mandated by State and Federal law, including the California Family Rights Act of 1993, ***the California Pregnancy Disability Leave*** and the Federal Family and Medical Leave Act of 1993. ***Leaves under state and federal laws shall not exceed the time provided under the applicable statute and will not be extended as a leave under 6.2 under any circumstance.*** *(Amended 1-1-16)*

***Effective 1/1/18, a regular employee who is absent and approved under the Voluntary Disability Insurance Plan or Voluntary Paid Family Leave Plan shall concurrently be on an authorized "leave of absence" in accordance with 6.2. (Added 1-1-16)***

***All leave time runs concurrently with and does not extend the maximum period of leave to which the employee may be entitled under the California Family Rights Act, California Pregnancy Disability Leave or Federal Family and Medical Leave Act. (Added 1-1-16)***

### 6.2 PERIODS OF LEAVE

(a) The Company may grant a "leave of absence" without pay to a regular employee for a period not in excess of six consecutive months. It may grant an additional "leave of absence" without pay to such employees if personal circumstances and service to the Company warrant the granting thereof *or as otherwise required by applicable law*. Except as provided in Sections 6.6 and 6.8, a "leave of absence" will not be granted which, together with the last "leave" or "leaves" granted, will exceed twelve consecutive months. *(Amended 1-1-09)*

(b) Child Care Leave: A regular employee who has become a parent by the birth or adoption of a child, or ***foster placement*** of a child shall be entitled to an unpaid "leave of absence" for a period not to exceed six consecutive months, without reference to urgent and substantial personal reasons to care for such newborn, ***foster*** or adopted child. When an employee who was granted a leave for child care applies for reinstatement the employee will be returned to the employee's former classification and headquarters which the employee vacated. *(Amended 1-1-16)*

An employee shall be entitled to an additional "leave of absence" for a period not in excess of six consecutive months for child care with the understanding that the employee may return to work provided a vacancy exists in the classification and headquarters which the employee vacated, or in a classification lower thereto in the Line of Progression at such headquarters.

If a vacancy of this kind does not exist after the second six consecutive months, the employee's service shall be considered terminated. *(Added 1-1-84)*

***(c) If an employee has become a legal guardian the Company may, at its discretion, grant a "leave of absence" pursuant 6.1 above. (Added 1-1-16)***

## TITLE 7. SICK LEAVE

### 7.10 PLACEMENT OF PARTIALLY DISABLED EMPLOYEES

(a) Except as provided in Section 23.2, if an employee's health or physical ability becomes impaired to such an extent that he/she cannot perform the work of his/her classification, Company shall, if practical to do so, give such employee light work within his/her ability to perform for which he/she shall be compensated at the rate of pay established for such work. (Amended 1-1-91)

(b) In the event an employee is disabled due to injury or illness, ***is not returning from Long-Term Disability Plan IV*** and is returned to active payroll in a physical or clerical classification or is assigned to a classification designed for the employee with the prior written agreement of Union, the employee shall be paid in accordance with the following formula: ***(Amended 1-1-18)***

(1) If the employee is returned to the classification held before the disability occurred, the rate of pay for such classification, or

(2) If the employee has less than ten years of service at the time of the employee's disability, the rate of pay of the classification to which assigned, or

(3) If the employee has ten or more years of service at the time of his or her disability: The rate of pay of the classification to which assigned plus four percent per year of service (but not over 100 percent) times the difference between such rate of pay and the rate of pay of the employee's regular classification immediately prior to the injury or illness which caused the employee's disability.

An employee who returns to active payroll at a rate of pay calculated as in (3) above shall be limited to 50 percent of any general wage increase until such time as the partially disabled employee is receiving a rate of pay equal to the rate of the classification to which such employee is assigned. In no case will a partially disabled employee who is placed on the active payroll be paid less than 110 percent of such employee's current LTD rate of pay. (Added 1-1-83)

(c) An employee who is disabled due to injury or illness who is able to return to active payroll and the classification held prior to such disability but is assigned to a classification with a lower rate of pay shall be entitled to the provisions as described above until such time as the employee is returned to his/her former status on an accelerated basis as provided in Section 19.9 of the Clerical Agreement. (Amended 1-1-91)

***(d) In the event the employee is returned from Long Term Disability Plan IV to a different position that is at a lower than their pre-disability rate of pay, the employee will receive full wage protection for up to five (5) years but will receive no General Wage Increases (GWIs), unless and until such time as the new wage rate for the new position exceeds the prior position's wage protected rate. (Added 1-1-18)***

### 7.16 FAMILY SICK LEAVE (Added 1-1-00)

(a) In any calendar year, a regular full time employee shall be permitted to use the employee's current available sick leave benefits, up to 40 hours in the calendar year, to attend to an illness of a ***family member*** of the employee ***in accordance with California Sick Leave law***. A regular part-time ***or a regular intermittent*** employee may take up to one-half of their annual current sick leave hours allotment to attend to an illness of a ***family member*** of the employee ***in accordance with California Sick Leave law***. **A temporary additional employee or intermittent employee who has not attained regular status is entitled to use their sick leave provided in Letter Agreement 15-19 for family members in accordance with California Sick Leave law.** (Amended 1-1-16)

(b) In the calendar year in which a regular full time employee has qualified for additional sick leave under Section 7.3 and each succeeding calendar year it is renewed, the employee shall be permitted to use up to 80 hours in the calendar year, to attend to an illness of a ***family***

**member** of the employee **in accordance with California Sick Leave law**. In the calendar year in which a regular full time employee has qualified for additional sick leave under Section 7.4 and each succeeding year it is renewed, the employee shall be permitted to use up to 160 hours in the calendar year, to attend to an illness of a **family member** of the employee **in accordance with California Sick Leave law**. A regular part-time employee who has qualified for additional sick leave under Sections 7.3 and 7.4, may take up to one-half of the additional sick leave hours awarded to attend to an illness of a **family member** of the employee **in accordance with California Sick Leave law**. (Amended 1-1-16)

(c) All conditions and restrictions that apply to an employee's use of sick leave for his or her own illness shall apply to sick leave usage to attend to an illness of a child, parent, spouse, or registered domestic partner under this section. (Amended 1-1-11)

(d) An employee's use of sick leave under this section does not extend the maximum period of leave to which the employee may be entitled under the California Family Rights Act or the Federal Family and Medical Leave Act.

## TITLE 11. PREMIUM PAY

### 11.4 NON-WORK TIME

Shift premiums shall be payable only for hours actually worked and shall not be payable for non-work time such as holidays, sick leave, **Voluntary Disability Insurance, Paid Family Leave** and vacation. (Amended 1-1-18)

## TITLE 13. WAGES

### 13.7 WAGE PROGRESSION

(a) An employee who has accumulated sufficient time in a classification having a time progression shall be advanced to the next step in such classification until such employee receives the maximum rate thereof unless the employee has received during the previous twelve month period two written reminders or a decision-making leave after 1-1-11. Once the disciplinary action has deactivated, the employee's progression will be reinstated. The next progressive wage increase (PWI) will occur retroactively to the deactivation date in the quarter following the deactivation and will apply to the step for which the PWI was missed. Charges of alleged discrimination in the application of this Section shall be investigated by the Local Investigating Committee described in Section 9.6. (Amended 1-1-11)

(b) For the purpose of wage rate progression in a temporary classification, the time worked by an employee in other than his/her regular classification shall also be accrued in such temporary classification in accordance with the provisions of (a) above. (Amended 1-1-11)

(c) The "Wage Progression" of an employee who is absent on leave of absence without pay for more than ten consecutive workdays will be delayed by a period of time equivalent to such leave of absence. The "Wage Progression" of an employee in a beginning or other negotiated training classification who is absent for more than 25 consecutive workdays because of an industrial injury as defined in Section 23.1 or for an illness, disability **or family leave** and is receiving sick leave with pay as provided for in Section 7.1, **Voluntary Disability Insurance Plan, Paid Family Leave, and/or Wage Continuation** will be delayed by the period in excess of 25 consecutive workdays. (Amended 1-1-18)

## TITLE 17. STATUS

### 17.3 SERVICE

Service is defined as the length of an employee's continuous employment since his/her Employment Date with Company, a Predecessor Company, any Company or association named in Section 17.2 above, and as provided hereafter in Section 17.4. The continuity of an employee's

## ATTACHMENT A

Service shall be deemed to be broken by termination of employment for any reason or layoffs for lack of work which is in excess of the time provided for in Subsection (a) below. The following periods of absence shall count as service for purposes of this Agreement and shall not constitute a break in service: (Amended 1-1-88)

(a) Absences caused by layoff for lack of work so long as such employee has been absent less than thirty continuous months. (Amended 1-1-94)

(b) Absence on a leave of absence authorized by the Company pursuant to the provisions of Title 6 provided the employee returns to active work with Company immediately following the leave of absence. (Amended 1-1-91)

(c) Absence because of illness or injury as long as the employee is entitled to receive sick leave pay or is entitled to receive benefits under the provisions of the **Voluntary Disability Insurance Plan, Voluntary Paid Family Leave Plan, Wage Continuation Plan**, a state disability plan, the Long-Term Disability Plan, or a Workers' Compensation Law, provided that the employee returns to active work with Company immediately following recovery from the illness or injury. (Amended 1-1-18)

### 17.6 PART-TIME EMPLOYMENT

(a) A part-time employee is any employee whose regularly scheduled workweek is 35 hours or less. **Part-time employees** shall be entitled to service and prorated benefits, vacations and sick leave based on the ratio of total straight-time hours worked in a year by the employee to the full-time equivalent hours (2,080 hours per calendar year), unless otherwise noted. (Amended 1-1-16)

(b) A part-time employee shall be eligible to receive benefits ***as noted in this Agreement and in accordance with the eligibility requirements as stated in the Summary of Benefits Handbook (Amended 1-1-16)***:

(1) ***Upon reach regular status:*** Group Life Insurance and Long-Term Disability coverage as provided in the Benefit Agreement ***and described in the Summary of Benefits Handbook. (Amended 1-1-16)***

(2) Medical, Dental and Vision plan coverage as provided in the Medical, Dental and Vision Benefit Agreement ***and described in the Summary of Benefits Handbook. (Amended 1-1-16)***

(3) ***Upon reaching regular status:*** Vacation allowance as provided in Title 8, but prorated based on the ratio of total straight-time hours worked in a year to 2,080 hours. ***(Amended 1-1-16)***

(4) ***After completing one year of service:*** Sick leave as provided in Title 7, but prorated based on the ratio of straight-time hours worked in a year to 2,080 hours. Sick leave may only be taken on those days or for those hours that an employee is asked or scheduled to work and is unable to work due to illness or non-industrial injury. ***(Amended 1-1-16)***

(5) ***Upon reaching regular status:*** Paid holiday hours prorated based on ratio of straight-time hours scheduled to work in a year to 2,080 hours. ***(Amended 1-1-16)***

**(6) Retirement Plan and Retirement Savings Plan benefits as provided in the Benefits Agreement and described in the Summary of Benefits Handbook. (Amended 1-1-16)**

### 17.7 INTERMITTENT EMPLOYEES

(a) An intermittent employee is one who does not work any set schedule of hours per day or days per week, but who is on call to fill in on any schedule on an as-needed basis. During sickness or vacation relief periods, however, such employee may be assigned to work the



ATTACHMENT A

schedule and hours of the absent employee if such an assignment cannot be made pursuant to the provisions of Subsection 18.3(a) or any Relief Agreement.

(b) Intermittent employees will attain regular status upon the completion of six months of continuous service. Continuous service is defined in Section 17.5 as being "uninterrupted by (1) discharge, (2) resignation, or (3) absence for more than a cumulative total of 30 days due to (i) layoff, (ii) sickness or industrial disability, or (iii) other causes." If an employee is off for more than 30 days during a six-month period, a new six-month qualifying period will begin upon return to work. (Amended 1-1-91)

(c) An intermittent employee who attains regular status or a regular employee who accepts intermittent status shall be eligible to receive the following benefits: (Amended 1-1-91)

(1) Group Life Insurance and Long-Term Disability coverage, and Retirement Plan and **Retirement** Savings Plan benefits as provided in the Benefit Agreement **and described in the Summary of Benefits Handbook. (Amended 1-1-16).**

(2) Medical, Dental and Vision plan coverage as provided in the Medical, Dental and Vision Benefit Agreement **and described in the Summary of Benefits Handbook. (Amended 1-1-16)**

(3) Vacation allowance as provided in Title 8, but prorated based on the ratio of total straight-time hours worked in a year to 2,080 hours.

(4) Sick leave as provided in Title 7, but prorated based on the ratio of total straight-time hours in a year to 2,080 hours. Sick leave may only be taken on those days and for those hours that an employee is asked or scheduled to work and is unable to work due to illness or non-industrial injury.

(5) Paid holidays when regularly scheduled to work on that day. Such holiday payment shall be in proportion to the amount of time which the employee would have worked on that day if it were not a holiday.

(d) **Intermittent employees who have not obtained regular status are eligible for the following benefits:**

**(1) Paid sick leave as provided in accordance with Letter Agreement 15-19. Sick leave may only be taken on those days and for those hours that an employee is asked or scheduled to work and is unable to work due to illness or non-industrial injury. (Added 1-1-16)**

(Entire Subsection Amended 1-1-91)

(e) Company to furnish Union a listing of all clerical bargaining unit intermittent employees on a quarterly basis. (Added 1-1-91)

## **VOLUNTARY DISABILITY INSURANCE PLAN AND PAID FAMILY LEAVE PLANS**

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Effective January 1, 2018, the Company will establish a voluntary wage replacement benefit through a Voluntary Disability Insurance and Paid Family Leave program in lieu of the benefits provided by the State of California.

### **Voluntary Disability Insurance Plan and Voluntary Paid Family Leave:**

Voluntary Disability Insurance Plan and Voluntary Paid Family Leave plans will be provided in lieu of the State Disability Insurance (SDI) and California's Paid Family Leave plans. Highlights of the Voluntary Disability Insurance Plan and Voluntary Paid Family Leave plans will be as follows:

- Employees receiving benefits from Voluntary Disability Insurance Plan and Voluntary Paid Family Leave plans shall be considered to be on an approved leave of absence in accordance with the provisions of Title 101 of the Physical or Title 6 of the Clerical agreements and shall not constitute a break in service.
- Employees may opt out of the Voluntary Disability Insurance Plan and Voluntary Paid Family Leave plan and receive benefits directly from the State of California. Employees may only enroll or opt out of the Voluntary Disability Insurance Plan and Voluntary Paid Family Leave during the benefits open enrollment period.
- Voluntary Disability Insurance Plan and Voluntary Paid Family Leave benefits are as follows:
  - "Basic wage rate" means regular pay, on the date of disability, excluding overtime, premium pay, bonuses, upgrades or other pay.
  - Basic wage rate is based on the employee's regular job classification on the date Voluntary Disability Insurance Plan (date of disability) or Voluntary Paid Family Leave begins.
  - Part time employees will have their Basic Wage Rate calculated as their part-time monthly wage multiplied by 12 and divided by 52 weeks to determine the weekly rate.
  - Intermittent employees will have their Basic Wage Rate calculated as a prorated amount based on the ratio of actual straight-time hours worked in the previous six (6) month period to the full-time hourly equivalent (1,040 hours per six (6) month period) rounded to the nearest month. This monthly wage is then multiplied by 12 and divided by 52 weeks to determine the weekly rate.
  - In the event the amount an employee would receive from SDI is greater than the Voluntary Disability Insurance Plan benefit, the employee will receive the greater amount from the Voluntary Disability Insurance Plan.
- Employees will continue to contribute the SDI equivalent at the prevailing percentage and maximum as established by the State of California. The contribution rate will adjust to the prevailing percentage and maximum as established by the State of California on a yearly basis.
- An individual covered by the Voluntary Disability Insurance Plan and Voluntary Paid Family Leave plan will be afforded the same rights as if he/she were covered under SDI.
- A two-tier appeal process will be managed by a third party administrator.

## ATTACHMENT B

- A third party will administer Voluntary Disability Insurance Plan and Voluntary Paid Family Leave claims. Relevant medical information will only be provided to PG&E upon release from the employee and will be restricted to PG&E clinicians and leave administrators.
- All leave time runs concurrently with and does not extend the maximum period of leave to which the employee may be entitled under the California Family Rights Act, California Pregnancy Disability Leave or Federal Family and Medical Leave Act.
- The Company will abide by all state and federal laws regarding the handling of all medical information.

### **Voluntary Disability Insurance Plan Payments**

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1. Regular and probationary employees who provide complete medical certification (pursuant to California State law) to the Company's administrator of a qualifying event for the Voluntary Plan, the Company shall provide the employee with a Voluntary Disability Insurance Plan Payment in an amount that would provide the employee with total non-taxable disability payment equal to 60% of the employee's Basic Wage Rate on the date of disability (55% for Hiring Hall, Temporary Additional and non-regular status intermittent employees). Payments will be made on the employee's regular payroll cycle.
2. Certification will be based upon the same criteria and definitions as certification for California SDI.
3. The Company's administrator will certify the absence as eligible or ineligible for Voluntary Disability Insurance Plan benefits. The administrator will use the same definitions and criteria for eligibility as the State program.
4. There is a waiting period of seven calendar days for Voluntary Disability Insurance Plan. The employee must use and exhaust sick leave first in order to cover the waiting period. Employees who have exhausted their sick leave may choose to utilize earned, floating holiday(s) or in-lieu holiday(s), prior to utilizing earned vacation or the employee can choose unpaid time off at his/her option to cover the benefit waiting period.
5. "Subject Wages" shall be as defined in the applicable California codes.
6. "Basic Wage Rate" means regular pay on the date of the start of the leave excluding overtime, premium pay, bonuses, upgrades or other pay.
7. The Voluntary Disability Insurance Plan program shall be governed by the specific terms set forth in the applicable program documents.

## **Paid Family Leave**

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1. Upon an employee's providing appropriate certification to the Company's administrator of a qualifying event for California Paid Family Leave, the Company shall provide the employee with a Paid Family Leave Wage Continuation Payment in an amount that would provide the employee with a total pre-tax payments between the Voluntary Paid Family Leave payment and the Company Paid Family Leave Wage Continuation Payment equal to 100% of the employee's Basic Wage Rate for a maximum of 8 weeks. Payments will be made on the employee's regular payroll cycle.
2. There is no waiting period for the Paid Family Leave Payment.
3. Certification will be based upon the same criteria and definitions as certification for California Paid Family Leave.
4. The administrator will use the same definitions and criteria for eligibility as the State program.
5. "Basic Wage Rate" means regular pay on the date of the start of the leave excluding overtime, premium pay, bonuses, upgrades or other pay.
6. This Company Paid Family Leave Wage Continuation Payment is an agreed upon pay practice and does not require the creation of a trust fund or any form of ERISA governance.
7. The Paid Family Leave Wage Continuation Payment program shall be governed by the specific terms set forth in the applicable program documents.
8. Employees may make pre-tax 401(k) contributions from Wage Continuation Payments which shall be matched in the same manner as other employee contributions. Upon return to work, employees may, to the extent permitted by law and the plan, make adjustments to their 401K deferrals to increase their contributions for the remainder of a plan year and these deferrals will be matched per the terms of the plan.
9. Hiring Hall, Temporary Additional and non-regular status intermittent employee are not eligible for the Wage Continuation payments.

## **LONG TERM DISABILITY (LTD)**

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- a. Employees are eligible for LTD after having been disabled for 52 weeks.
- b. The Long-Term Disability benefit shall be 70% of the employee's Basic Wage Rate which is subject to all applicable taxes and withholdings.
- c. "Basic Wage Rate" means regular pay on the date of disability excluding overtime, premium pay, bonuses, upgrades or other pay.
- d. Employees shall not accrue pension service credit while on LTD. Eligibility for all other benefits, including the Retirement Savings Plan, health insurance, dental, and vision, will remain the same consistent with the current LTD plan in accordance with the Summary of Benefits Plan Handbook.
- e. Employees will be required to return to work at the Company when (i) they are able to perform in the pre-leave classification with or without a reasonable accommodation; or (ii) when they are able to perform in another classification at the Company that is vacant with or without a reasonable accommodation, provided that (a) the employee is qualified to perform the duties of the classification, and (b) the salary of the new classification pays a wage that is at least 70% of the employee's pre-leave classification, and (c) within a commutable distance as defined in the Return to Work Agreement.

The sequence of placement outside of the employee's base classification shall be as follows:

1. Line of Progression
  2. Department
  3. Appropriate Bargaining Unit
  4. Physical or Clerical Bargaining Unit
  5. Any other Bargaining Unit
  6. Any other position (voluntary)
- f. In the event the employee returns to a different classification that is at a lower salary, the employee will receive full wage protection for up to five (5) years but will receive no General Wage Increases (GWIs), unless and until such time as the new wage rate for the new classification exceeds the prior position's wage protected rate.
  7. No offset for family Social Security Benefits.
  8. All other provisions of LTD Plan III apply.