

2012 Recommended Benefit Changes

Department of Employee Relations

City of Milwaukee

October 5, 2011

Background

- ▶ Implications of Wisconsin Act 10
 - Expiration of CBA's
 - Rewrite of Chapter 350, codifying benefits available to city employees
 - Civil Service Rules – Workplace Safety Grievance Procedure
 - Creation of a Disciplinary Grievance Procedure for certain paid suspensions

Goals

- ▶ Eliminate MCO references to bargaining unit benefits where applicable
- ▶ Create uniform benefits for general city employees
- ▶ Increase efficiency in benefit administration practices
- ▶ Establish authority for benefits in the MCO
- ▶ Implement fiscally responsible HR practices
- ▶ Promote ongoing budget and benefit sustainability

Benefits Impacted by Recommended Changes

- ▶ Overtime
- ▶ Sick Leave Accrual and SLICP
- ▶ Vacation Accrual and Vacation Payout
- ▶ MGMT Terminal Leave
- ▶ Injury Pay
- ▶ Mileage Reimbursement
- ▶ Uniform and Clothing Allowances
- ▶ On-call Pay
- ▶ Shift Differential

Other Benefit Changes

- ▶ Expand unpaid educational leave policies available to managers to all general city employees.
- ▶ Authorize the payment of OT at 1.5X for work performed on a Holiday by eligible employees.
- ▶ Expand accrued time off donor program to all employees
- ▶ Expand access to tuition reimbursement benefits for membership dues, licenses, and certifications
- ▶ Life Insurance

Overtime and FLSA

Recommendation:

Eliminate OT practices as they exist in CBAs and shift to FLSA requirements.

OT Issue	Current Benefit	Recommendation
Positions eligible for OT	Some city positions that are not eligible for OT under FLSA receive the benefit per CBA provisions.	<ul style="list-style-type: none"> ▪Eliminate overtime pay for positions classified as exempt from OT provisions under the law. ▪Anticipate the most significant impact will be in professional positions performing work requiring “advanced knowledge”. Examples may include: registered nurses, accountants, engineers, and scientists.
Hours of work Definition	<p>Normal work day: 8 hours Normal work week: 5 days.</p> <p>Hours paid in excess of 8 OR work performed outside regularly scheduled work shift triggers OT liability. Paid time off counts towards the 40 hr threshold for OT.</p>	<ul style="list-style-type: none"> ▪Hours in excess of 8 in one day will not trigger OT unless hours worked during a workweek exceed 40. ▪Paid time off will not count towards 40 hr threshold. ▪Work performed outside of regular schedule will trigger OT only if employee works more than 40 hours in a week.
Overtime Compensation Rate	1.5X or 1.56X for time paid in excess of 8 hrs per day or 40 hours in a week	1.5X for time worked in excess of 40 in a work week
Comp vs Cash	In some cases the determination of comp time or cash is at the discretion of the employee.	Determination of comp time or cash will be at the discretion of Department Head
Special OT Compensation	<p>Continuous time worked in excess of 12 hrs - .25 added to base salary.</p> <p>Non scheduled OT hrs worked on Sunday or Holiday at 1.75X</p>	<p>Eliminate</p> <p>Work performed on a Holiday will classify as OT at 1.5X</p>

Sick Leave and SLICP

	Current Benefit	Recommendation
<p>Sick Leave Avg. 8.6 days used per general city union employee/year</p> <p>Avg. 4.9 days used per non-rep. & mgt. employee/year</p>	<p>Management: 12 Days Union: 15 Days</p> <p>6 mos waiting period for usage</p> <p>Sick Leave Accrual 960 Hours Max</p> <p>SLICP program: employees receive extra vacation day or pay every 4 mos if no sick leave is taken Approximate Annual Cost : Cash pay out: \$699,885 Time off Cost: \$\$802,844</p>	<p>12 Days for both Management and Union</p> <p>Eliminate 6 mos waiting period</p> <p>No change</p> <p>Eliminate SLICP program</p>

Vacation

	Current Benefit	Recommendation
Accrual System	Vacation is earned on a monthly basis with full vacation benefit earned in 10 months of work	Vacation is earned based on time on the payroll . It takes 26 pay periods to earn annual vacation benefit.
Carryover	Carryover is limited to 1 week and must be used by the end of March of the following year.	No cap on carryover. Accrual stops after employee has reached max accrual balance for years of service + 80 hrs.
Waiting period	6 mos waiting period for usage	Access to accrued vacation immediately
Max benefit	6 Week Maximum per year for employees with at least 22 years of creditable service	6.43 Weeks for employees who have completed 21 years of active service Require vacation payout at time of separation.

Terminal Leave for Management Employees

- ▶ **Current Benefit for Management Employees:**
 - Applies to those who retire from active service, excluding deferred or actuarially reduced pensions.
 - Management: Payment equal to 30% of accumulated and unused sick leave plus $\frac{1}{2}$ of the sick leave days accumulated during previous 12 mos of service—up to 6 additional days (Max 42 days)
 - Union Employees: Payment equivalent to 30 days of earned and unused sick leave (Max 30 days)

Recommendation:

- Decrease maximum days for managers to 30 (same as other employee groups)
- Estimated savings: \$120,000 (assumes 37 retirements and hourly rate of \$33 per hour)

Injury Pay

▶ Current Benefit:

- Non probationary employees receive injury pay benefit of 70% or 80% of salary tax free per contract provisions
 - Under State Law: 66.7% TTD (temporary total disability) tax free
- Current lifetime City cap set at 2080 hours or 250 days for entire employment period
- Employees receive injury pay starting with the first day of missed work
 - TTD payments are not available for the first 3 days of absence. If the absence extends beyond 4 days coverage is available for fourth day. If the absence extends beyond 7 days coverage is retro to the first day.

▶ Recommendation:

- Restructure injury pay benefit to mirror requirements under the law and create incentive for expedited return to work

Mileage Reimbursement

- ▶ Current benefit
 - Base amount of \$75 per month (greater for grandfathered employees) or IRS rate per miles driven whichever is greater
- ▶ Recommendation
 - Eliminate all base amounts and implement IRS mileage reimbursement rate for actual miles driven.
 - Approximate Savings: \$41,000

Uniform/Uniform Allowance

- ▶ **Current Benefit**
 - Varies by Department and position
 - Benefit (items and \$ amount specified in the contracts)

- ▶ **Recommendation:**
 - Eliminate uniform allowances
 - Uniform requirements to be determined by the Dept Heads based on operational needs.
 - Approximate Savings \$34,000

Clothing/Clothing Cleaning Allowance

- ▶ **Current Benefit**
- ▶ Varies by department and type of position. Examples
 - \$40 for Water Plant Operators, \$50 Forestry Laborers, \$100 for Meter Readers
 - \$75 for Property Appraisers, DNS Inspectors, Port maintenance employees, Health Inspectors, Clinic Assistants, etc.
- ▶ **Recommendation**
 - Eliminate
 - Approximate Savings: \$150,000

On Call Pay

- ▶ **Current Benefit**

- Varies by union group

- ▶ **Recommendation**

- Employees required by a department to be on call during non-working hours shall be paid \$15 per 24-hour weekday period and \$36 per 24-hour weekend period. If employees are required to be on-call for a period less than 24 hours, the amounts shall be prorated.

Shift Differential

▶ Current Benefit

- 1st shift 7:00 am to 3:00pm
- 2nd shift 3:00 pm to 11:00pm \$.40 per hour
- 3rd shift 11:00 pm to 7:00am \$.45 per hour
- In order to be eligible for 2nd or 3rd shift premiums, employee has to work not less than 4 hours in either the 2nd or 3rd shift. The entire shift will be compensated for at the shift differential rate.

▶ Recommendation

- To be eligible for differential rate of \$.45 employee has to work no less than 4 hours within 6:00pm and 4:00 am.

Disciplinary Grievance Procedure for Unpaid Suspensions

- ▶ Not Required Under Act 10 but recommended as a good HR practice
- ▶ Allows non probationary regularly appointed employees to grieve unpaid suspensions of 1 to 15 days.
- ▶ These suspensions are not subject to the appeals procedures under Wisconsin state statutes and the rules of the Commission.
- ▶ The Procedure is to be administered by DER and will include a final independent review of the circumstances of the grievance and authority to determine if the discipline should be affirmed, reduced or set aside.

Unpaid Educational Leave Policy

▶ Current benefit

- Only available to mgmt employees
- 5 years of service–eligible for 1 mos
- 10 years of service–eligible for 2 mos
- Approval is at the discretion of DH
- City continues to pay for health, dental, and life insurance benefits
- Reinstatement rights to original position
- Cannot be granted to pursue other paid employment

▶ Recommendation

- Expand the benefit to all employees

Accrued time off Donor Program

▶ Current Benefit

- Only available to protective service employees because they did not agree to LTD benefits in bargaining
- Only vacation, 09 days or comptime can be donated when employee suffering from catastrophic illness runs out of paid time off
- General city employees have LTD benefits
- Cap of 2080 donated hours

▶ Recommendation

- Expand Program to all employees
- Provide LTD benefits to ALEASP members

Tuition and Membership Dues Reimbursement Program

▶ **Current benefit**

- Varies by employee group and classification
- The general amount is \$1200 per year and restrictions exists as to usage of funds for certifications, licenses, exams, and professional membership dues

▶ **Recommendation**

- Maintain \$1200 benefit amount for general city
- Allow all non-sworn employees access to 50% of the amount for membership dues reimbursement, licenses, and/or certifications that are related to their job or a reasonable promotional opportunity.

Life Insurance

- ▶ Free Life Insurance– varies by employee group

◦ Attorneys	\$50,000
◦ Management, elected officials, TEAM	\$35,000
◦ Local 61	\$32,000
◦ DC 48, NMNR, Nurses, Local 494	\$30,000
◦ Bldg and Construction Trades	\$25,000

- Recommendation
- Create uniform benefit (may result in marginal cost)
- Consider greater alternatives to supplemental insurance at the discretion of the employee