

**SUMMARY OF SETTLEMENT
WITH SEIU, LOCAL 32BJ
OCTOBER 2023**

This will summarize the recent settlement between BOLR and SEIU Local 32BJ for a new collective bargaining agreement. This agreement has been ratified by the bargaining unit members and approved by the BOLR Board of Directors.

ECONOMIC TERMS

1. Term

Four years: October 16, 2023 through October 15, 2027.

2. Wages

a. Increases in Hourly Rates:

	<u>Effective 11/1/23</u>	<u>Effective 11/1/24</u>	<u>Effective 11/1/25</u>	<u>Effective 11/1/26</u>
All BOLR Classifications	\$1.00	\$.95	\$.90	\$.90
All BMCA Classifications	\$1.00	\$.95	\$.90	\$.90

b. Lump sum payments – see explanation below under Health & Welfare:

BOLR

- December 15, 2023 (not later than the regular payday on or next following this date) - \$1,350, less ordinary deductions
- January 15, 2024 (not later than the regular payday on or next following this date) - \$1,350, less ordinary deductions
- To be eligible for the December bonus payment, an employee must be eligible to have a contribution made to the Welfare Fund on his/her behalf on November 1, 2023, and not have had their employment terminated (voluntarily or involuntarily) before the date in December when the bonus is paid
- To be eligible for the January bonus payment, an employee must be eligible to have a contribution made to the Welfare Fund on his/her behalf on December 1, 2023, and not have had their employment terminated

(voluntarily or involuntarily) before the date in January when the bonus is paid

BMCA

- January 15, 2024 (not later than the regular payday on or next following this date)
 - FT Employees - \$1,050, less ordinary deductions
 - PT Employees - \$573, less ordinary deductions
- February 15, 2024 (not later than the regular payday on or next following this date)
 - FT Employees - \$1,050, less ordinary deductions
 - PT Employees - \$573, less ordinary deductions
- To be eligible for the January bonus payment, an employee must be eligible to have a contribution made to the Welfare Fund on his/her behalf on November 1, 2023, and on December 1, 2023, and not have had their employment terminated (voluntarily or involuntarily) before the date in January when the bonus is paid
- To be eligible for the February bonus payment, an employee must be eligible to have a contribution made to the Welfare Fund on his/her behalf on December 1, 2023, and on January 1, 2024, and not have had their employment terminated (voluntarily or involuntarily) before the date in February when the bonus is paid

3. Health & Welfare

a. BOLR

- 1) Monthly Contribution Rate there will be no increase in Welfare Fund contribution rates during the term of this agreement. The current rates, which will remain in effect, are:

Effective 11/1/23

Full-Time \$1,618/mo.

Weekend \$163/mo.

<70 Hrs. \$3.57/hr

- 2) Contribution Holidays: Because of an extraordinary level of reserves in the Welfare Fund, the parties agreed to two months of contribution holidays (November and December 2023) during which Employer contributions will not be paid to the Fund. In lieu of such payments, the amounts involved, net of payroll

taxes, will be paid to the eligible employees in the form of lump sum payments as specified above.

Contribution reports will still have to be completed and filed for those months to determine employee eligibility for benefits and bonuses. In addition, Employers will still be required to remit to the Welfare Fund the separate contribution for disability benefits and the normal contributions to the Pension Fund, the Legal Services Fund, and the Industry Promotion Fund.

b. BMCA

1) Monthly Contribution Rates

Effective 11/1/23

Full-Time \$834*

Part-Time \$456*

*This rate is 1.2% below the current rate of \$844 (FT) and \$462 (PT) because of the change to separately funded disability benefits. The lesser disability benefits that had been covered by the single monthly contribution rate are being eliminated.

2) Contribution Holidays: The parties agreed to three months of contribution holidays (November and December 2023 and January 2024) during which Employer contributions will not be paid to the Fund. In lieu of such payments, the amounts involved, net of payroll taxes, will be paid to the eligible employees in the form of lump sum payments, as specified above.

Contribution reports will still have to be completed and filed for those months to determine employee eligibility for benefits and bonuses. In addition, Employers will still be required to remit to the Welfare Fund the separate contribution for disability benefits and the normal contributions to the Pension Fund, the Legal Services Fund, and the Industry Promotion Fund.

c. Contribution Diversions: two months of BOLR and BMCA contributions to the Welfare Fund in 2025, 2026, and 2027 (six months total) will not be made to the Welfare Fund, but instead will be remitted to Pension Fund in addition to the normal contributions to the Pension Fund. The Trustees of the Welfare Fund will determine which two months of contributions in each of these years will be diverted.

Contribution reports will still have to be completed and filed for those months to determine employee eligibility for benefits. In addition, Employers will be required to remit to the Welfare Fund the separate contribution for disability benefits and the normal contributions to the Legal Services Fund and the Industry Promotion Fund.

- d. The annual cap on dental benefits provided by the Welfare Fund to each covered person will increase from \$1,000 to \$3,000 effective January 1, 2024.

4. Pension

- a. Hourly Contribution Rate

Effective 11/1/23 - \$1.75

This will be the rate for both BOLR and BMCA sites.

- b. The benefit multiplier for both BOLR and BMCA sites will remain at present levels for the remainder of 2023. Effective January 1, 2024, the multiplier for both BOLR and BMCA employees will increase to **\$36.43** for credited service in 2024 and will be increased to **\$40.07** for each year of credited service for the plan year beginning January 1, 2025, and all plan years thereafter.

5. Supplemental Savings and Retirement Plan

The hourly contribution rates will increase by \$.05 each year to the rates indicated below.

All employees except Licensed Engineers, Mechanics, and Maintenance Workers

Effective December 1, 2023 - \$.25

Effective December 1, 2024 - \$.30

Effective December 1, 2025 - \$.35

Effective December 1, 2026 - \$.40

Licensed Engineers, Mechanics, and Maintenance Workers

Effective December 1, 2023 - \$.30

Effective December 1, 2024 - \$.35

Effective December 1, 2025 - \$.40

Effective December 1, 2026 - \$.45

6. Industry Promotion Fund

Effective November 1, 2023 – increase hourly contribution from \$.015 to **\$.0375**

Effective November 1, 2025 – increase hourly contribution rate to **\$.045**

Eliminate distinction between rate for BOLR members and non-members.

Items 1 - 6 above are the basic changes in the **BOLR** economic terms, which represent a total increase over the four years of the new agreement in direct hourly costs of **\$4.05**. This represents for Class 1 Cleaners a total increase of **12.6%** over the pre-negotiation hourly cost, or an average increase of **3.15%** per year. For Class 2 Cleaners, the overall increase is **12.2%**, or an average annual increase of **3.05%**. **BMCA** employers will have a total increase in hourly costs of **\$4.46**, which is an overall increase of **17.08%**, or an average annual increase of **4.3%**. The biggest contributor to the higher absolute and percentage increase in the **BMCA** increases is a net increase of \$.38 an hour for much more costly weekly disability benefits.

SIGNIFICANT LANGUAGE CHANGES

1. Sign-One-Sign-All Recognition

- The union insisted on adding its area-wide agreement in South Florida to the area agreements to which contractors covered by the BOLR Contractors CBA agree to be bound.
- The union was also adamant about contractors working under the BOLR CBA agreeing to be bound by various area-wide agreements to which other SEIU Locals around the country are party. While we were in negotiations, the contractors in Pittsburgh, which included several who were part of our negotiations, agreed to a variant of the union's proposal after extensive back and forth. After resisting, we ultimately agreed to the Pittsburgh language, but negotiated how it would be applied and obtained a written assurance that our contractors, if affected, would be able to negotiate with respect to riders to these other area-wide agreements if one their accounts covered by such an agreement were organized by the SEIU Local involved.

2. Holidays – Juneteenth Day was added as a holiday.

3. Welfare Fund Contributions

- Currently, contributions that are due by the 15th of the month provide coverage for an employee for that month retroactive to the first day of the month through the last day of the month. It works like this: the contribution for an employee paid in April is based on the hours worked in March and provides coverage from April 1 through April 30. When an employee terminates, coverage is provided through the end of the month following the month in which the employee is terminated. For example, an employee terminated in April will typically have a contribution made on his/her behalf in May for coverage ending May 31.
- We are converting to a system where contributions one month will provide coverage for the employee for the following month. For example, a contribution in April will be based on hours worked in March and will provide coverage for the month of May. An employee who terminates in April will have a contribution to the Fund made in May based on his/her work in April. The contribution in May will provide coverage for the employee through the end of June.

- This change will **not** result in any extra contribution by the employer. There will be a transition period where the contribution in one month will provide coverage for that month through the end of the following month. The contribution during the second month will then provide for the next month. For example, a contribution in November based on work in October will provide coverage from November 1 through December 31. The contribution in December based on work in November will provide coverage in January.
- There is no change in the beginning of contributions for new employees (first contribution required in the third month of their employment) and contributions for employees returning from disabilities (the month in which they return). These contributions will provide coverage beginning with the first day of the following month.

4. Absence occurrences charged for days on which an employee calls off but uses a personal day to avoid a loss of pay

We added to the CBA rules established in 2009 through an arbitration award but of which we were concerned some employers might be unaware:

- Such absences on Tuesday, Wednesday, and Thursday are charged as one absence.
- Such absences on Monday and Friday are charged as follows:
 - First two in a contract year – one absence
 - Third and fourth in a contract year- 1-1/2 absences

5. Building Conversions

- Contractors – notice to union of the planned shutdown and conversion of the building and, upon the union’s request, discuss impact on employees
- Owners – if owner directly employees the union’s members and remains the owner of the building after the conversion
 - Employee recall rights extended to 36 months
 - Recognize the union if a majority of the employees post-conversion worked for the owner at that site prior to the conversion and bargain regarding a CBA (BOLR/BMCA CBA not automatically applicable)
 - If no such majority post conversion, owner to remain neutral if the union attempts to organize the employees; if the union succeeds, bargain regarding a CBA

6. BMCA Recognition

Coverage of BMCA terms extended in Philadelphia to entertainment venues (concert halls, playhouses, or other venues of more than 50,000 square feet having live stage performances)

7. Drug Policy – substantial additions addressing marijuana and testing.

8. Side Letters

- Customer-imposed staffing limitations at governmental sites
- Work schedules outside of parameters set by the CBA
- Details re Welfare Fund contribution holidays and lump sum payments to employees in lieu of these contributions
- Residential work under BMCA Appendix
- Application of language regarding contractor obligations under SEIU area-wide CBAs involving Locals other than 32BJ