

International
Electrical



Brotherhood
Workers

AFL-CIO

Local Union No. 332

2125 CANOAS GARDEN AVENUE, SUITE 100

SAN JOSE, CALIFORNIA 95125

Telephone: (408) 269-4332

Fax: (408) 979-5500

May 14, 2021

IBEW Local 332 Brothers and Sisters,

Thank you for supporting the negotiations team with your overwhelming rejection of NECA's first offer. We went back to the bargaining table and have another contract for the membership to consider. I feel this is a progressive and fair contract that reflects much of the membership's interests and helps shape our Local as we continue to grow in this challenging and competitive market.

I understand that everyone is very busy with work and their personal lives, but I sincerely hope that you will find a moment to participate in voting on your contract, as this is one of the greatest benefits of being a member of the IBEW.

We also understand that it can be frustrating not being able to come together and vote in person as we are used to doing. That is why we are making every effort to reach each member with hard copy mailers, emails, text messages and social media. Please take the time to thoroughly review this contract offer, discuss it with your fellow members and take the time to vote.

The vote will be online via Election Runner again, and it will be a two-part vote. **Same as the last one, you will need your IBEW card number for the login ID, and the login key will be LU332.** The first question will be to vote on the contract itself, and the second question will be how to allocate the money if the membership accepts the contract.

Thank you for your time and attention to this very important matter. Please review the contract offer and the information regarding the status of the Health & Welfare plans as well as the Part A pension plan. If you have any questions regarding this contract offer, please direct them to negotiations@ibew332.org and one of your team members will answer you.

In Brotherhood,

Dan Rodriguez
Business Manager/Financial Secretary

IBEW LU 332 Inside members, please see the contract offer below including explanatory information in **blue** text and new contract language in **red** text.

All this information can be found on the website, www.ibew332.org under the tab “Inside Contract Updates 2021” as well as the link to the Election Runner vote.

Voting will open Tuesday May 18th at 7am and close on Monday May 24th at 5pm.

NECA has made another last, best and final contract offer. Please see the details below.

Contract Offer:

Section 3.05(a) Wages - \$19 over 4 years *this is a \$3 increase over the previous offer*

-- June 1, 2021: \$4.75 to be allocated

-- June 1, 2022: \$4.75 to be allocated

-- June 1, 2023: \$4.75 to be allocated

-- June 1, 2024: \$4.75 to be allocated

Section 3.01(a) Hours - add a 4-10's work schedule option

-- "The employer may institute a work week consisting of four consecutive 10 hour days between the hours of 6am and 5:30pm, Monday through Friday, with a thirty (30) minute lunch period. All overtime shall be paid at Double (2x) the rate of pay."

This will implement a 4 days per week, of 10-hour days, at straight time option. The all overtime at double time language **only applies to the 4-10's schedule, not a regular 5-8's schedule. The overtime rules for 5-8's will remain as currently written.

Section 3.01(d) will still apply: “The adjusted work hours can only be changed at the beginning or ending of Daylight Savings Time.”

Section 3.01(b) Hours - add a 6am start time

-- "The Shop or Job workday may be adjusted to start specifically at **6:00**, 7:00, 7:30 or 8:00 AM, with a half hour lunch break occurring within five (5) hours from the start of the workday."

This will allow for a regular start time at 6am, i.e. a 6am – 2:30pm 8-hour workday.

Section 3.02(b) Overtime – this deletes the old 1997 clause and makes Saturdays permanently double time

-- **delete** "Pension man hours will be reviewed semi-annually (January-June) and once established, they shall remain in effect from June 1, through May 31 of the following year."

~~When man hours in Santa Clara County falls to 2.9 million or less, overtime reverts back to the 1997 Inside Wireman's Agreement. Man hours will be reviewed bi-annually. Pension man hours will be used to determine man hours.~~

~~1997 Language: A maximum of eight (8) hours of overtime at the time and one half (1 1/2) rate is allowed for work performed on Saturday. If overtime is worked Monday through Friday, subtract that amount of time from the time allowed at time and one half (1 1/2) on Saturday."~~

-- **add** "All Saturdays, Sundays and Holidays shall be paid at Double (2x) the rate of pay."

Section 3.12 Tools - update the tool list

-- add the following tools: metric allen wrenches, up to 10mm; multi-tip screwdriver; conduit reamer up to 1"; update Voltage tester to include digital meter up to 600V CAT III

-- delete the following tools: tap wrench, awl.

-- make optional: cold chisel, wood chisel, plumb bob.

-- add language to paragraph (a) "For the duration of the 2021 Agreement, the replacement value of the tool list in Section 3.12(b) shall be assessed at \$850. The tool replacement value will be re-evaluated prior to future contracts."

Section 3.19 Paid Parking - adjust 6 blocks to 10 blocks

-- "In Metropolitan Areas of Santa Clara County, **where free parking is not available within six (6) ten (10) blocks of the job or project**, the Employer shall reimburse Employees at the lowest rate available within said ~~six (6)~~ **ten (10)** block area, provided the Employee presents a signed and dated receipt for each parking expenditure, or the Employer may opt to furnish transportation from a central location within (15) minutes of the jobsites, prior to starting time and return to central location by the regular quitting time."

Section 6.18 Reverse Book Layoff

-- "When making reductions in the number of employees due to the lack of work, Employers shall use the following procedure:

(a) Temporary employees, if any are employed, shall be laid off first. Then employees in Group IV shall be laid off next, if any are employed in this Group. Next to be laid off are employees in Group III, if any are employed in this Group, then those in Group II, and then those in Group I.

(b) Paragraph (a) will not apply as long as the special skills requirement as provided for in Section 6.13(a) is required.

(c) Supervisory employees covered by the terms of this Agreement will be excluded from layoff as long as they remain in a supervisory capacity. When they are reduced to the status of Journeyman, they will be slotted in the appropriate group in paragraph (a) above.

-- new language (d) "Supervisory capacity shall be defined as having a minimum of three (3) workers working under their direct supervision, unless only one supervisor is present on the project." ** This sets a definition of 'Supervisory Capacity' and increases the overall strength of RBL language. **

Section 8.03 (a) Pension Categories

-- add \$10 optional contribution level to the Part B pension plan. (This is housekeeping language, as the \$10 option was approved by the trustees previously and is already available. This added to the existing \$2, \$4, \$6 and \$8 options we have to put extra money into our Part B 401k)

** The health insurance plans are doing very well currently. The trustees and financial advisor recommend a \$.35 allocation to maintain the current plans and benefits.

*** The Part A pension is also doing well. It is funded at approximately 95%, and NO allocation is recommended at this time.

**** Allocations to the Part B pension plan are to increase the "base rate" or "contractor contribution". This does not affect your personal contributions that you can elect at \$2, \$4, \$6, \$8 and \$10 per hour from your wages. The personal contributions are in addition to the base rate.

Update for Health Insurance

The current gross hourly employer health and welfare contribution rate is \$15.80, broken down as follows:

\$ 1.00	goes to the Prefunded Early Retiree Plan
\$ 2.00	goes to your HRA Account
<u>\$12.80</u>	goes to the Health and Welfare Plan
\$15.80	Total

Therefore, a net \$12.80 per hour is going to the Health and Welfare Plan for Active member benefits.

The monthly reserve charge to your dollar bank for benefit eligibility for 2021 remained unchanged versus 2020 at \$1,725.

At the current net hourly contribution rate of \$12.80, this requires that you work 135 hours monthly ($\$1,725 \div \$12.80 = 135$ hours) for benefit eligibility.

There are a number of reasons that the Trustees were able to keep the 2021 reserve bank charge unchanged versus 2020.

First, the Health and Welfare Plan has continued to maintain a very low ratio of administrative expenses to plan benefits. Total administrative expenses remain in the range of 3.0%-3.5% of total plan expenses. (Under 5% for administrative expenses is considered excellent by employee benefit plan consultants.) This means that 96.5% to 97% of all plan expenses goes to paying member benefits.

Second, calendar year 2020 financial results saw a minimal +0.4% increase in the actual cost per member per month of \$1,694.82 versus 2019 and was below the dollar bank charge (\$1,725) for benefit eligibility (see page 3). This small increase in cost was due to the COVID-19 pandemic. The pandemic did what no health expert or innovation has been able to do for decades. The Plan saw significant drops in medical, prescription drug, dental and vision claims as participant providers were either closed or open on a limited basis.

In addition, the Health and Welfare Plan has experienced positive financial results in calendar year 2020 and year-to-date 2021. These results have enabled the Trustees to subsidize the difference in the cost of benefits without increasing the monthly reserve dollar bank charge.

As we all know – the cost of healthcare continues to grow. The Plan's Consultant has reported that paid claims through the first quarter of 2021 have returned to their historical norm, meaning that Plan costs are on the rise.

The last member allocation increase to the Health and Welfare Plan was +\$0.35 that was effective June 1, 2020 (for August 2020 coverage).

The Health and Welfare Plan's Consultant, Joe Herrle recommends that the membership allocate an additional \$0.35 per hour to the Health and Welfare Plan (same as last year). This recommended increase will accomplish two things:

- 1) Reduce the number of hours required monthly for benefit eligibility in 2021 from 135 hours to 131 hours effective August 1, 2021 (for June hours worked).
- 2) Help maintain the financial stability of the Plan for the next twelve months.