

SUMMARY OF THE 2020 COVID STATE EMERGENCY MEMORANDUM OF AGREEMENT BETWEEN THE COMMUNICATIONS WORKERS OF AMERICA AND THE STATE OF NEW JERSEY

Background:

As you have probably seen and as has been reported widely, the State is experiencing an unprecedented budget shortfall which could last for years and we are facing an unprecedented number of layoffs.

Most of our economy has already been affected and that has had a tremendous impact on the State budget. You may have seen the recent reports that 28% of our fellow NJ workers have filed for Unemployment. These are numbers we didn't see during the height of the Great Depression.

The 2009 Agreement with Governor Corzine

In 2009, CWA negotiated a Job Security program with Governor Corzine that included a wage deferral for 18 months, 10 unpaid furlough days, a paid leave day bank with 7 days and a No layoff agreement for 18 months.

We made that agreement in response to the 2008 economic crash and while facing the prospect of Governor Christie being elected and promising to layoff 10,000 of our members. Members ratified that agreement overwhelmingly, everything that we negotiated was found to be legally enforceable, and we protected the jobs of thousands of our members.

The crisis we face now is much, much worse and promises to have more long-term effects. However, we have negotiated an agreement here that will protect our jobs. And we have done so while not having members sacrifice as much as we did in 2009.

COVID 2020 State of Emergency Agreement - This is called a Memorandum of Agreement. From here on in, we will refer to the document as the MOA. You can find the MOA posted on the CWANJ.org website. You will also find schedules that explain how different wage rates are impacted differently. These are schedules A & B.

The agreement we have reached is similar to 2009 – however – there are some twists on the furlough days. Those twists will result in people taking more furlough days on average than we did in 2009. BUT, because there will be furlough days where members will be eligible for unemployment benefits, there will be far fewer unpaid days. Our 2020 Agreement will produce greater savings for the State because of the way it is but structured it will cost our members less money and it a better deal for us.

Similar to the 2009 Agreement, this agreement has across the board raise deferral (not increments), furlough days and a No Layoff agreement.

A. Wage increase deferral

Our contract provides for a 2% wage increase last year – we have already received that.

We are scheduled to get a 2% wage increase in the first full pay period in July, another 2% in July 2021, and another 2% wage increase in April 2022.

Here is what is going to happen now:

You will not get the 2% wage increase in July 2020.

You will get the 2% wage increase for July 2021.

In December 2021 you will get another 2% wage increase, which is the one we are deferring from this year.

In July 2022 you will get another 2% increase, which is the April raise we delayed by 3 months.

So, you will get all of your wage increases, but you will get some of them later than expected. We did not lose any raises.

There is also no impact on increments. You will continue to get increments.

For those who are at Max, you continue to get the max bonus that is payable in October of next year and October of 2022. The value of those bonuses are between \$750 and \$1,000 depending on how long you've been at Max and they will be paid as originally negotiated.

By the end of the contract, you will get every raise promised. We have not given up any raises.

Here's how this looks on the calendar

<u>Contract</u>	<u>Modified with the MOA</u>
2% July 2019	2% July 2019 – we already got this
2% July 2020	This raise is being deferred to December 2021
2% July 2021	2% July 2021 – we get this raise
	2% December 2021 – this is the raise we were supposed to get
2% April 2022	2% July 2022

B. Furlough Days

There are two sets of furlough days that total together 12 days.

- Ten (10) CARES ACT furlough days between June 29 – July 31 eligible for Unemployment - The first set of furlough days will be taken from June 29 through July 31. Let's call those the CARES ACT Furloughs. There are 10 of those days. These days are eligible for unemployment, and for the majority of our members, they can take these days without any loss of pay. In some cases, members will take home more money than they do under their regular pay.
- Two (2) Holiday Furlough Days that are Unpaid - Then there will be two other furlough days. One is the day after thanksgiving this year and the other will be Presidents Day in 2021. Let's call those the Holiday Furloughs. These are unpaid furlough days.
- Total of 12 Days - The combination of these two sets of furloughs is 12 days. However, not everyone will take 12 days. In fact, we have negotiated a maximum of 5 unpaid days, so no one will suffer a loss of pay more than 5 days. So, if after we have completed the CARES ACT furloughs from now until July 31st, if taking the two holiday furloughs would bring you over the 5 days, you will not have to take them. We are going to go over that.

CARES ACT furloughs:

Right now, there is a special unemployment program that is connected with the Federal CARES Act. This unemployment program provides for an extra \$600 a week in unemployment benefits if you are collecting unemployment. The first set of furloughs are to be used from next week until the end of July, because that is when the \$600 is available.

THERE ARE SOME WORKERS WHO WILL BE EXEMPT FROM CARES ACT FURLOUGHS: Workers who worked every day in the 24/7 institutions and who were eligible for special rates, the workers at the Veterans Homes, DCF Impact Team members, and most of the workers currently working processing Unemployment Claims – These workers are not required to take any of these CARES ACT Furloughs. They will continue working and no one will ask you to furlough during the period before July 31.

There may be other people who management will exempt from furloughs because of the immediate and essential nature of what you are doing post-COVID. If you are exempted by management, you don't have to take the furloughs. BUT – if you were not didn't listed specifically in the exemptions, assume that you have to take the CARES Act furloughs and you are going to do so in such a way, which we are going to explain, to minimize loss of pay, or maybe have no loss of pay or perhaps make a little more than if you weren't furloughed.

In New Jersey – if furloughs are in lieu of layoffs – and if they are scheduled properly, then the days you are on furlough are eligible for unemployment. Due to the CARES ACT, if you get unemployment right now, you also get enhanced unemployment of \$600 a week. Even if you are furloughed for 2 or 3 days, you still get the entire extra \$600. That is what makes now the time to take the maximum number of furlough days, and that is why we have a large number of furlough days to take within the month – because after July 31, there may no longer be the \$600.

If you earn less than \$68,000 a year, you can be furloughed for an entire week – 5 days – and you will not lose any money. In fact, because of the \$600 a week, you could end up ahead. You can make more money than you did working. If you fall into this category – and you can look at the chart called Schedule B that is on the CWA website – you can furlough one week on and one week off, or two weeks together, and you will still not lose any money. You can also be furloughed 2 days a week, 3 days a week, or 4 days a week – and you will not lose any money.

If you make more than \$74,000, the MOA obligates management to use best efforts to schedule your furloughs in groupings of 3, or 4 days a week wherever possible, so that your unemployment + the \$600 comes as close to your take home pay as possible. If you are in this category, you will lose some money when you compare your unemployment take home pay with your salary. So, if you make more than \$74,000 a year, we have negotiated for you to get 2 Paid Leave Bank days. For those who remember the 2009 agreement, these PLB days will be handled the same way. You can use them like vacation or administrative leave days – except that these days do not expire – so you keep them year to year until you use them. You do have to use them before you retire or leave State service.

If you are in higher pay categories – for example, over \$100,000 a year, you could lose more than 2 days pay even after your unemployment benefits. So, for those members we have negotiated a process for them to be exempted from the Holiday furloughs and we will explain that when in the section on Holiday Furloughs.

At the end of the day, you are capped at losing no more than 5 days pay all together and very few of our members will find themselves in this category. But if you do, we remind everyone that we took 10 unpaid furlough days in 2009. **In this agreement, the most unpaid days any of our members will get will be 5 days.**

Review of CARES ACT furloughs that will take place between June 29 and July 31

There are 10 days during the time of the enhanced unemployment. These days should be taken in groupings of 2 days a week, 3 days a week, 4 days a week, or 5 days a week, until you use up 10 days. Keep your eye on the number of days, because you can do better with unemployment if, depending upon your salary, you take 3 or 4 days rather than if you take 2 or 5. Management has to make its best efforts to minimize losses – but they can get it wrong. Look at Schedule B that is part of the agreement and that we have posted on our website. You can find your salary on it and it will tell you what your unemployment benefits will be depending upon the number of days you are furloughed per week. You should use it as a guide.

NOTE: If management cannot schedule 10 days because of your work assignments – you don't have to take them. 7
For example, if management says that they only schedule you for 7 days, then you only have to take 7 CARES Act furlough days. So, if management can't spare you – you don't have to make up the rest of the CARES Act furlough days. BUT – if they can schedule you for 10 days, then you have to do the 10 days. However, they are supposed to schedule furlough days with you so that you can get unemployment. They aren't supposed to say to you – okay – we are going to furlough you one day a week – because if they did that you couldn't collect unemployment. Management is supposed to schedule you so that you minimize loss of pay. They will use Schedules A and B to do that. Again, in some cases that means taking more days in a given week in order to collect more U.I. benefits and not lose money.

HOLIDAY FURLOUGHS : Then there are 2 more unpaid furlough days that most members will have to take – one the day after Thanksgiving this year, and another on Presidents day in 2021. We are calling these the Holiday Furloughs. Those days are not paid and they don't fall under unemployment. And just because you were exempted for the CARES Act days, you are not necessarily exempt for these.

But, there is another little twist here as we mentioned at the beginning. If when you schedule your furlough days in July, you lose more than 3 days and up to 4 days of pay, you do not have to take Presidents' Day as a furlough day. And if you lose more than 4 days and up to 5 days pay, you don't have to take either the day after Thanksgiving OR President's day as a furlough day. You will have to submit a request in writing saying this is what you will want to do. The written request will need to be submitted by September. We will give people a template for what the request should say.

No matter what, you can't lose more than 5 days pay as part of this agreement. If you are over \$74,000 and you would lose 2 days, you will get 2 PLB days. If you are in our highest wage rates and due to the maximum unemployment benefits you lose more than 3 days pay you will be spared one or both of the Holiday furloughs. Either way, you can't lose more than 5 days pay.

FILING FOR UNEMPLOYMENT:

The only other tricky part of this is that you must apply for unemployment each week that you are furloughed. You can do it online. We will provide careful instructions on this, and the Department of Labor knows that we are doing this. It will take several weeks before you get your unemployment check from the State, and it will take several weeks longer for you to get the extra \$600 from the federal government. You have to keep track of this so that you know you are getting your money, but in the end, most of our members will lose no money, or very little, and the max amount you can lose for taking 10 furlough days, is 5 days pay, and that will apply to very few. Again, anyone losing 5 days pay will not have to take the day after Thanksgiving and Presidents' Day as unpaid furloughs and will receive 2 PLB days.

Limitations of Unemployment if you have a second job One last thing to keep in mind regarding unemployment benefits: If you have a second job, the wages that you earn for your second job will count against your unemployment eligibility. That may not matter to you if you can work your second job while you take furlough days and make up the money, and so you don't need to get unemployment. But if that is not possible, you have to figure that out and see how that other income you have impacts your unemployment. We can't bargain for you at your second job, so you have to watch that yourself. You may not want to work your second job during a furlough week if it will screw up your unemployment.

C. JOB SECURITY – This is the reason that we are doing this. Under this Agreement, there can be no layoffs of any of our members who have not already received a layoff notice at the time of the Agreement, before December 31, 2021. This is a No Layoff Agreement. Our members are safe while the economy improves. This Agreement will save thousands of jobs.

FINAL SUMMARY OF THE AGREEMENT

Wage Deferral

There is a wage deferral that changes when you get the 2% across the board raises:

It was July 2020, July 2021 and April 2022.

It is now July 2021, December 2021 and July 2022.

Increments, bonuses for people at Max, and all other payments are preserved. You will get all the across the board raises in the contract, you will just get them later.

Two Sets of Furloughs:

One set takes place in July 2020 for which you will furlough for 10 days and collect unemployment. The other set is 2 days – the day after Thanksgiving this year and Presidents day of next year. However – if you lose money from being furloughed in July, you are capped at no more than 5 days loss. Those who make over \$74,000 a year will get 2 PLB days. Anyone who earns more and ends up losing 3 – 5 days will not have to take either one or both of the additional furlough days the day after Thanksgiving and Presidents' day.

No Layoff Agreement:

We have a No Layoff Agreement that protects all of our members from any layoffs between now and December 31, 2021 no matter what happens with the economy. Our members are safe.

YOUR BARGAINING TEAM RECOMMENDS THAT YOU VOTE YES

We traded on one hand a deferral of the raise, furlough days where we have capped the losses anyone can have at 5 days but where the vast majority of our members will lose two days of pay, for, on the other hand, PLB days for those who do experience some loss of pay PLUS ironclad job security for everyone through the rest of this year and next year.