

# ***SEIU 503 Settlement Proposal for Workday Grievances #1-5***

## ***PAY AFFECTED EMPLOYEES***

- **Correct underpayments immediately:** The State shall correct any underpayment of employee pay (including missed overtime, differentials, or other payments due) within 3 business days of the date the agency payroll office is made aware of the issue.
- **Address extraordinary hardship:** Any employees who lost their vehicle, home or experienced any other type of serious hardship may meet with DAS and a Union representative to make a plan to make them whole that accounts for their specific situation.
- **Penalty payments for affected workers:** When an error is made that results in an employee's paycheck being underpaid by fifty dollars (\$50) or more (including inaccurate or uncommunicated recoupments), the Agency shall compensate the affected employee a penalty payment of twenty dollars (\$20) per day starting on the day the underpayment was reported by the employee or discovered by the Employer, and ending on the day that the employee receives the full amount of the underpayment. Penalty payments should be retroactive to the start of the Workday payroll transition.
- **Audit payrolls:** State shall order an independent audit of 2023 payrolls to ensure proper payment was made to every employee; access to information from the audit about accuracy or errors in their own paychecks shall be provided to each employee; and a complete copy of the audit shall be provided to the Union. The audit shall include issues with taxes so employees are aware of potential additional money they may owe on their 2023 taxes. This audit shall be completed by January 30, 2024. Once completed, any additional payroll errors will be subject to the provisions of this settlement agreement.

## ***PAYROLL PROCESS CHANGES***

- **End "clawing back" of minor overpayments:** State shall not require recoupment ("clawing back") of overpayments that are under \$275 in any one paycheck.
- **Payment plan for large overpayments:** All employees who are overpaid will be given an option to repay the overpayment as a lump sum or through a payment plan, including those who are overpaid due to a discrepancy between hours paid and hours projected for payroll purposes. Employees have a right to an accounting of their overpayment before deciding between a lump sum or payment plan. Employees may choose to use accrued paid time as a repayment option.
- **Monthly overtime calculation:** State will resume calculating employees' overtime rate based on monthly compensation, as per the collective bargaining agreement (Art. 30, Sec. 2). Workers will experience no harm due to these adjustments.
- **Correct PERS and OSGP reports:** State shall issue updated report on employee wages to PERS and/or OSGP for any employees who were incorrectly paid and ensure accurate payments were made on behalf of the workers during impacted payroll cycles by June 30, 2024. If there is an error regarding what should have been paid, then the state will make that payment on behalf of the worker. The state will provide the employee with timely notice of any errors they find.

- **No discipline for payroll errors:** No employee shall be disciplined for errors on their payroll or their timesheet through July 31, 2024, or until they have received adequate training on proper processing (whichever occurs later).

#### ***FIX TAX ISSUES***

- **Support with tax filing:** The State will provide all impacted employees with access to tax preparation services for the filing of their 2023 taxes or to support the employee in understanding the impact of payroll issues on their tax withholdings. This access will be provided at no cost to the employee through a reimbursement process.
- **Tax withholding corrections:** For all employees whose taxes were not/are not properly withheld from December 1, 2022 forward, the Employer will 1) notify the employee in writing of the error and the amount of taxes owed that were not withheld, and 2) remit all required withholdings to the appropriate taxing authority on the employee's behalf in a timely manner.
- **Tax withholding fines:** If, for reasons that are the fault of the Employer, an employee incurs any underpayment penalties for their taxes in 2024, the Employer will reimburse the employee the amount of the penalty/penalties.

#### ***OTHER PROCESS IMPROVEMENTS***

- **Improve communication:** As corrections are made to time entry, they will be communicated to workers (beyond notes on their payslip) by email within 3 workdays of the correct. When unique checks are cut to address overpayments or underpayments, communication shall be included explaining why the check was cut.
- **No fault letters:** State shall provide written verification of payroll error(s) which resulted in overdraft fees or any other adverse credit impact, to assist affected employees in protecting their credit score. Employees will be made aware of these resources and how to access a letter from their agency through email.
- **Training on timesheets:** State shall ensure adequate training (live with Q&A) and support for all employees on timesheet processes and how to understand their own timesheet and paycheck. Such training shall be scheduled on paid work time, including for employees who work in 24/7 facilities, outdoors, or remotely. Training shall be provided by 1/30/24; new employees hired after this date shall receive such training within 14 days of hire. All managers who approve time entry will also be required to attend this training.
- **Notify Union of errors:** State shall provide the Union an electronic list of represented workers who were or are impacted by Workday payroll errors each month, including their name, employee identification number and department, the type and amount of payroll error, and the remedy they receive.
- **Indemnify Union:** Indemnify and hold Union harmless for errors in the withholding of union dues or CAPE contributions.
- **"Me Too":** If the Employer makes a more generous settlement with another Union/Association or affected employee, the Employer will notify the Union in writing and, upon request by the Union, will add such additional benefit(s) or provision(s) to this settlement agreement.