

**SETTLEMENT AGREEMENT BETWEEN
Palo Alto Medical Foundation and Engineers and Scientists of California, Local 20
Palo Alto Division RNs
December 10, 2020**

The following settlement agreement, including the attached tentative agreements sets forth sets forth the successor agreement to Collective Bargaining Agreement between Palo Alto Medical Foundation and Engineers and Scientists of California, Local 20 dated March 24, 2016 through March 31, 2020. Except as modified by this agreement all terms of current CBA remain in full force.

The parties agree that all proposals not specifically agreed to within the tentative agreements and this agreement are withdrawn.

Any new contract practices, including those in previously signed tentative agreements, will be implemented upon ratification, unless otherwise indicated.

Any new pay practices, including those in previously signed tentative agreements will be implemented the start of the first full pay period beginning after thirty (30) days post ratification of the Agreement, unless otherwise indicated.

Effective dates for contract changes will be as shown below:

Change	Effective Date
First RN pay increase	First full pay period following date of ratification
Ratification Bonus	Paid no later than on the first full pay period 30 days post ratification
Jury Duty/Bereavement Leave changes	Start of first full period after ratification.
MLOA/OLOA/PLOA changes	First of the month following 30 days after ratification.
Employment Classification changes (FT, PT, SH, etc.)	Commencing with the pay period that begins after December 1, 2021, including Short Hour PTO accrual.
PTO changes (cash-out, elimination period etc.)	Commencing with the pay period that begins after July 1, 2022.
Tuition Reimbursement	January 1, 2022
Education Leave changes	January 1, 2022
Life Insurance changes	January 1, 2022
Retirement changes	January 1, 2022
Medical/Dental rebates	January 1, 2022
FSA Changes	Final \$250 payment to be January, 2021
Extended Sick Leave/Short Term Disability changes	First of the month following 30 days after ratification.

A. RN II classifications will receive the following wage adjustments:

1. ATB equal to 3%, effective the start of the first full pay period following ratification of this agreement.
2. ATB equal to 3%, effective the start of the first full pay period following one year after ratification of this agreement.
3. ATB equal to 3%, effective the start of the first full pay period following two years after ratification of this agreement.

B. RN IV classifications will receive the following wage adjustments:

1. Effective the start of the first full pay period following ratification of this agreement the wage grid will be as follows:

Steps						(7 yr)	(10 yr)	(15Yr)	(20 yr)	(25 yr)
1	2	3	4	5	6	7	8	9	10	11
67.02	68.89	70.83	72.81	75.26	77.67	79.81	81.99	84.26	86.57	88.34

2. A one-time lump sum bonus payment of the employee's base compensation, including all regular hours paid and PTO paid, for the preceding 26 pay periods. Excluded from the base compensation for calculation of the payment is overtime, PTO payout, ESL, standby, callback and other premium pays. The payment will be subject to applicable withholdings and deductions equal to 3%, effective the start of the first full pay period following one year after ratification of this agreement.
3. ATB equal to 3%, effective the start of the first full pay period following two years after ratification of this agreement.

C. RN III Classifications:

The RN III Classification is set at 5% above the RN II classification rate. Where the RN III wages **exceed** the rate for RN IV classification at the same step, the RN III shall instead be paid at the RN IV wage rate in lieu of a 5% differential.

D. Short hour and Per Diem employees:

Short hour and Per Diem rates shall be set at 10% above the corresponding step. Per Diem employees shall advance every two years through steps 1-6, and thereafter shall be progress through steps 7-11 based on tenure requirements, with a minimum of 2 years spent at the prior step, irrespective of tenure. Current Per Diem employees shall be placed at Step 6 when the first ATB is processed.

RN Classifications

On the first full pay period that begins 1 year after ratification of this agreement, Fertility and Cardiology shall be added to the RNIV departments in Section 5(G) of the CBA, and RNs working in these units shall be reclassified as RNIV consistent with that section.

Ratification Bonus:

If the contract is ratified on or before XXXX, the Foundation will pay a lump sum ratification bonus to all bargaining unit employees. The bonus will be paid no later than on the first full pay period 30 days post ratification. All bargaining unit employees employed at the time of ratification will be eligible to receive the ratification bonus (based on their FTE status at the time of ratification) as follows:

- **\$1,000.00** for all RNIV bargaining unit employees with an FTE status of 1.0. All other FTE statuses will be pro-rated, ex. 0.9 FTE will be eligible to receive \$900.00.
- **\$750.00** for all RNI, RNII and RNIII bargaining unit employees with an FTE status of 1.0. All other FTE statuses will be pro-rated, ex. 0.9 FTE will be eligible to receive \$675.00.
- All per diem employees will be eligible to receive \$50.00.

The ratification bonus is contingent on the ratification of the successor agreement on or before XXX. If the successor agreement is not ratified by XXXX, the Foundation's offer of a ratification bonus will be withdrawn.

Modify SECTION 5. REGISTERED NURSE STATUS Sections H and I as follows:

(H) New Hire and Rehire

Each new Registered Nurse and those Registered Nurses previously employed by PAMF/PAD and rehired outside one (1) year of leaving the organization, is employed for an introductory period. During this time, a Registered Nurse will have no seniority. Upon satisfactory completion of his/her introductory period, the Registered Nurse's seniority date will be established as defined in Section 9.

The introductory period is as follows:

- A. All newly hired and/or those Nurses rehired after a lapse of one year or more of leaving PAMF, shall have an Introductory Period of three (3) months. 180-days. Nurses will receive a formal review of performance at the three (3) and six (6) month point of employment in their positions, with regular feedback provided to the Nurses on a regular less formal basis.
- ~~B.~~ Registered Nurses covered by this agreement at the time of their departure from PAMF/PAD and are rehired into a staff nursing position within one (1) year of leaving PAMF/PAD shall be placed into a three (3) month 90-day Introductory Period, with formal performance reviews at the 30, 60 and 90 day periods of employment in their position.
- C. The Union will be notified if the Registered Nurse does not successfully complete the new introductory period. This period may be extended for an additional three (3) months for just cause with a Performance Improvement Plan initiated, or s/he may be subject to termination of employment.

The introductory Registered Nurse will have recourse to the grievance procedure as of the day after his/her initial introductory period ends.

The introductory Registered Nurse will have his/her benefits started based on the individual benefit and according to Sections 7, 8 and 17. There will be no loss of benefits as a result of the Registered Nurse's initial introductory period.

The introductory Registered Nurse will be given written notice of unsatisfactory performance or failure to adhere to PAMF/PAD rules. This notice will include a warning that future poor performance or misconduct during the introductory period will result in termination.

(I) Reinstatement and Transfer

A Registered Nurse who is reinstated within one (1) year of leaving PAMF/PAD, or transfers to a different department must complete a new ~~ninety (90) day~~ three (3) month calendar day introductory period. This period will be without a loss of benefits or seniority as defined in Sections 9 and 17 of this Agreement. All disciplinary action and/or dismissal will be for just cause only; and the Registered Nurse will have recourse to the grievance procedure. If the Registered Nurse fails to successfully complete the new introductory period, the Registered Nurse is subject to one (1) of the following actions:

- A. If the Registered Nurse's previous position is still vacant and the Registered Nurse's documented performance record for the previous position was satisfactory, the Registered Nurse will be returned to her/his previous position. This condition is in no way intended to restrict PAMF/PAD from taking action to fill the Registered Nurse's previous position during the Registered Nurse's new introductory period.
- B. If the Registered Nurse's previous position is unavailable and the Registered Nurse's documented performance record for the previous position was satisfactory, a reasonable attempt will be made by PAMF/PAD to transfer the Registered Nurse to a position comparable in wages, hours and conditions of employment to his/her previous position.
- C. The Union will be notified if the Registered Nurse does not successfully complete the new introductory period. This period may be extended for an additional ~~ninety (90) days~~ three (3) months for just cause with a Performance Improvement Plan initiated, or s/he may be subject to termination of employment.

SECTION 5. REGISTERED NURSE STATUS

(J) Hiring Guidelines for All RN Classifications

RN II

- A Registered Nurse with 1-2 years of credited experience as a Registered Nurse will start at Step 1 (RN II).
- A Registered Nurse with greater than two years, but less than four years of credited Registered Nursing experience will start at Step 2 (RN II).
- A Registered Nurse with greater than four years, but less than six years of credited Registered Nursing experience will start at Step 3 (RN II).
- A Registered Nurse with greater than six years, but less than eight years of credited Registered Nursing experience will start at Step 4 (RN II).
- A Registered Nurse with greater than eight years but less than ten years of credited Registered Nursing experience will start at Step 5 (RN II).
- A Registered Nurse with greater than ten years of credited Registered Nursing experience will start at Step 6 (RN II).

All outside experience is credited at 75%.

RN IV

- New Nurses hired into an RN IV Classification will be placed on the RN IV range consistent with the above, except those covered by Section 5 G.

No other changes to Section 5A

Modify SECTION 17. MEDICAL-DENTAL-LIFE INSURANCE AND DISABILITY INSURANCE PLAN as follows:

(A) General

Palo Alto Medical Foundation/Palo Alto Division shall have the right to alter the carrier of any of the plans enumerated in this Section provided the benefits are not substantially altered. Thirty days prior to the announcement of change in carrier, PAMF/PAD shall notify the Union of any such proposed changes and receive the Union's input and suggestions concerning the change in carrier.

(B) Medical Coverage

Effective January 1, 2017, implement the new Sutter Select EPO Plus and PPO health plan, dental plan and vision plan design.

~~Nurses with standard hours of 28 or more per week will contribute no more than 10% of the actual EPO premium for employee only coverage; Nurses with standard hours of more than 20 hours per week but less than 28 per week will contribute no more than 15% of the actual EPO premium for employee only coverage. Effective upon implementation of the new Sutter Select EPO and PPO Health Plan Designs, the~~The Employer shall provide the applicable Employer and Employee health plan premium dollar contribution requirements under the same terms and conditions to employees represented by the Union as the Employer provides to its non-exempt, unrepresented employees.

Palo Alto Medical Foundation/Palo Alto Division's basic Medical Plan shall apply to a new employee on the first day of the month following completion of ~~one month~~30 days of service. Medical services are available to all eligible employees, their spouse or domestic partner, and all adult children up to age 26 (i.e. through the age of 25 years), per Federal guidelines/law. Adult children may be a biological child, legally adopted child, step-child, child under legal guardianship*, or child of domestic partner if the domestic partner is currently enrolled*, under age 19, and unmarried children of any age incapable of self-support and entirely dependent on the employee, pursuant to IRS regulations.

*If a legal guardian or domestic partner's child does not qualify as a "tax dependent", there is imputed income on the portion of the premium attributable to their coverage.

Palo Alto Medical Foundation/Palo Alto Division employees are responsible for paying all Medical Co-payments, Co-insurance and/or deductions.

Employees who qualify for medical benefit coverage but choose not to participate in the health insurance plan and who provide the Employer with proof of individual coverage under another insurance plan will receive an annual taxable rebate of ~~\$1000.~~\$1200, paid out across 26 pay periods.

~~Effective January 1, 2017 and each calendar year following the date of this agreement, for full time and part time benefited employees, the employer will contribute annually \$250.00 (two hundred fifty dollars) to a flexible spending health care account to be used by the employees on allowable health care expenses.~~

Flexible Spending Accounts

Palo Alto Medical Foundation shall offer two flexible spending accounts, one for health care expenses and one for dependent care. All regular full-time and part-time employees who work 20 or more hours a week are eligible to enroll in Flexible Spending Accounts. New hires may enroll on the first day of the month following 30 days of continuous employment. All eligible employees may enroll during the annual open enrollment period (usually in November), with participation effective on the following January 1.

*An employee will have until April 15th to submit claims incurred in the prior calendar year. A grace period is also available that follows the end of the calendar year during which any unused amount allocated to the healthcare FSA at the end of the calendar year may be used to reimburse eligible expenses incurred during the grace period. The grace period begins on the first day of the next calendar year and ends two (2) months and fifteen (15) days later. Contributions not used per guidelines above will be forfeited.

Eligible expenses for the health care flexible spending account are determined by the IRS. A list of eligible expenses is available by contacting the FSA claims administrator.

(C) Early Retiree Medical Access (ERMA) program

No changes to C) Early Retiree Medical

(D) Dental Plan

PAMF/PAD's Dental Plan shall apply to a new employee on the first day of the month following ~~one month~~ 30 days of service. Employees who qualify for dental benefit coverage but choose not to participate in the dental insurance plan will receive a ~~monthly-annual~~ taxable rebate of ~~\$10.00~~ \$130, paid out across 26 pay periods. Effective upon implementation of the new dental plan, the Employer shall provide the applicable Employer and Employee dental plan premium dollar contribution requirements under the same terms and conditions to employees represented by the Union as the Employer provides to its non-exempt, unrepresented employees.

(E) Life Insurance Plan

<SEE TA>

(F) Disability Insurance Income

<SEE AGREEMENT BELOW>

(G) Vision Care Benefits

PAMF's Vision plan shall apply to a new employee on the first day of the month following ~~one month~~ 30 days of service. Effective upon implementation of the new vision plan, the Employer shall provide the applicable Employer and Employee vision plan premium dollar contribution requirements under the same terms and conditions to employees represented by the Union as the Employer provides to its non-exempt, unrepresented employees.

No further changes to this section.

Rename and Replace Section 21 Education Allowance, effective 1/1/2022, with the following:

ARTICLE 21: Education Leave and Tuition Reimbursement

(A) Education Leave

1. Eligibility

Full-time and Part-time RNs, who have completed introductory period, are eligible for up to 40 hours of Education Leave, pro-rated based on FTE. Education Leave will be pro-rated for the first year of employment based on date of hire (see Accrual section below).

2. Payment

Unused hours will not be accumulated, carried over from one year to the next, and not be paid out on transfer, promotion, or termination.

Payment for Education Leave will include applicable shift differentials, and will not be considered hours worked for the purposes of overtime.

3. Accrual

Hours will be populated effective the 2nd full pay period in January of each year. Hours for employees hired, or newly benefited, after the 2nd full pay period in January will be populated effective the 1st full pay period in June, at one-half of the employee's yearly accrual amount. Employees hired or newly benefited after the 1st full pay period in June are eligible the following year.

4. Eligible Courses/Use of Ed Leave

Courses must be related to the employee's present position. Hours cannot be used to extend PTO or for mandatory education.

5. Approval Process

Hours must be approved and scheduled in advance. Hours must be requested in writing at least 2 weeks before posting of the schedule. Requests must describe the nature of the course, workshop, or program, and how it relates to the employee's job. Education leave cannot be approved or used after an employee submits his/her resignation.

6. Usage Guidelines

Courses must be a minimum of 4 hours in length, or 4 CEU (where applicable), to qualify as an educational leave paid day. Home study courses will be paid at one hour per hour of program duration, or one hour per CEU (where applicable), and can be used up to the full amount accrued. No fees, tuition, travel expenses, meals, or lodging expenses will be provided under this policy. Employees can use Education Leave (if hours qualify) along with Tuition Reimbursement or Reimbursement for Seminars and Conferences. Employees who take time off from work for approved educational courses must use Education Leave hours, up to their regularly scheduled hours.

Paid education leave is deducted from hours available in an employee's bank for the year in which the hours are paid. Education Leave hours not paid on or before the final day of a calendar year will be deducted from the following year's education leave bucket. Verification of course completion for education leave payment will be accepted for up to 4 weeks after the course.

(B) Tuition Reimbursement

2. All full-time and part-time employees who have successfully completed their introductory period are eligible for Tuition Reimbursement.

3. The maximum tuition reimbursement that an Eligible Employee, including Eligible Employees employed at multiple Sutter Health Legal Entities, may receive is \$2,500 per calendar year. Approved requests for tuition reimbursement will be reimbursed at one hundred percent (100%) of covered expenses, up to the calendar year maximum.
4. Eligible courses include courses that appear likely to lead to improvement in skills and knowledge in the employee's present job or reasonable potential advancement to a higher skill level or position. The course of study must be offered through accredited institutions, including, but not limited to colleges, universities, and business/technical/or vocational schools. In addition, other courses that are eligible for reimbursement include: Graduate Equivalency Degree (GED) courses from an accredited institution and English as a second language (ESL) course from an accredited institution.
5. Excluded from tuition reimbursement are seminars, conferences, and workshop. Course work or other education involving sports, games, or hobbies are also not eligible for reimbursement under this policy, unless that course work or education is related to the affiliate's business or required as part of the employee's degree program. It is not the intent of this benefit to provide or guarantee accumulation of continuing education credit. Course work must not conflict with the employee's work schedule, including overtime and standby requirements, if any (unless otherwise approved by an employee's supervisor).
6. Covered expenses include tuition fees, lab fees, registration fees, and costs of required books. Covered expenses shall not include the costs of commuting, parking, application fees, ID fees, graduation fees, archive fees, deferred payment fees, late fees, entrance exams, expenses for miscellaneous school supplies and materials, expenses for uniforms, expenses for books that are not required by the course syllabus, expenses for graphing calculators, laptop or other computers, printers, any other specialized equipment, mail-in registration fees, fees for non-residents that have not been previously approved by the Employer, any other special or non-recurring fee, costs for meals, or costs for lodging that are incurred by an employee and are incidental to the taking of an eligible course.
7. Employees desiring tuition reimbursement shall complete the tuition reimbursement form and submit the completed form to their supervisor for approval at least three (3) weeks prior to the starting date of the course(s). If the tuition reimbursement request is denied, the employee is responsible for all costs. Costs for fees and books should be estimated on the tuition reimbursement form. The supervisor shall review the request and confirm or deny course eligibility. If approved, the supervisor shall sign and return the form to the Eligible Employee. A new request shall be completed for each semester or similar period of study. Should an employee use all funds available in a calendar year, no further benefit will be paid even if a Tuition Reimbursement Request has previously been filed and approved.
8. To receive reimbursement for an approved course, the employee must remain an eligible employee for two (2) weeks beyond the last day of instruction. Employees shall submit the following items to S3 Benefits no later than four (4) months after the course has been completed including any required exams (however, if the course is for the fall semester and it is the employee's desire to have the costs applied to the current year's maximum tuition reimbursement, they need to be submitted by the first Friday in December of the current year). It is the employee's responsibility to ensure documentation is received accordance with the required timelines.
9. A copy of the approved Tuition Reimbursement request form;
10. A canceled check or official receipt of payment made for tuition, allowable fees and receipts for books;
11. The official record indicating an acceptable grade (C or above) or satisfactory completion; or, for fall semester classes, a Projected Grade Letter form completed by the instructor(s) with the employee's anticipated grade. The Projected Grade Letter form is available through the MySutter Connection portal
12. Paid tuition reimbursement is applied toward the benefit amount available for the calendar year in which the expense reimbursement is paid to the employee, i.e. an employee who begins classes in the fall semester but submits the grades and receipts in January of the following year will have that amount counted against the calendar year in which the expenses are reimbursed. Employees are encouraged to submit these documents as early as possible for courses that end late in December. If an employee is taking a class

in the fall through the Tuition Reimbursement program and wants the benefit allocated in the same calendar year, s/he must submit the tuition reimbursement request by the first Friday in December of the current year (see above).

(C) Seminars and Conferences

RNs covered under this agreement shall have the same access to the Seminars and Conferences policy that the Foundation provides to its management represented employees.

Modify and Rename SECTION 8. PAID TIME OFF (PTO)/~~EXTENDED SICK LEAVE (ESL)-SHORT TERM DISABILITY (STD)~~ as follows:

(A) Paid Time Off (PTO)

- ~~a. Benefited Full-time, part-time, short hour, and limited term employees are eligible to accrue PTO.~~
- ~~b. Eligible Registered Nurses accrue PTO from their the first day an eligible employee moves into an eligible status, of employment based on their actual all hours worked paid with the exception of their including overtime hours, exclusive of call-back guarantee, standby, ESL and missed meal/break premiums.~~
- ~~c. PTO accrual rate is determined by the eligible employee’s PTO-eligible years of service, as shown by the adjusted hire date in the Human Resources Information System.~~
- ~~d. PTO is accrued based on a maximum of eighty (80) hours paid per pay period. Employees will continue to earn the above stated hourly PTO credits while on low census, provided their time card reflects low census hours.~~
- ~~e. PTO pay includes the employee’s base hourly rate and applicable shift differential, if any.~~
- ~~f. PTO hours accrued in excess of three hundred and twenty-eight (328) hours will be subject to mandatory payout as outlined below.~~
- ~~g. PTO hours are to be used for requested time off and for time off on recognized holidays, except as otherwise required by law or policy. PTO hours are used for the paid recognized holidays and may be used for vacation, illness, family emergencies, religious observance, preventative health and dental care, personal business and other elective absences.~~

(B) Accrual of PTO

Months of Service	or	Years of Service	Annual Accrual
0-23 months		0-1 year	28 days PTO
24-59 months		2-4 years	33 days PTO
60-119 months		5-9 years	38 days PTO
120 months & over		10+ years	42 days PTO

Effective the first full pay period in July, 2022:

<u>Months of Service</u>	<u>Years of Service</u>	<u>Annual Accrual</u>
<u>0-11 months</u>	<u>Less than 1 year</u>	<u>26 days PTO</u>
<u>12-47 months</u>	<u>1st through end of 3rd year</u>	<u>31 days PTO</u>
<u>48-107 months</u>	<u>4th through end of 8th year</u>	<u>36 days PTO</u>
<u>108th month and beyond</u>	<u>9th year and above</u>	<u>41 days PTO</u>

Full-time, ~~p~~Part-time, short hour, and limited term employees who work less than a full straight-time week (40 hrs) shall accrue PTO on a prorated basis. The proration shall be based on the ratio of actual hours worked in the week to ~~the full a 40 hr~~ straight-time workweek.

Short hour employees will begin accruing PTO [Insert effective date].

(C) PTO Eligibility

All regular full-time, ~~and~~ part-time, short hour, and limited term employees are eligible to utilize accrued PTO.

(D) The Use of PTO

PTO, as with all other time off, must be requested in writing in advance of the time off desired, and approved in writing by the supervisor/manager, except for emergency or illness. Approval will be based upon the supervisor/manager's determination of the department or unit's staffing needs.

Individual vacation requests are granted based on first in, first granted, with seniority in the bargaining unit being the tie breaker and with consideration for time taken the prior year during periods considered highly desirable (e.g., those surrounding or including recognized holidays). The Registered Nurse must receive an answer from the immediate supervisor/manager regarding approval or denial of the vacation request within two weeks of making the request. Vacation requests shall not be unreasonably denied. Once a vacation has been approved, management may not rescind it. The Registered Nurse must have enough PTO accrued at the time a requested vacation is to be taken.

Employees may begin to request, schedule, and use accrued PTO hours immediately upon accrual. There is no waiting period. Employees may receive payment for approved time off as long as they have a sufficient amount of PTO time in their bank.

During the first four (4) months of employment, newly-hired employees assigned to departments that are not staffed on holidays will be allowed to have a temporary negative balance in their PTO bank and will be paid for the holiday if the employee was scheduled to work and the employee requests to use PTO. However, the negative balance is not to exceed the number of scheduled hours attributed to the holiday.

Supervisors may in advance, at their discretion, approve unpaid scheduled time off for non-exempt employees not to exceed sixteen (16) hours for 8-hour, twenty (20) hours for 10-hour, and twenty-four (24) hours for 12-hour employees per calendar year. Employees must submit their request for unpaid time off at least 48 hours prior to the scheduled shift for which they are requesting to take unpaid time off.

Accrued PTO may be used at a rate not to exceed the employee's FTE status each pay period as shown in the Human Resources Information System, except in cases when the employee had used PTO for a scheduled workday and then was asked to work additional hours or shifts.

(E) PTO Minimum Utilization

A minimum of five (5) non-holiday workdays per year must be used.

(F) PTO Maximum

~~The maximum accrual of PTO is 460 hours. Hours over 400-328 will be automatically cashed out twice a year (February and August) on the first pay date each December without a 6% penalty. Voluntary cash out of PTO can be elected for the first pay date in April twice per year (March and September) with a 6% penalty.~~

~~Beginning calendar year 2016 the months for automatic PTO cash out will be changed to June and December and the months for voluntary PTO cash out will be changed to April and October.~~

~~PTO accrual will be suspended if the nurse's PTO balance equals the amount indicated above. PTO accrual will start again on the pay period after the nurse's balance is reduced below his/her PTO maximum accrual balance.~~

(G) Payment Upon Termination

~~The employee will receive payment for all PTO hours accumulated at the time of termination.~~

Any accrued, unused PTO hours will be paid out upon termination of employment. If termination is the result of Inter-Affiliate Employment, refer to the Inter-Affiliate Employment Policy.

Accrued PTO may not be used for an employee's last day of employment, unless applicable law provides otherwise. Employees must work their last day of employment. Inter-Affiliate transfers may use up to one week (40 hours) of accrued PTO to bridge their last day of actual work at the departing affiliate and the first day of employment at the hiring affiliate.

A. Mandatory PTO Payout

1. Employees who have accumulated PTO hours in excess of three hundred and twenty-eight (328) shall receive an annual payout down to three hundred and twenty-eight (328) hours on the first pay date in December.
2. PTO hours will be deducted from the employee's PTO bank. These hours will be converted to dollars based on the employee's current hourly rate including any shift differential and subject to all applicable payroll taxes.
3. Employees do not receive pension credit for the hours paid out, but will receive pension credit for the compensation value.

B. Voluntary PTO Sell-Back

1. Employees who have a PTO bank balance of more than eighty (80) hours may be eligible to request a "sell-back" of PTO once per year. Employees can only request hours that would reduce the balance to no less than eighty (80) hours in their PTO bank at the time of the request.
2. Requested "sell-back" hours will be paid on the first pay date in April of each year.
3. The request must be submitted and acknowledged through the Employee Self Service (ESS) for final approval and delivery to the Payroll department. Payroll will review the request to determine if sufficient PTO hours are available to maintain a balance of eighty hours. All sell-back requests must be received by Payroll no later than the identified due date for the sell-back period.
4. PTO hours will be deducted from the employee's PTO bank. These hours will be converted to dollars based on the employee's current hourly rate including any shift differential. To ensure compliance with federal tax law, this amount will be subject to a six percent (6%) penalty/forfeiture in addition to all applicable payroll taxes.
5. Employees will not receive hours of service for pension plan purposes from any PTO sell-back. However, an employee will receive pension credit for the compensation value related to any PTO sell-back, excluding any applicable penalties/forfeitures.
6. PTO sell-back will be distributed via normal payroll distribution channels.

(J) PTO Payment due to Hardship

- a. Hardship is an extreme financial hardship as a result of catastrophic events beyond the employee's control as defined in the Employer's PTO policy. The definition of hardship in the policy may be modified as required by law and is not subject to bargaining.

- b. Employees who have a PTO bank balance of more than eighty (80) hours may be eligible to request a PTO payment due to hardship outside of the designated sell back period once every twelve (12) months.
- c. The hardship PTO distribution may not be in excess of the verifiable amount of immediate financial need caused by the hardship.
- d. Documentation substantiating the hardship will be required prior to approval.
- f. Employees can only be paid PTO hours due to hardship in an amount that will maintain a balance of at least eighty (80) hours in their PTO bank.
- g. Employees requesting PTO payment must complete a Request for PTO Payment Due to Hardship form and submit the form and supporting documentation to S3 Benefits. If approved, PTO hours will be deducted from the Employee's PTO bank. These hours will be converted to dollars based on the Employee's current hourly salary. The PTO hardship payout is subject to six percent (6%) penalty/forfeiture in addition to all applicable payroll taxes.

(K) Donation of PTO to an Employee under Medical Emergency Circumstances

- a. Medical emergency is a medical condition of the employee or an employee's family member as defined in the Employer's PTO policy. The definition of medical emergency in the policy may be modified as required by law and is not subject to bargaining.
- b. Employees who have a PTO bank balance of more than eighty (80) hours are eligible to request a transfer of accrued PTO hours to another eligible employee at the same affiliate or legal entity who has experienced an unanticipated medical emergency. Employees may only contribute hours in an amount that will maintain a balance of eighty (80) hours in their PTO bank.
- c. Prior to requesting PTO donations, an employee or designee must submit a Request for PTO Donation claiming a medical emergency.
- d. An employee requesting to donate and transfer PTO hours to another employee should complete the Request to Donate PTO Hours form and submit it to HR for review and approval.
- e. The receiving employee must have exhausted all forms of payment prior to receiving a PTO donation. Payroll will release donated PTO hours as needed each pay period. HR will notify donors of excess donated PTO hours that will not be used. Excess donations are not processed to the receiving Employee's PTO bank.
- f. The donated PTO hours will be deducted from the donor employee's PTO bank as needed. (Note: The donor employee does not get pension credit for the hours or the compensation value of the donated PTO.) These hours will be converted to dollars based on the donor's current hourly salary excluding any shift differential. Then these dollars will be converted back to the appropriate number of PTO hours based on the recipient employee's current hourly salary excluding any shift differential. (Note: The received PTO is included in the recipient employee's gross income when used. Therefore, the recipient employee will receive pension credit for both the hours and the compensation value of the donated PTO, up to certain limits established by federal tax law.) The donated PTO will be subject to taxes and appropriate withholdings when paid.

(L) Use of PTO During Leave of Absence

- a. Unless prohibited by a regulatory requirement allowing optional PTO use, (e.g., FMLA, CFRA, CA Pregnancy Disability Leave (PDL), Military leave, etc.), the Medical Center/Hospital requires the use of accrued and available PTO during leave. PTO, if elected or required for use, is integrated with all forms of wage replacement up to approximately 100% of Pre-Disability Gross Earnings.
- b. Employees can elect (unless PTO use is required) whether to use accrued PTO to cover any applicable elimination period, and to integrate PTO with other wage replacement benefits.
- c. If the employee does not affirmatively decline using PTO or if PTO use is required, the Medical Center/Hospital shall integrate accrued PTO with all applicable forms of wage replacement.

(H) Extended Sick Leave (ESL)

~~Until account is exhausted, Nurses will be eligible to use ESL:~~

- ~~• After five (5) consecutive days off per sickness occurrence, provided the absence is certified by a physician or other healthcare provider;~~
- ~~• Immediately if entering the hospital on an inpatient basis;~~
- ~~• Immediately if undergoing outpatient surgery;~~
- ~~• Immediately if suffering loss of days due to a workplace incident~~

~~(H) KinCare AB109 California Employment Sick Leave Act (CESLA)~~

~~Registered Nurses may use a portion of their sick leave to care for an ill family member (child, spouse or parent). Sick leave is broadly defined and may be PTO or ESL.~~

~~Through 02/04/13, the same practices apply under KinCare (AB109) as when a Registered Nurse is taking time off for his/her own illness. The first five consecutive days out come from accrued PTO. Days in excess of five consecutive days off may come from accrued ESL. If a family member is hospitalized or having outpatient surgery, ESL may be used immediately.~~

~~Registered Nurses are eligible to use up to one-half (1/2) of their current annual accrual of PTO and ESL per calendar year to care for a covered family member's illness.~~

~~Time taken off to care for a family member under this law does not count as an absence when considering discipline for excessive absenteeism, providing the Registered Nurse has accrued PTO or ESL (when it applies) available.~~

~~Registered Nurses must complete Request for KinCare form in advance or within 5 days of their return to work to ensure KinCare protection. KinCare form is available on the PAMF intranet.~~

Modify Section 7 as follows:

SECTION 7. HOLIDAYS

(A) Recognized Holidays

Premium pay will be paid on the following recognized holidays [though the end of 2021](#):

President's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
The Day after Thanksgiving
Christmas Day
New Year's Day

[Effective calendar year 2022, Premium pay will be paid on the following recognized holidays:](#)

[President's Day](#)
[Martin Luther King Jr's Birthday](#)
[Memorial Day](#)
[Independence Day](#)
[Labor Day](#)

[Thanksgiving Day](#)
[Christmas Day](#)
[New Year's Day](#)

Any additional holidays granted to PAMF/PAD employees, will not be withheld from Registered Nurses by reason of this agreement.

(B) Holidays Worked

In the event a Registered Nurse is required to work on any of the recognized holidays, he/she shall receive time and one-half (1-1/2) for all hours worked on said holiday.

The Registered Nurse will be available to work one of the three major holidays: Thanksgiving, Christmas Day, or New Year's Day, and be available to cover one of the other recognized holidays per year if the assigned department is open.

Delete Section 17E, 17F, Appendix B and C, add the following to Section 17 and re-letter:

LONG TERM DISABILITY:

1. Eligible employees shall receive Employer-paid core long-term disability insurance in the amount 60% of pre-disability earnings, as defined by the certificate of coverage, up to a maximum monthly benefit of \$5,000 and a maximum benefit period of 5 years. An eligible employee may buy up the long term disability insurance that provides a benefit of 60% of pre-disability earnings up to a maximum monthly benefit of \$10,000 and a maximum benefit period to age 65 (or up to age 70 if the Employee is over age 60). The Employee pays premium for this insurance.
2. The Employee must work at least 40 hours per pay period to be eligible for core and buy up long term disability insurance. The eligibility waiting period for a new employee is the first day of the month following 30 days of hire.
3. New or newly eligible employees must complete the enrollment process to purchase buy up long term disability insurance within 60 days of becoming eligible. If the employee does not enroll by the 60-day deadline, the employee will not be able to enroll in coverage until the next open enrollment period. Changes to buy up long term disability insurance may also be made at open enrollment.
4. Certain benefit limitations apply. The terms and conditions of the coverage are set forth in the certificate of coverage. The coverage shall be administered consistent with the certificate of coverage, contract with the carrier and the plan documents.

Term of Agreement

Three years from date of ratification

This Agreement has been executed on this tenth day of December 2020.

The union and its bargaining team agree to fully recommend this agreement, without qualifications, to the bargaining unit for ratification.

Palo Alto Medical Foundation

Engineers and Scientists of California

Maria Morin, Human Resources Director

Adolfo Riedel, Union Representative

David Greco, Management Consultant

Date

Date

PREVIOUSLY SIGNED TENTATIVE AGREEMENTS

- | | |
|--|-----------|
| 1. Benefit Continuation | 11/5/2020 |
| 2. Bereavement Leave | 1/15/2020 |
| 3. Grievance Procedure | 1/15/2020 |
| 4. Hours of Work and Overtime Weekend Work/CTO | 9/11/2020 |
| 5. Jury Duty | 1/15/2020 |
| 6. Leaves of Absence | 7/31/2020 |
| 7. Life Insurance Plan | 10/8/2020 |
| 8. Performance Review | 1/15/2020 |
| 9. Registered Nurse Status - Employee Categories | 1/15/2020 |
| 10. Retirement Benefits | 11/5/2020 |
| 11. RN III Classification Intro Review | 1/15/2020 |
| 12. STD | 11/5/2020 |