



Department of Human Resources

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MEMORANDUM

**TO: Honorable Philip A. Amicone
William T. Regan, Deputy Mayor
Lisa Mrijaj, Chief of Staff**

FROM: Brian M. Lucyk, Commissioner

RE: Unrepresented Employees – Health Insurance Contributions

DATE: April 26, 2010

Per your direction, I have reviewed the issue of requiring unrepresented employees to pay a portion of their health insurance premiums. I believe that the following factors should be considered:

- Relative size of the group;
- Comparability of wage increases and retroactive pay provided to unionized employees
- No longevity pay
- No overtime pay
- No welfare fund contributions

Relative Size of the Group

Presently, there are 115 employees categorized as unrepresented, including 16 employees assigned to the offices of the City Council, City Council President and the City Clerk. The job titles in this group range from secretary to Deputy Mayor. Unrepresented employees comprise 6.1% of the full-time work force of the City. The remaining 1,784 employees are represented by 8 unions: Local 704, S.E.I.U. (white collar workers), Local 456, I.B.T. (blue collar workers), Local 1897, A.F.S.C.M.E. (management employees), P.B.A. (police officers), C.L.S.A. (police superior officers), Local 628, I.A.F.F. (firefighters), U.F.O.A. (fire superior officers) and Local 456M (management and white collar workers).

Comparability of Wage Increases and Retroactive Pay Provided to Unionized Employees

An analysis of the wage increases and retroactive payments provided to full-time City employees represented by unions for the period of July 1, 2005 to date is attached to this memo as Exhibit "1". As may be noted, all of the unionized employees received the following compounded wage rate increases:

| | |
|-----------------------------------|----|
| July 1, 2005 or September 1, 2005 | 2% |
| July 1, 2006 or September 1, 2006 | 2% |
| July 1, 2007 or September 1, 2007 | 2% |

| | |
|-----------------------------------|-------------|
| January 1, 2008 or March 1, 2008 | 2% |
| July 1, 2008 or September 1, 2008 | 2.5% |
| January 1, 2009 or March 1, 2009 | <u>2.5%</u> |
| Total Rate Increase | 13.7% |

As pertains to the unrepresented employees (excluding 16 employees assigned to the offices of the City Council, City Council President and the City Clerk), employees with an annual salary below \$65,000 per year were granted the following compounded wage rate increases:

| | |
|-----------------------------------|-----------|
| July 1, 2005 or September 1, 2005 | 2% |
| July 1, 2006 or September 1, 2006 | 2% |
| July 1, 2007 or September 1, 2007 | 2% |
| January 1, 2008 or March 1, 2008 | <u>2%</u> |
| Total Rate Increase | 8.24% |

Employees with an annual salary between \$65,000 and \$115,291 received a wage rate increase of 8.24% effective January 1, 2008. There was no retroactive pay for the period of July 1, 2005 to December 31, 2007.

Employees with an annual salary above \$115,291 received a wage rate increase of \$9,500 effective January 1, 2008. This amounted to percentage increases ranging from 6.2% and 8.24%. Again there was no retroactive pay for the period of July 1, 2005 to December 31, 2007.

In summary, employees in the unrepresented group received wage rate increases 5.46% less than provided to employees represented by unions for the same period if time. In addition, unrepresented employees earning more than \$65,000 did not receive retroactive pay of 2% for the period of July 1, 2005 through June 30, 2006, 4.04% for the period of July 1, 2006 through June 30, 2007 and 6.12% for the period of July 1, 2007 through December 31, 2008. For an employee with an annual salary of \$70,000, the loss of retroactive pay amounted to \$6,558.

Shortly after wage increases were provided to the employees in the unrepresented group, 65 of them joined the Local 456M group.

A similar pattern exists for wage increases provided for the period of January 1, 2002 through December 31, 2005. As detailed in Exhibit "2", uniformed personnel received compounded wage increases of 4% effective July 1, 2002, 4% effective July 1, 2003 and 4% effective July 1, 2004. Non-uniformed employees received a wage increase of 12.486%. In addition, they received payments based on a retroactive calculation of 4% effective July 1, 2002, 4% effective July 1, 2003 and 4% effective July 1, 2004. Unrepresented employees received a wage increase of 8% effective October 1, 2006. There were no retroactive payments.

No Longevity Pay

Except for the employees who recently joined the Local 456M group, all of the other employees represented by unions receive longevity percentage payments as detailed by Exhibit "3" attached to this memo. For non-uniformed personnel, the longevity payments range from 4% after 10 years to 12% after 20 years. For uniformed personnel, the longevity payments range from 3% after 9 years to 9% after 18 years. The dollar payments are detailed in Exhibit "4" attached to this memo. As may be noted, these payments can be substantial:

| | |
|--------------------------|---------------------|
| Local 456, I.B.T. | \$3,129 to \$9,338 |
| Local 704, S.E.I.U. | \$3,083 to \$9,248 |
| Local 1897, A.F.S.C.M.E. | \$5,222 to \$15,667 |
| Local 628, I.A.F.F. | \$2,307 to \$6,921 |
| U.F.O.A. | \$3,520 to \$10,561 |
| P.B.A. | \$2,433 to \$7,300 |
| C.L.S.A. | \$3,589 to \$10,768 |

Employees in the unrepresented group do not receive longevity payments.

No Overtime Pay

Except for employees who recently joined the Local 456M group and employees represented by Local 1897, A.F.S.C.M.E., all other employees represented by unions are entitled to overtime pay. The overtime pay rates range from 1 ½ to 2 times their hourly rate of pay.

Again, employees in the unrepresented group are not entitled to overtime pay.

No Welfare Fund Contributions

As detailed in Exhibit "5", the City provides contributions for benefits to the various unions representing its employees. These payments are substantial:

| | |
|--------------------------|--------------------------------|
| Local 456, I.B.T. | \$1,924.48 per member per year |
| Local 704, S.E.I.U. | \$1,896 per member per year |
| Local 1897, A.F.S.C.M.E. | \$1,517 per member per year |
| Local 628, I.A.F.F. | \$2,307 per member per year |
| U.F.O.A. | \$2,106 per member per year |
| P.B.A. | \$1,031 per member per year |
| C.L.S.A. | \$2,501 per member per year |

Again, employees in the unrepresented group do not receive payments.

Amount of Contributions for Health Insurance Benefits

The present annual cost for individual health insurance benefits is \$7,348.08. The current cost for family health insurance benefits is \$15,971.16.

The current contribution rate for health insurance benefits for employees represented by unions is detailed in Exhibit "6" attached to this memo. In general, these annual contribution rates are:

| | <u>Individual Contribution</u> | <u>Family Contribution</u> |
|--------------------------|--------------------------------|----------------------------|
| Local 456, I.B.T. | \$ 750.00 | \$ 750.00 |
| Local 704, S.E.I.U | \$1,469.62 | \$1,597.12 |
| Local 1897, A.F.S.C.M.E. | \$1,469.62 | \$1,597.12 |
| Local 628, I.A.F.F. | \$1,469.62 | \$1,597.12 |
| U.F.O.A. | \$1,469.62 | \$1,597.12 |
| P.B.A. | \$1,469.62 | \$1,597.12 |
| C.L.S.A. | \$1,469.62 | \$1,597.12 |

It should also be noted that the City cannot require employees in the Local 456M group to contribute for their health insurance benefits until their union agrees.

Conclusion

In light of the substantial disparity in salary and benefits provided to employees in the unrepresented group as compared to employees in the unionized groups, it is not appropriate to require unrepresented employees to contribute for their health insurance benefits.

In the event that it is determined that unrepresented employees should contribute for their health insurance benefits in a similar manner as employees represented by unions, consideration should also be given to providing these employees with the same wage increases and benefits provided to the unionized groups:

- 2.5% effective July 1, 2008 and 2.5% effective January 1, 2009
- 4% longevity after 10 years of employment
- 8% longevity after 15 years of employment
- 12% longevity after 20 years of employment
- Overtime pay at the rate of 1 ½ times their hourly rate of pay for all work in excess of 40 hours per week
- Overtime pay at the rate of 2 times their hourly rate of pay for all work on a Sunday or holiday
- Provision of a payment of \$1800 to each employee for the purchase of benefits

Exhibit 1
Salary Increases 2005 - 2009

| | July 1, 2005 or September 1, 2005 | July 1, 2006 or September 1, 2006 | July 1, 2007 or September 1, 2007 | January 1, 2008 or March 1, 2008 | July 1, 2008 or September 1, 2008 | January 1, 2009 or March 1, 2009 | Total Percentage Increase |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|---------------------------------|
| Local 456, I.B.T. | 2% | 2% | 2% | 2% | 2.50% | 2.50% | 13.70% |
| Local 704, S.E.I.U. | 2% | 2% | 2% | | 2.50% | 2.50% | 13.70% |
| Local 1897, A.F.S.C.M.E. | 2% | 2% | 2% | 2% | 2.50% | 2.50% | 13.70% |
| | | | | | | | |
| Local 628, I.A.F.F. | 2% | 2% | 2% | 2% | 2.50% | 2.50% | 13.70% |
| U.F.O.A. | 2% | 2% | 2% | 2% | 2.50% | 2.50% | 13.70% |
| | | | | | | | |
| PBA | 2% | 2% | 2% | 2% | 2.50% | 2.50% | 13.70% |
| CLSA | 2% | 2% | 2% | 2% | 2.50% | 2.50% | 13.70% |
| | | | | | | | |
| Unrepresented | | | | | | | |
| Under \$65,000 | 2% | 2% | 2% | 2% | | | 8.24% |
| \$65,000 - \$115,291 | | | | 8.24% | | | 8.24% |
| Over \$115,291 | | | | \$9,500 | | | 6.2% - 8.24% |

Exhibit 2
Salary Increases 2002 - 2005

| | July 1, 2002 or September 1, 2002 | July 1, 2003 or September 1, 2003 | July 1, 2004 or September 1, 2004 | July 1, 2005 | October 1, 2006 | Total Percentage Increase |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------|-----------------|---------------------------------|
| Local 456, I.B.T. | | | | 12.486% | | 12.486% |
| Local 704, S.E.I.U. | | | | 12.486% | | 12.486% |
| Local 1897, A.F.S.C.M.E. | | | | 12.486% | | 12.486% |
| Local 628, I.A.F.F. | 4% | 4% | 4% | | | 12.486% |
| U.F.O.A. | 4% | 4% | 4% | | | 12.486% |
| PBA | 4% | 4% | 4% | | | 12.486% |
| CLSA | 4% | 4% | 4% | | | 12.486% |
| Unrepresented | | | | | 8% | 8% |

Exhibit 3
Longevity Payments

| | 9 Years | 10 Years | 14 Years | 15 Years | 18 Years | 20 Years |
|--------------------------|---------|----------|----------|----------|----------|----------|
| Local 456, I.B.T. | | 4% | | 8% | | 12% |
| Local 704, S.E.I.U. | | 4% | | 8% | | 12% |
| Local 1897, A.F.S.C.M.E. | | 4% | | 8% | | 12% |
| Local 628, I.A.F.F. | 3% | | 6% | | 9% | |
| U.F.O.A. | 3% | | 6% | | 9% | |
| PBA | 3% | | 6% | | 9% | |
| CLSA | 3% | | 6% | | 9% | |
| Unrepresented | 0 | 0 | 0 | 0 | 0 | 0 |

Exhibit 4
Current Longevity Dollar Payments

| | Annual Pay Rate | 9 Years | 10 Years | 14 Years | 15 Years | 18 Years | 20 Years |
|--------------------------|-----------------|---------|----------|----------|----------|----------|----------|
| Local 456, I.B.T. | \$78,231 | | \$3,129 | | \$6,258 | | \$9,388 |
| Local 704, S.E.I.U. | \$77,069 | | \$3,083 | | \$6,166 | | \$9,248 |
| Local 1897, A.F.S.C.M.E. | \$130,557 | | \$5,222 | | \$10,445 | | \$15,667 |
| | | | | | | | |
| Local 628, I.A.F.F. | \$76,895 | \$2,307 | | \$4,614 | | \$6,921 | |
| U.F.O.A. | \$117,346 | \$3,520 | | \$7,041 | | \$10,561 | |
| | | | | | | | |
| PBA | \$81,111 | \$2,433 | | \$4,867 | | \$7,300 | |
| CLSA | \$119,643 | \$3,589 | | \$7,179 | | \$10,768 | |
| | | | | | | | |
| Unrepresented | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Exhibit 5
2010 Welfare Fund Contributions

| | Amount | Formula |
|--------------------------|---------------------------------|---|
| Local 456, I.B.T. | \$1924.48 per member | 2.46% of annual salary for salary grade DP M |
| Local 704, S.E.I.U. | \$1,895.90 per member | 2.46% of annual salary grade XII, step 6 |
| Local 1897, A.F.S.C.M.E. | \$1,517 per member | 2.2% of \$70,000 |
| Local 628, I.A.F.F. | \$2,306.85 per member +\$14,280 | 3% of top rated firefighter's annual salary |
| U.F.O.A. | \$2,105.57 per member | 2.23% of annual lieutenant's annual base salary |
| PBA | \$1,031.27 per member | |
| CLSA | \$2,500.52 per member | 2.6% of sergeant's annual salary |
| Unrepresented | 0 | |

Exhibit 6
CITY OF YONKERS
HEALTH INSURANCE RATES

EMPLOYEE CONTRIBUTION BY BARGAINING UNIT

AFSCME:

Hired After 7/1/82, Contribution = 20% for Individual and 10% for Family (see section of schedule below by percent)

Exceptions: Titles that were recognized on the 1/1/98 Memorandum of Agreement who were not contributing at the time,

will continue not to contribute. Titles that were contributing at the time, will now contribute 20% for Individual and 10% for Family (see section of schedule below by percent)

SEIU:

Hired Between 1/1/78 and 9/2/199, Contribution is \$750 per year (\$31.25 biweekly) for Both Individual and Family

Hired After 9/2/199, contribution = 20% for Individual and 10% for Family (see section of schedule below by percent)

TEAMSTERS:

Hired After 1/1/78, contribution is \$750 per year (\$15.63 Weekly) for Both Individual and Family

FIREFIGHTERS & FIRE OFFICERS:

Hired Between 1/1/78 and 7/1/93, Contribution = 20% for Individual and 10% for Family (see section of schedule below by percent)

Hired After 7/1/93, Contribution will be according to Service Percentage Biweekly Contribution Schedule

POLICE OFFICERS & POLICE SUPERIORS:

Hired Between 1/1/78 and 7/1/91, Contribution = 20% for Individual and 10% for Family (see section of schedule below by service months and percent)

Hired After 7/1/91, Contribution will be according to Service Percentage Biweekly Contribution Schedule

SERVICE PERCENTAGE BIWEEKLY CONTRIBUTION SCHEDULE

| MONTHS | NYSHIP EMPIRE (EMP) | | HEALTH INS PLAN (HIP) | |
|---------|------------------------|------------|--------------------------|------------|
| | IND | FAM | IND | FAM |
| 0 > 36 | \$153.09 | \$232.91 | \$140.51 | \$240.97 |
| 37 > 48 | \$137.78 | \$199.64 | \$126.46 | \$206.55 |
| 47 > 60 | \$107.16 | \$166.37 | \$98.36 | \$172.12 |
| 59 > 72 | \$91.85 | \$133.09 | \$84.31 | \$137.70 |
| > 72 | \$61.23 | \$66.55 | \$56.20 | \$68.85 |
| Percent | | | | |
| | \$612.34 | \$1,330.93 | \$562.04 | \$1,376.99 |

ALL UNREPRESENTED EMPLOYEES, AFSCME EMPLOYEES HIRED PRIOR TO 7/1/82, AND ALL OTHER BARGAINING UNIT MEMBERS HIRED PRIOR TO 1/1/78, CONTRIBUTION = 0