

Letter of Understanding between
Augustana Mercy Care Center
and
UFCW 1189

The Employer and the Union are parties to a written collective bargaining agreement in effect from January 1, 2021 through December 31, 2023, (CBA).


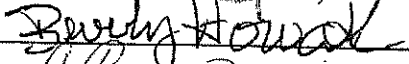
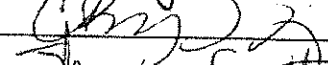
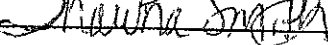
The Employer is rolling out the new Kronos Workforce Dimensions payroll and HR system. During this time, it has come to our attention that the IRS has adjusted its view of the taxability of paid time off that carries the ability to be cashed out during employment. There are significant potential tax consequences to employees if time is allowed to be available as cash while employed unless it does not carry full value or it is irrevocably elected in one year to be cashed out in the following calendar year. In order to ensure IRS compliance the related employee tax consequences and to provide greater flexibility of the timing and use of paid time off cash outs, the parties agree to amend Article 19.5 of the CBA, effective September 3, 2021, as follows:

Article 19.5 PTO Cash Payment: After one year of service, active employees may cash in accrued and available PTO. Due to IRS regulations, employees will have two options to cash out PTO:

1. Cash out PTO any pay period at 95% of its value.
2. Submit a written election to cash out PTO by December 31st, requesting to have a specified number of hours paid out on either the first pay check of June and/or the first pay check of December. This election may not be changed for any reason after December 31st.

These options apply when cashing out PTO instead of using it to replace scheduled hours missed. A minimum of four (4) hours may be cashed out, but this may be done any pay period without limit. The appropriate form must be used to request PTO cash-out. PTO payout at end of employment will follow the process in 19.4.

To transition to this program, The LOU will be shared with employees by August 3, 2021. Until the effective date of the pay period beginning September 3, 2021, employees may cash PTO following the existing contract language.

UFCW Signature:		Date:	2 August
UFCW Signature:		Date:	8/3/21
AMCC Signature:		Date:	8/3/21
AMCC Signature:		Date:	8/3/2021