

To: Signatory Employers/Employer Associations

From: Oscar De La Torre, Business Manager
Northern California District Council of Laborers

Date: May 12, 2020

RE: Paycheck Protection Program (PPP)

The following will apply for compensation paid to members of local unions affiliated with the Northern California District Council of Laborers (Union employees) pursuant to the Paycheck Protection Program (PPP) of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) who are employed by Employers signatory to a Master Labor Agreement (MLA) with the Northern California District Council of Laborers and its affiliated Local Unions:

- For Union Employees rehired by a signatory employer pursuant to a PPP loan, but who are not performing covered work, the journey level wage rate for such Laborers will be the most recent wage rate in effect prior to the receipt of the PPP Loan, or \$31.54 per hour (Journey Level wage for Group 3 Rate A), whichever is higher; apprentices shall be compensated at the most recent apprentice wage rate in effect prior to the receipt of the PPP Loan. In addition, the signatory employer shall pay Vacation and Holiday (currently \$3.05 per hour). Vacation and Holiday amounts are added to the hourly rate to establish the gross pay. The gross pay amount is subject to normal payroll deductions. After normal payroll deductions, the full Vacation and Holiday contributions are deducted, reported, and paid to the appropriate Trust Fund.
- The Employer shall contact the Laborers Funds Administrative Office of Northern California, Inc. (LFAO) and establish a PPP Laborers Trust Fund (LTF) sub-account number for the reporting of fringe benefit contributions. Contact the LFAO at (ar@norcalaborers.org) or call (707) 864-2800.
- Payments made to Union employees pursuant to a PPP loan shall be considered hours paid for or worked relating to fringe benefit contributions under the applicable MLA for the following: Health and Welfare, Pension, and Annuity. As such, the Employer shall be required to report and remit the regular hourly fringe benefit contributions to the LFAO for these funds under the LTF PPP sub-account number.

- All payments of hourly wages made pursuant to a PPP loan will be paid to the Union employee on a payroll check. The Employer will include the PPP LTF sub-account number on the Union employee's check stub and in the Employer's payroll system.
- Apprentices, who are rehired but are not performing covered work, shall be paid the same percentage (%) of hourly wage rates of the PPP journey level wage rate pursuant to the Apprentice Wage Percentage Schedule set forth in the applicable MLA. Payment of fringe benefit contributions for Apprentices also shall be made pursuant to the Apprentice Wage Percentage Schedule set forth in the applicable MLA.
- Payments made to Union employees pursuant to a PPP loan shall not be considered hours paid for or worked relating to any other fringe benefit contributions under the applicable MLA and the Employer shall not be required to remit fringe benefit contributions to the LFAO for these funds.

Note: if a Union employee is performing covered work, said work is covered by all the terms and conditions of the applicable MLA and this Memo does not apply.

The above temporary modifications to the applicable MLA terms only apply to the payment of wages and fringe benefit contributions made pursuant to the PPP and shall not otherwise be considered a change, modification, amendment or supplement to any Collective Bargaining Agreement between the Union and any signatory Employer. These temporary modifications are made based on the guidance provided by the Small Business Administration, at this time, and are subject to modification. Nothing in this Memo is intended to change the substance, rights or obligations of the Employer or Union employee under the PPP.

The Employer remains solely responsible for compliance with all applicable State and Federal laws. All other terms and conditions of the applicable MLA remain in full force and effect.

If you have any questions, please contact the Northern California District Council of Laborers at (925) 469-6800.