



Collaborative Compliance: Working with Collective Bargaining Agreements

Wednesday, March 27, 2024
10:30 - 11:30 a.m.

The information contained herein and provided in the presentation does not constitute legal advice or a legal opinion on any specific facts or circumstances. The contents are intended for general information purposes only. You are urged to consult a lawyer concerning the facts and circumstances surrounding your situation and any specific legal questions you may have.





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Agenda

- **Definitions**
- **Overview**
- **Historical Treatment of CBAs in Paid Leave**
- **When New Paid Family and Medical Leave (PFML) Legislation Passes:**
 - Review and Analyze
 - Best Practice Strategies
 - Implementation Plan
 - Vendor Partner Support
 - Impact on Union Population
- **Managing Represented & Non-Represented Populations Summary & Takeaway**
- **Questions & Answers**



Definitions

Focused primarily on PFML legislation within this presentation



Labor Organization: recognized under the National Labor Relations Act and exists for the purpose of dealing with employers related to wages, benefits, hours of employment, disputes and conditions of work.



Union: a national or international business whose purpose is to represent employees in the collective bargaining process with their employer (e.g. International Brotherhood of Electrical Workers, United Auto Workers, International Association of Machinists, etc.)



Employee Association: an organization formed by employees who collectively bargain with their employer without the assistance of a national/international union.



Collective Bargaining Agreement (CBA) – a written legal contract between an employer and a union/association representing the employees.



Represented Employees – those that are represented by a union/association and covered by the terms of the collective bargaining agreement.

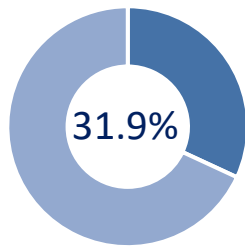
Overview: Unions in the U.S.



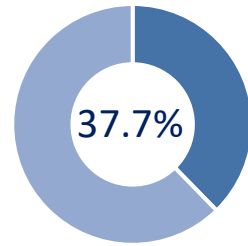
Of all wage and salary workers, **10% were represented by unions** (14.4 million employees)



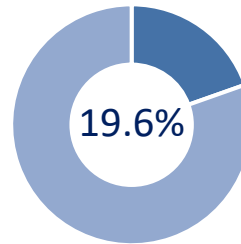
Union membership is split almost equally between public and private employment.



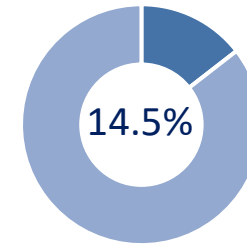
Protective Service



Education, training and library



Utilities



Transportation and warehousing

*U.S. Bureau of Labor Statistics, Current Population Survey (CPS)-Union Membership 2023, January 23, 2024



Overview: About Lockheed Martin



116,000 domestic and international employees overall

Over **450** different facilities operating in **33 countries** and most US states

Each CBA has a term of **3 to 5 years**

Approximately **24,000 employees** Represented by approximately **60 different bargaining units**

Lockheed Martin has between **15-20 CBA negotiations per year**



States that have the **highest represented populations:**

- **Texas**
- **Connecticut**
- **New Jersey**
- **Georgia**

Historical Treatment of CBAs in PFML

Delayed Compliance

- Law states CBAs do not need to be reopened or comply with the law on the initial effective date
- CBAs need to comply when the existing agreement is reopened or renegotiated

EXAMPLES:

WA, OR, ME

Public/Private Employer Distinctions

- Union members with private employers were covered by employer policy
- Union members with public employers are not covered unless negotiated by union

EXAMPLES:

NY

Included Initially or not mentioned

No mention of CBAs indicates that new law applies under existing agreement.

EXAMPLES:

MA, CT, CO, MD, DE, MN



A New Paid Leave Legislation has Passed...Now What?

01. Review & Analyze

1. Utilize Available Resources:

- Law Firms, State Website, Vendors, etc.

2. Determine Leave Requirements:

- Effective Date
- Duration
- Deductions/Contributions
- Benefits, amount of pay
- Coverages (definition of family member, etc.)
- *Private plan option?*



3. Identify Impacted Population:

- Non-Represented (full time, part time, casual)
- Represented – requirement to comply?

5. Engage Key Stakeholders

(Corporate Legal, Payroll, Labor Relations & Vendor Partners)

4. Compare to Existing Company Plans

01. Key Items to Consider During Analysis....



1 Private or State Plan?

- Is there a private plan offering?
- Analyze cost benefit of state plan vs. private plan
- Employee experience

2 Represented Population:

- Review CBA for any conflicting language
- Determine if a Memorandum of Understanding (MOU) will be required for the new law

3 Impact to Other Benefits:

Will there be offsets to any existing plans?

4 Deductions:

Will the company cover employee contributions or will employees have payroll deductions?

03. Implementation Plan:



Create comprehensive project plan to include:

- Company and vendor tasks
- Communication plan



Prepare new law fact sheet to include deductions:

- Meet with Labor Relations and include the Benefits Labor Relations liaison
- Draft a Memorandum of Understanding (MOU) if needed



Listen to challenges from Labor Relations:

- Concerns about opting out, especially for older individuals unlikely to use the benefits
- Aspects could diminish prior negotiated items and reduce leverage for next negotiation
- Impact of the length of leave and effect on productivity
- Complaints regarding additional costs
- Not a negotiated benefit

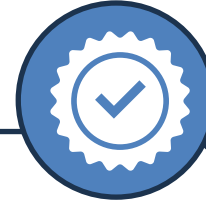
03. Implementation Plan: Communications

Deductions



- Contribution start date/calculation formula
- Explain “offsets” if applicable
- Explain no “opt-outs” as this is the law
- Determine resource for employee questions

Benefit “go-live”



- Effective date, leave details
- Share additional resources if applicable (FAQs, process steps guide, etc.)
- Talking points for supervisors/HR Training decks
- Resource for employee questions

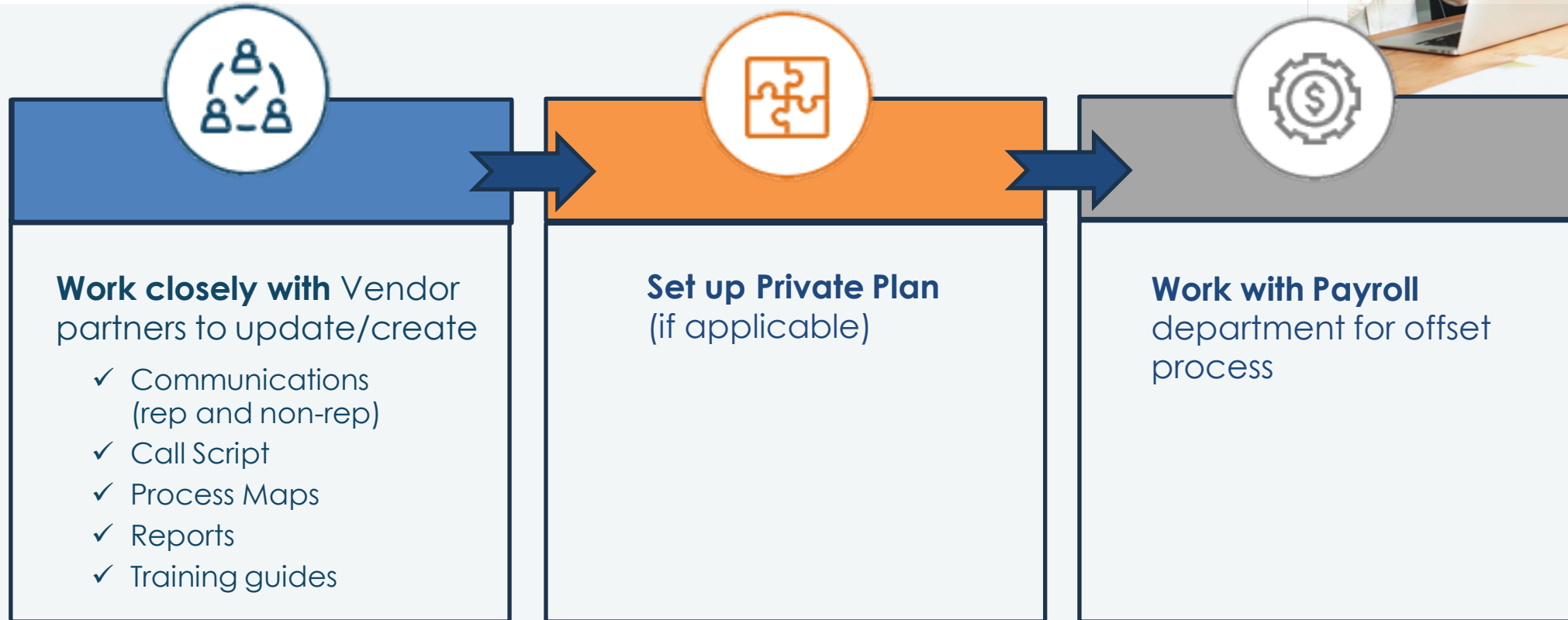
Develop/
Key Messages:

- Finalize content with Corporate Legal
- Review with Labor Relations:
 - Labor Relations to share with union leaders for awareness of content and release date
- Share copy with vendor partners

Share Via:

Represented Employees - Mail via USPS to home address

03. Cont. Implementation Plan: Benefits "Go-Live"



04. Vendor Partner Support



Ensure compliance questions are being answered as much as possible



Partner with other vendors as needed to support client and make sure roles and responsibilities between vendors are clear



Assist with development of communications to both represented and non-represented populations as needed



Communicate changes as states finalize and tweak regulations up to go-live and ensure changes are reflected in project plan and process maps



Support effective administration and ensure file feeds and/or reports are modified for any new information required

Be Aware of Potential Pitfalls for the Represented Populations



Ensure legal review to gain a clear determination whether represented employee have to comply and when



Manage Leave Equity Concerns between different rep and non-rep

- Separate Rep and Non-Rep communications



Ensure Labor Relations is fully informed and have obtained buy-in from union leadership to avoid surprises



Communications must be mailed to home address on record



Review employee communications with Labor Relations before being sent out to represented employees

Negotiations and Working with Unions



Strategic Approach to Negotiations:

- Be proactive when negotiating your bargaining agreements overall (try to include language to comply with future legislation)
- New Paid Leave legislation is not usually a 'takeaway'



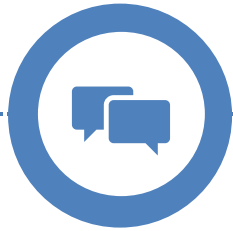
Managing Expectations in Negotiations:

- How to manage unions asking for more than law requires
- Introduction of new law might mean a takeaway of something else from the agreement
- Managing expectations of when law is effective (deductions/benefits)
- Vendor implications during negotiations

Summary & Takeaways



1 Analyze the new law - extra critical when working with represented populations



2 Communicate early and often with Labor Relations to ensure no surprises



3 Be proactive with Union leaders and get buy-in to assist with CBA negotiations



4 Develop a project plan for implementation and rollout with clear ownership identified



5 Collaborate with vendor partners throughout the analysis and implementation stages for their assistance and expertise



6 Develop clear communications – which may vary between the rep and non-rep populations

Questions & Answers



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