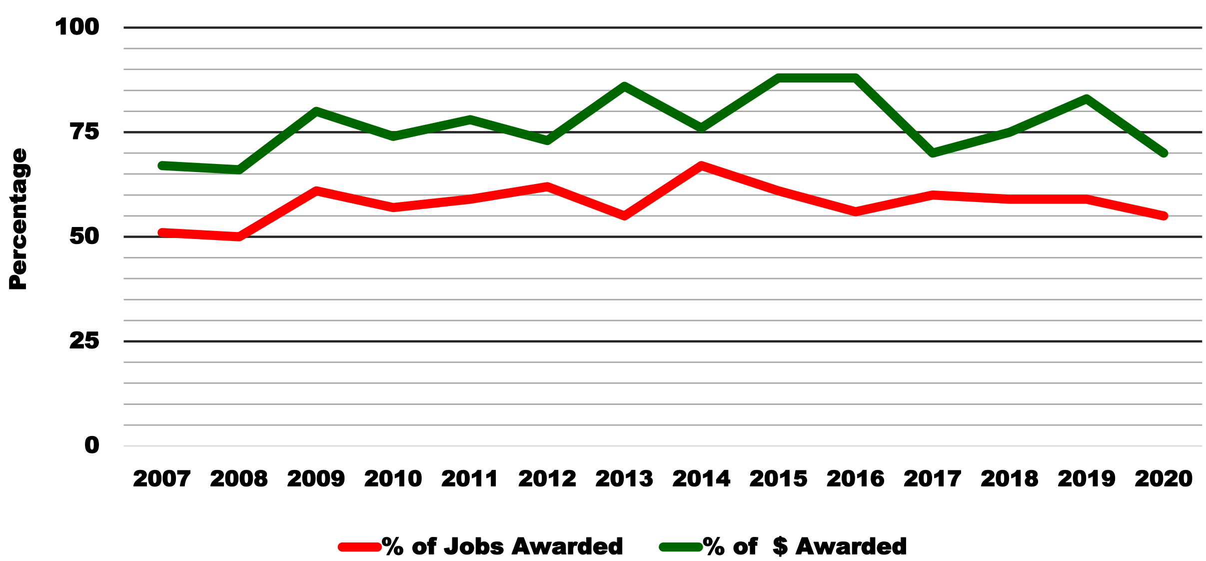
NECA
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

SYNERGY

OUR 58TH YEAR | CONTRA COSTA CHAPTER | May 2021

2008 Public Works UPDATE 2021

NECA-IBEW
Market Share of Public Works Projects
in Contra Costa County



One important area of work that we have been able to maintain a significant presence through the years is that of public works. Our effort began in earnest with the "Mission 2000" program in 1997 along with the Northern California Chapter of NECA and IBEW Locals 180, 302 and 595. In 2008, Local 302 and the Contra Costa Chapter took it to the next level when we developed our own program focused entirely on projects here in Contra Costa County. Last year we hired Dave Johnsen to replace Tim Pangilla as our Compliance Facilitator, and he has continued building on the strengths of the program keeping us in the range of 70-80% of the dollar value of awarded projects, and capturing assessments against those employers that attempt to skirt the prevailing wage laws by misclassifying work and underpaying their employees.

An improvement we have seen over the past several years is getting the information out to our employers about the jobs that are out to bid. In the month of April, there were 15 jobs of various sizes for our employers to evaluate. If you have not been receiving the emails from David Johnsen with a subject line "Project Bidding," please send him an email at djohnsen@contracostacompliance.com and request to be put on the list.

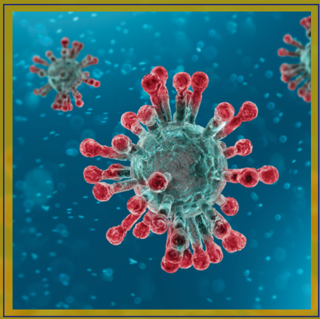
Our signatory contractors are somewhat disadvantaged on public works because of our not-so-insignificant differential between the journeyman wage rate and our foreman/ general foreman rates. There is no provision in the public works law that incorporates those additional costs that our labor agreement provides. Counter-balancing that in at least a small way, our signatory employers have immediate access to registered apprentices through our state-certified apprenticeship programs. A non-signatory employer is required to pay any person who is not a registered apprentice no less than the posted journeyman wage rate for the work performed. Not all non-signatory contractors participate in state-approved apprenticeship programs. Please take advantage of this as we have apprentices out of work to fill your needs.

Finally, for those of you who may be wondering why we provide our Inside wage/ fringe benefit adjustments near the beginning of March each year, this is also an important part of our Public Works strategy. In years where an agreement expires, our annual adjustment takes place on February 28th of that year. The increase is captured by the State of California Department of Industrial Relations which provides revisions in March and September of each year. By doing so, the rate is incorporated into bid specifications for jobs bid in the subsequent spring for summer work -- especially the reliable flow of school work that must take place between June and August.

Collins Electrical Company, Inc.
Pinole Valley High School

With that background, we provide a copy of Dave Johnsen's Compliance Report for 2020 showing the details of the Awarded Jobs, as well as a closer look at the four major categories: Schools, Roads, Water and Municipal projects. Also note several of the larger fines imposed on contractors for various violations of the statutes at the end of the report, and click here to see an interesting Civil Wage and Penalty Assessment imposed in April of this year.

If you have additional suggestions for improvement to our existing public works approach, please share them with the Chapter office.



NECA Legal Alert

Overview of Employment and Benefits Provisions in the American Rescue Plan of 2021

What is the Coronavirus?

Coronavirus Disease 2019 (COVID-19) is a respiratory disease caused by the Severe Acute Respiratory Syndrome (SARS)-CoV-2 virus. The current mutation is a new strain of the SARS virus and no individual has any immunity prior to an exposure. The CDC has reported that testing has begun on a vaccine but for now, everyone should prepare and plan for possible impacts resulting from COVID-19. It has spread from China to many other countries around the world, including the United States.

1201 Pennsylvania Ave. NW
Suite 1200
Washington, D.C. 20004
202-991-6300 • www.necanet.org

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This NECA Legal Alert was prepared by our friends at Faegre Drinker Biddle & Reath LLP, *www.faegredrinker.com/en*

President Biden signed the American Rescue Plan Act of 2021 (“ARPA”) into law on March 12, 2021 containing approximately $1.9 trillion in stimulus funding to counter the ongoing economic impact of the COVID-19 pandemic. ARPA includes several employment-law provisions that extend or increase existing employer obligations and worker entitlements. ARPA also contains provisions intended to provide relief to distressed pension plans.

ARPA is the most recent in a string of legislative actions to address the COVID-19 pandemic. This document provides an overview of the employment and employee benefit related provisions in ARPA.

Six-Month COBRA Subsidy

Effective April 1, 2021 through September 30, 2021 employers will be required to offer a full subsidy for continued coverage health insurance premiums under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”). COBRA allows individuals to retain coverage under their employer’s (or former employer’s) health insurance for up to 18 months if the coverage loss is due to involuntary termination or a reduction in work hours. Under the ARPA rules, the employer must pay 100% of the cost of COBRA premiums for up to six months. The ARPA rule does not extend the period of COBRA entitlement – if an individual’s COBRA period ends on July 1, 2021, then the employer is only responsible for paying 100% of the premiums from April through June.

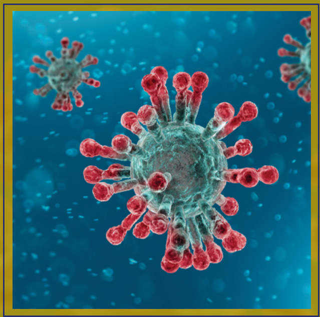
Although ARPA requires employers to initially cover the costs of the premiums, the federal government will provide a payroll tax credit to reimburse the employer for the cost of the subsidy. Updated or revised COBRA notices will be required as well and the Departments of Labor and Treasury are expected to provide further guidance and clarification to employers, including model notices.

Extension of Voluntary Paid Leave Programs

The first pandemic-related employment legislation was the Families First Coronavirus Response Act (“FFCRA”) which established emergency paid leave for workers impacted by COVID-19. Under the FFCRA, employers with fewer than 500 employees were required to provide emergency paid sick leave (“EPSL”) and emergency paid leave under the Family and Medical Leave Act (“EFMLA”) in exchange for a refundable tax credit. This requirement expired at the end of 2020, but employers could voluntarily continue to offer EPSL and EFMLA in exchange for tax credits through March 31, 2021, as long as they offer this leave in a non-discriminatory manner.

ARPA extends and expands voluntary leave programs under FFCRA in the following ways:

- Extends employers’ ability to voluntarily offer EPSL and EFMLA in exchange for refundable tax credits through September 30, 2021.
- Expands the list of reasons for taking any leave under the FFCRA to include: (1) employees receiving a COVID-19 vaccination; (2) recovering from an injury, disability



or illness related to receiving a COVID-19 vaccination; and (3) employees waiting on results of a COVID-19 test (because of exposure or employer requirement).

- Increases the length of paid EFMLA leave to 12 weeks by eliminating the requirement that the first two weeks are unpaid. The cap on payroll tax credit was correspondingly increased from $10,000 to $12,000.
- Resets the starting date of qualifying EPSL leave to March 31, 2021. As such, if an employee exhausted ESPL leave before March 31, the employee would be eligible for EPSL again after March 31. (There is no carry-over of unused leave.)

Unemployment Insurance

The Coronavirus Aid, Relief and Economic Security ("CARES") Act was another COVID-19 relief package that established several pandemic-related unemployment insurance programs. The major programs include: (1) Pandemic Emergency Unemployment Compensation ("PEUC"), an eligibility extension for existing unemployment insurance benefits; (2) Pandemic Unemployment Assistance ("PUA"), providing assistance to workers who would not otherwise be eligible for unemployment benefits; and (3) Federal Pandemic Unemployment Compensation ("FPUC"), a weekly benefit of $600 paid in addition to other unemployment compensation. The Consolidated Appropriations Act of 2021 extended FPUC at a reduced rate of $300, extended PUA and PEUC programs through March 14, 2021, and created a fourth program, Mixed Earner Unemployment Compensation ("MEUC"), for individuals whose income is derived in part from an employer's wages and in part from self-employment.

ARPA includes the following modifications to the unemployment assistance programs:

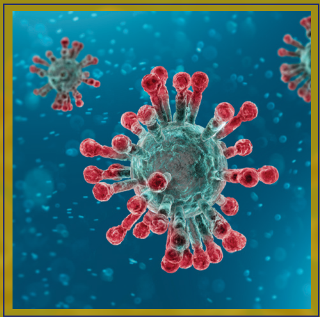
- **PEUC –** Extends PEUC benefits to up to 53 weeks through September 6, 2021
- **PUA –** Individuals can receive up to 79 weeks of PUA benefits (86 weeks in states with high levels of unemployment) through September 6, 2021.
- **FPUC –** Extends the $300 weekly benefit as provided under the Consolidated Appropriations Act of 2021 is extended through September 6, 2021.
- **MEUC –** Extends the program through September 6, 2021.

Employee Retention Programs and Incentives

The CARES Act included programs designed to assist financially distressed employers to avoid business closure or workforce reduction. Short-Time Compensation ("STC") programs permit employers to reduce workers' hours instead of layoffs and allow those workers to receive pro-rated unemployment benefits. Employers must receive approval from a state workforce agency before taking advantage of an STC program. The CARES Act provided 100% reimbursement to states who pay benefits through such programs, and ARPA extends the reimbursement through September 6, 2021.

ARPA also extends payroll tax credits designed to incentivize employers impacted from government orders or the pandemic to keep employees on the payroll. The CARES Act allowed for up to $5,000 in payroll tax credits per employee for 2020, and the Consolidated Appropriations Act of 2021 expanded the credit though June 30, 2021 and up to $7,000 per employee per quarter. ARPA extends the tax credits though the end of 2021 and expands the applicability to recovery startup businesses and severely financially distressed employers.

NECA
1201 Pennsylvania Ave. NW
Suite 1200
Washington, D.C. 20004
202-991-6300 • www.necanet.org



Pension Assistance

ARPA provides significant relief to single and multiemployer pension plans. The stimulus package provides direct financial support for certain underfunded multiemployer pension plans and relief from several minimum funding rules for both multiemployer and single-employer plans.

For single-employer plans, ARPA provides relief from minimum funding regulations related to amortization and funding-stabilization segment rates. ARPA expands the amortization period of funding shortfalls arising under the minimum funding requirements of both the federal tax code and the Employee Retirement Income Security Act (ERISA), also ARPA modifies the segment rates used in actuarial assumptions for single-employer plans to allow for continued smoothing of interest rates.

For multiemployer plans, ARPA provides relief from minimum funding regulations and direct financial assistance. Multiemployer plans can delay their funding status, extend their funding target period, and segregate some losses over a longer period of time. More significantly, eligible underfunded plans will receive an estimated $86 billion in direct financial assistance to shore up pension obligations through 2051. ARPA is silent as to the effect of the assistance on employer withdrawal liability; however, it is possible that the Pension Benefit Guaranty Corporation will issue guidance directing plans to calculate withdrawal liability without respect to any financial assistance received under ARPA.

This material is for informational purposes only. The material is general and is not intended to be legal advice. It should not be relied upon or used without consulting a lawyer to consider your specific circumstances, possible changes to applicable laws, applicable CBAs, prime contracts, subcontracts, rules and regulations and other legal issues. Receipt of this material does not establish an attorney-client relationship.

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1201 Pennsylvania Ave. NW
Suite 1200
Washington, D.C. 20004
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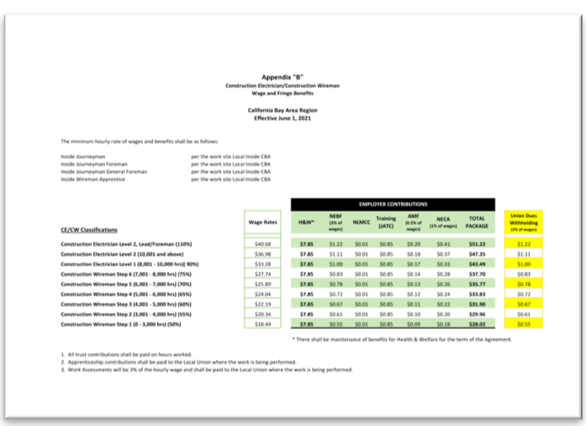
Employers Health Care INSURANCE

From time to time, we like to remind our members that NECA has a number of options for you to consider and to use as a basis of comparison when shopping for Health Insurance for your office staff. One of those options is the CAL NECA Insurance program, which was established for just this purpose nearly 50 years ago. They are currently conducting a survey of NECA members in California to determine what can be done to improve the program and would like about 5 minutes or less of your time. You may access the survey here. If you would like to see the rate structure for 2021, click here.

CW/CE Wage Rates

There is a scheduled increase in the CW/CE wage rates and Health & Welfare contribution rate effective June 1st.



Appendix "B"
Construction Electrician/Construction Wireman
Wage and Fringe Benefits

California Bay Area Region
Effective June 1, 2021

The minimum hourly rate of wages and benefits shall be as follows:

Inside Journeyman	per the work site Local Inside CBA
Inside Journeyman Foreman	per the work site Local Inside CBA
Inside Journeyman General Foreman	per the work site Local Inside CBA
Inside Wireman Apprentice	per the work site Local Inside CBA

CE/CW Classifications	Wage Rates	EMPLOYER CONTRIBUTIONS: H&W*	NEBF (3% of wages)	NLMCC	Training (JATC)	AMF (0.5% of wages)	NECA (1% of wages)	TOTAL PACKAGE	Union Dues Withholding (3% of wages)
Construction Electrician Level 2, Lead/Foreman (110%)	$40.68	$7.85	$1.22	$0.01	$0.85	$0.20	$0.41	$51.22	$1.22
Construction Electrician Level 2 (10,001 and above)	$36.98	$7.85	$1.11	$0.01	$0.85	$0.18	$0.37	$47.35	$1.11
Construction Electrician Level 1 (8,001 - 10,000 hrs)(90%)	$33.28	$7.85	$1.00	$0.01	$0.85	$0.17	$0.33	$43.49	$1.00
Construction Wireman Step 6 (7,001 - 8,000 hrs) (75%)	$27.74	$7.85	$0.83	$0.01	$0.85	$0.14	$0.28	$37.70	$0.83
Construction Wireman Step 5 (6,001 - 7,000 hrs) (70%)	$25.89	$7.85	$0.78	$0.01	$0.85	$0.13	$0.26	$35.77	$0.78
Construction Wireman Step 4 (5,001 - 6,000 hrs) (65%)	$24.04	$7.85	$0.72	$0.01	$0.85	$0.12	$0.24	$33.83	$0.72
Construction Wireman Step 3 (4,001 - 5,000 hrs) (60%)	$22.19	$7.85	$0.67	$0.01	$0.85	$0.11	$0.22	$31.90	$0.67
Construction Wireman Step 2 (3,001 - 4,000 hrs) (55%)	$20.34	$7.85	$0.61	$0.01	$0.85	$0.10	$0.20	$29.96	$0.61
Construction Wireman Step 1 (0 - 3,000 hrs) (50%)	$18.49	$7.85	$0.55	$0.01	$0.85	$0.09	$0.18	$28.02	$0.55

* There shall be maintenance of benefits for Health & Welfare for the term of the Agreement.

1. All trust contributions shall be paid on hours worked.
2. Apprenticeship contributions shall be paid to the Local Union where the work is being performed.
3. Work Assessments will be 3% of the hourly wage and shall be paid to the Local Union where the work is being performed.

Click here for the new rates.

INSIDE AGREEMENT BOOKLETS

AVAILABLE

We recently mailed out copies of our new "2020-2022 Inside Wireman Agreement." If you have not received or require additional copies, please contact the chapter office at (925) 372-3222 or send your request via email to sspare09@sbcglobal.net.

The Agreement is also available on our website, which you can find here.

The Agreement is for 18 months and will expire on May 31, 2022. Note also that the final wage/ fringe benefit adjustment will take place on February 28, 2022 and will be $3.00.

NECA
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

SYNERGY eLinks
CE/CW Wage Rates Effective June 1, 2021
Inside Wireman Agreement 2020 - 2022
TR Electric Out of Business Tools for Sale

<u>CONTRA COSTA CHAPTER</u>
1024 Court Street, Martinez, CA 94553
(925) 372-3222
www.ccneca.org

May 2021

Sun	Mon	Tue	Wed	Thur	Fri	Sat
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2	**3**	**4**	**5**	**6**	**7**	**8**
9 	**10**	**11**	**12**	**13.**	**14**	**15**
16	**17**	**18**	**19**	**20**	**21** **<u>Industry Trust</u>** 10:30 a.m. Video	**22**
23	**24**	**25** **<u>Inside JATC</u>** **2:00 p.m.** **Video**	**26**	**27**	**28** **<u>Holiday</u>** Off-Day Inside Wireman	**29**
30	**31** **<u>Holiday</u>** Memorial Day Inside & Sound					