

**SUMMARY OF ADDENDUM
EARNED SICK AND SAFE AND WORKER WELLNESS PROGRAM**

During the 2023 legislative session, the State of Minnesota enacted legislation to provide earned sick and safe time to employees, Minnesota Statutes §§ 181.9445 to 181.9448 (“ESST Law”) which becomes effective on 1/1/24. A link is here if you would like to read the entire law.

<https://www.revisor.mn.gov/laws/2023/0/53/laws.12.1.0#laws.12.1.0>

Summary of Minnesota’s ESST Law: In summary, the ESST law requires individual employers to provide “earned sick and safe time” in the form of paid time off that is accrued at 1 hour earned for every 30 hours worked and many different purposes that allows an employee to take time off under the ESST Law. However, there were several aspects of the ESST Law that do not translate well into the construction industry. First, the ESST Law applies to each employer separately and the benefit cannot be portable from one employer to the next. So, if a worker changes employers, they would lose all the ESST they have built up unless they return to that employer within 180 days. Second, accrual is on an hours rather than dollars basis and there is a cap of 48 hours accrued per year and an 80 hour cap total. This means that hours over 1440 worked per year do not accrue a benefit and you are limited to using the equivalent of two weeks no matter how many hours and years you work.

The North Central States Regional Council of Carpenters, along with several other building trades unions, asked the legislators advocating for the ESST law to allow building trades unions to waive the new ESST Law if we are able to negotiate an alternative system that is better.

We began negotiating with employers regarding an alternative to the ESST Law this fall and we have reached an agreement with employers on an alternative that is better than the ESST Law. Because most of our employers are signed with other trades as well, they wanted the same basic system for all trades, so we reached this agreement with the Operating Engineers, Cement Masons, Bricklayers, Ironworkers, Laborers, and Plasterers as well.

To summarize, we agreed to waive the ESST Law and create the following alternative system:

1. **Worker Wellness Program.** The Parties will establish a “Worker Wellness Program” (“WWP” or “Fund”) for employees. The WWP will be funded by pre-tax hourly contributions from all Contractors bound by the CBA(s) on behalf of all employees working under the CBA(s) and will be administered by a third-party administrator.
2. **How the WWP Account Will Work.** The WWP money will be contributed monthly with other benefit contributions to Wilson McShane. Members will be able to receive money out of that account upon their request through the Carpenters and Joiners website. We are working with Wilson McShane to set up a simple process where the member simply makes a request and their payout would be received in a couple weeks. Employers will not have to approve requests, nor will they even know if a member is requesting a payout.

3. **No Cap, Full Portability.** Unlike the state system, there will be no caps in the WWP benefit. Money is contributed on an hourly basis with no cap, unlike the state system. And, if you change employers, you won't lose it, unlike the state system. The account will be subject to the forfeiture rules of the fund, such as working for a nonunion employer. This will lead to members accruing significantly more money than the state system which is capped at two weeks of sick pay no matter how many years you work. We are also exploring allowing members to use any accrued and unused dollars to roll into their HRA to pay for retiree coverage when they retire.
4. **Funding.** (1) Metro Area. Contractors shall pay into the WWP a total of one additional dollar (\$1.00) for each hour for which fringe benefit contributions are required by the applicable CBA for journeypersons who are working at the metro area wage and benefit scale. Fifty cents (\$0.50) of the total contribution shall become effective on 5/1/24 and another fifty cents (\$0.50) on 5/1/25. After 5/1/25, increases will be subject to negotiation with the employers and allocation by the membership.
(2) Outstate Area. For outstate journeypersons, WWP contribution rate will be based on their gross taxable wage compared to the metro gross taxable wage (e.g., an outstate journeyperson whose gross taxable wage rate is 90% of the metro journeyperson gross taxable wage rate shall receive 90% of the metro journeyperson contribution rate). If the outstate area gross wage should get closer to the metro rate, the WWP contribution will be adjusted accordingly.
(3) Apprentices. Contractors shall pay into the WWP eighty-five percent (85%) of the applicable journeyperson contribution rate for apprentices. This will be significantly better for apprentices than the state system because 85% is much higher than their normal starting rate and because apprentices will be able to keep accruing benefits as they move from employer to employer.
5. **Exclusions.** Minnesota's ESST Law does apply to public sector and industrial employees, only building trade agreements can utilize the waiver, so the WWP program will not apply to employees who are working only in a manufacturing setting, nor to public sector employees at the U of M, Minneapolis, St. Paul, the Metro Airport Commission and other public employers. The ESST Law also applies to everyone not working with their tools in the field, so members working under alumni agreements in the office, and many superintendents will be covered by the state system rather than the WWP program.
6. **Repeal.** If the waiver provision of the ESST Law is repealed and employers are mandated to go into the state system, the additional \$1.00 employer contribution will go away but members can still keep the program if desired.
7. **Other Leave Requirements.** The WWP program is intended to satisfy other leave requirements such as those under the federal contracting executive order.

8. **Reasonable Leave Policies.** The Contractors shall adopt reasonable leave policies allowing for employees to take sick and safe time.
9. **Future Negotiations.** The Parties acknowledge that the terms of this Addendum is subject to modification under future collective bargaining.
10. **Table of Applicable WWP Contribution Rates.** Below is a table showing the journeyperson and apprentice rates under different area agreements