

SIDE LETTER AGREEMENT

Between
University of California
and the
University Professional Technical Employees (UPTE)

**TRANSITION ASSISTANCE VACATION CASH OUT PROGRAM
For Conversion from Monthly Paid to Bi-Weekly Paid**

A. Non-Exempt Status

1. In order to be compliant with the Department of Labor, Fair Labor Standards Act (FLSA) new threshold rate of \$913 per week (\$47, 476.00 annually) effective December 1, 2016, the University shall transition employees who do not meet the salary threshold to non-exempt.
2. The University shall keep Staff Research Associate 2 (SRA 2) employees as currently designated for FLSA exemption within the SRA 2 title, unless a currently exempt employee falls below the salary threshold. In such case, the supervisor shall have the following options:
 - a. Increase the SRA 2 salary above the FLSA threshold and have the SRA 2 remain exempt;
or
 - b. Transition the SRA 2 to non-exempt status in accordance with the terms of this side letter agreement.
3. Non-exempt, overtime eligible employees must be paid no less than the minimum wage and a premium rate for any hours works beyond forty (40) in a workweek.
4. SRA 2's or part time employees who fall below the threshold, who were exempt monthly paid employees shall convert to non-exempt status beginning November 20, 2016.

B. Eligibility for Transition Assistance Vacation Cash Out Program

Exempt employees in the SRA 2 title, including probationary SRA 2s, or part-time exempt employees who fall below the threshold, who are currently monthly paid exempt employees shall be eligible provided:

- 1) on payroll on October 1, 2016
- 2) employment status "active" on November 20, 2016

C. Vacation Cash Out Program

1. Exempt SRA 2's, and part time employees who fall below the salary threshold, and are eligible for a vacation cash out, shall be allowed to cash out of up to 80 hours of accrued vacation in order to provide relief from financial hardship as a result of their transition from a monthly pay schedule to a biweekly pay schedule on November 20, 2016. Employees participating in this program will have their existing vacation accrual balances reduced by the number of hours they choose to cash out.

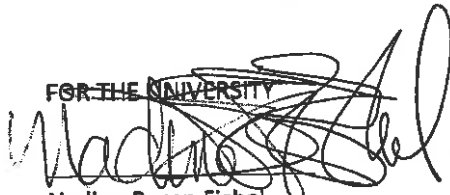
2. Exempt SRA 2's and part time employees who fall below the salary threshold, and are interested in the vacation cash out, must notify their department payroll coordinator beginning November 10th through the end of the calendar year; however, the cash out will be paid out in accordance with location-specific deadlines for submittal.

D. Time Reporting

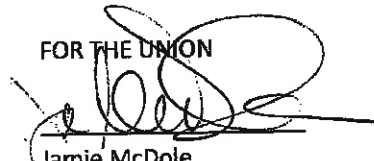
1. Each location will have its own process for non-exempt time keeping, which will be communicated to UPTE no later than November 15, 2016.
2. SRA 2's shall follow local time keeping procedures beginning with the November 20th pay period.

E. Recalibration of Staff Research Associate Series

In order to bifurcate titles into specific FLSA designations, the University may recalibrate the SRA series to ensure all future hires are either non-exempt SRA 2's or exempt SRA 3's.

FOR THE UNIVERSITY

Nadine Baron Fishel
Associate Director
UCOP Labor Relations

11/3/16
Date

FOR THE UNION

Jamie McDole
President
UPTE, CWA Local

10/20/16
Date