

**Letter of Agreement
by and between
City of Tacoma
and
Tacoma Joint Labor Committee**

Subject: Annual Voluntary PTO Cash out Rules

Effective Date: January 1, 2023

This Letter of Agreement ("LOA") is entered into between the City of Tacoma and the Tacoma Joint Labor Committee ("Union") (collectively "the Parties").

On October 19, 2021, the Tacoma City Council passed Ordinance #28783 implementing changes to Section 1.12.248 of the Tacoma Municipal Code (TMC) governing the terms and conditions for annual voluntary permissible cash-out of accrued PTO for non-represented employees.

Currently, the TMC provides that an employee must be enrolled in PTO for an entire calendar year and have used less than 2 days of unplanned PTO in any one calendar year to be eligible to request a cash-out payment. The new criteria will not include the requirement that the employee be enrolled in the PTO plan for an entire calendar year, or that the employee have used less than two days of unplanned PTO to be eligible for a cash-out. If the employee is enrolled in PTO at the time of the request, the employee would be eligible to request a cash-out up to 100 hours of available PTO based on future accruals, and would receive the cash-out in the next calendar year. For example, for a request made in January 2023, the cash-out would be paid to the employee in February 2024. The cash value of the PTO cash-out payment would be based on the rate for the classification in which the employee is working at the time the cash-out is made.

Changing the cash out program to allow cashing out of PTO leave to be accrued in the future addresses a potential constructive receipt issue in order protect the tax benefits of the PTO program, and allows the restrictions to the current program, including the 10 percent holdback and limitations dependent on unplanned PTO usage, to be eliminated, which provides greater value to employees.

At the request of the Tacoma Joint Labor Committee, the Parties agree to extend these same terms and conditions for annual voluntary permissible cash-out of accrued PTO to represented employees in bargaining units covered by the Tacoma Joint Labor Agreement. These amendments provide for, in part:

Employees in the PTO plan may, no later than January 31 of each year, submit in writing, on the form provided by and available from the Human Resources Department, a commitment to cash out up to 100 hours of available accrued PTO in February of the following year. The cash value of the PTO shall be based on the rate for the classification in which the employee is working at the time the cash out payment occurs.


This change will be effective January 1, 2023. This LOA shall not establish precedent for the parties hereto, nor for any other collective bargaining units or departments of the City.

EXECUTED THIS _____ DAY OF _____, 2022


CITY OF TACOMA

JOINT LABOR COMMITTEE


City Manager


County & City Employees Local 120

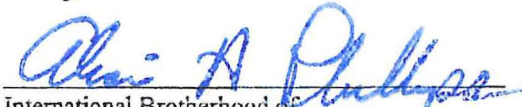
Director of Public Utilities

 12/29/21
District Lodge 160 IAM & AW

Human Resources Director


Firefighters Union Local 31

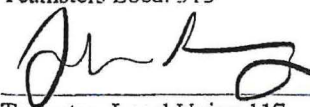
Finance Director

 1/4/22
International Brotherhood of
Electrical Workers Local 483

DISCUSS WITH WITNESSES

 1-3-22
PROTEC Local 17


Teamsters Local 313

 1/3/2022
Teamsters Local Union 117

APPROVED AS TO FORM:

City Attorney

Attest:

City Clerk