




TO: Zenith Administrators, Inc.

CC: MPSA, Inc., Miller Kaplan Arase LLP, and Saltzman & Johnson Law Corp.

FROM: Dan Reding 

DATE: March 2, 2022

RE: UPDATED: No fringe contributions for COVID-related supplemental sick leave payments to employees under SB 114

This instruction applies to all signatory employers in California. Please be advised that effective February 19, 2022, and retroactive to January 1, 2022, SB 114 entitles certain employees impacted by COVID-19 to supplemental paid sick leave. Under SB 114, such supplemental paid sick leave shall be paid in *wages only*. Under California law, "wages" includes vacation/holiday/sick pay, which would be paid directly to individual employees as part of wages *and not* to the Vacation, Holiday and Sick Pay Trust Fund.

For all hours paid under SB 114, but not worked, the law provides that contractors shall not be required to make any fringe benefit contributions to the trust funds. Enclosed herewith is the related Memorandum of Understanding entered into between United Contractors and Operating Engineers Local Union No. 3.

OPERATING ENGINEERS LOCAL UNION NO.3- UNITED CONTRACTORS

MEMORANDUM OF UNDERSTANDING

SB 114 PAYMENTS

THIS AGREEMENT is made and entered into this 28th day of February, 2022, by and between United Contractors, ("Association") and OPERATING ENGINEERS LOCAL UNION NO.3 of the International Union of Operating Engineers, AFL-CIO ("Union"), collectively known as "the Parties":

1. SB 114, effective February 19, 2022 and retroactive to January 1, 2022, provides wages to eligible employees for reasons related to missing work due to COVID-19.
2. The terms of "Payments to Employees" and subsequent clarification memoranda equally apply to SB 114, since it is a government mandated form of wages to workers impacted by COVID-19.
3. For all hours paid, but not worked, by reason of compliance with the law referenced above, contractors shall not be obligated to make any fringe benefit contributions to the trust fund as consistent with SB 114.
4. As needed, the Administrator of the Trust Funds shall establish an employer reporting procedure.

IN WITNESS WHEREOF, the parties hereto set their hands and seals by their respective officers duly authorized to do so this 28th day of February, 2022.

ASSOCIATION:

UNITED CONTRACTORS



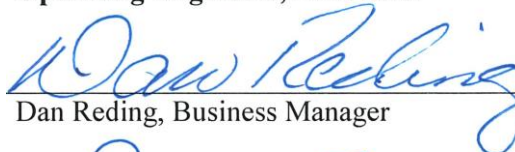
Victor Sella, Director of Labor Relations

Victor Sella

Print Name

UNION:

OPERATING ENGINEERS LOCAL
UNION NO.3 of the International Union of
Operating Engineers, AFL-CIO



Dan Reding, Business Manager



Print Name