

## FREQUENTLY ASKED QUESTIONS REGARDING AGENCY FEE

| <b>INTRODUCTION</b>                    |  |
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| Q.1.                                   | What is "Agency Fee?"  |
| A.1.                                   | The phrase "Agency Fee" refers to the union's ability to collect money from employees to pay for things such as negotiating a contract and representing employees in grievances and arbitrations, and lobbying activities to foster collective bargaining negotiations or secure advocates.  |
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| Q.2.                                   | What is the difference between "Fair Share," "Agency Shop" and "Agency Fee?"   |
| A.2.                                   | Nothing. Fair share, agency shop and agency fee are the same thing. PERB has adopted to use the phrase "Agency Fee."   |
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| Q.3.                                   | Who must pay an agency fee?  |
| A.3.                                   | If your position is covered by an exclusive representative (union) and you are not a registered member of a union to which you pay union dues, you are required by law to pay an agency fee.   |
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| Q.4.                                   | When will employees start paying an agency fee?  |
| A.4.                                   | It depends. The agency fee law went into effect January 1, 2000. Each union must inform the University when they want the agency fee to begin. Some employees began paying effective January 1, 2000, while others did not.  |
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| Q.5.                                   | When was the first agency fee payment due?   |
| A.5.                                   | It depends upon when the request was made by each CSU Union. For example, if the union notified the University to collect an agency fee starting in January 2000, then the University deducted the fee from the February 1, 2000 paycheck based on January earnings. Under the law, the CSU was not required to deduct the fees until after the union formally made the request. |
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| <b>HOW IS THE AGENCY FEE PROCESSED</b> |  |
| Q.6.                                   | How will employees pay the agency fee?   |
| A.6.                                   | The agency fee will normally be collected through payroll deduction.   |
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| Q.7.                                   | How much money will be deducted from my paycheck?  |
| A.7.                                   | The law mandates that the agency fee amount cannot be more than the union's membership dues. Each union will determine the amount of the agency fee for their members.   |

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| Q.8.  | What is the amount of the agency fee?  |
| A.8.  | The exclusive representative (union) of your bargaining unit has this information.   |
| Q.9.  | How will supervisors and employees know how much the fee will be?  |
| A.9.  | According to regulations by the Public Employee Relations Board ( <a href="#">PERB</a> ), the state agency charged with administering the agency fee law, Unions must give employees notice of the fee to be charged. The State Controller's Office assumed responsibility for mailing union literature regarding agency fees to CSU employees. This method protected employees who have specifically blocked release of their home address to an exclusive representative. The University may also provide the union with an employee's campus or check address. Unions will then be able to notify employees regarding agency fee amounts. |
| Q.10.   | What if an employee has more deductions than actual wages in a given month (as a result of a medical plan, legal plan, garnishments and other deductions), what will happen to agency fee payments?  |
| A.10.   | Pre-tax items and taxes will come first. Absent agreement with the exclusive representative, the State Controller, the University's payroll agent, will make a decision on the priority of deductions.   |
| Q.11.   | What if an employee has insufficient earnings to cover the agency fee in a given month because of other deduction commitments with higher priority, will the deduction be taken from future checks?  |
| A.11.   | No, if there is not enough money then no deduction will be taken. This will be the same as deductions for union dues.  |
| Q.12.   | If the union elects a flat dollar fee structure and the employee is on a leave of absence without pay or non-pay disability leave during a pay period, will the State Controller, the University's payroll agent, be required to make the deduction from a future check?   |
| A.12.   | No, deductions will not be taken retroactively.  |
| <b>PART-TIME EMPLOYEES OR THOSE WITH SPLIT APPOINTMENTS</b> |  |
| Q.13.   | If an employee's timebase is below 50% (i.e. works part time) does the employee have to pay an agency fee?   |
| A.13.   | Yes, but the exclusive representative may, at its option, have a lower agency fee.   |

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| Q.14.  | What if an employee is appointed to a position for a short duration and a union represents the position, does that employee have to pay the fee? (e.g. an employee is appointed for three months per year - does he or she have to pay for three months, even though the employee won't be getting the union benefits that a career or long-term employee would get?)  |
| A.14.  | Yes. Even though the employee is in a position covered by an exclusive representative (union) for only a short period of time, the employee is covered by wage ranges negotiated by the University and Union, and therefore, must pay the agency fee while working in the position.  |
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| Q.15.  | Is the agency fee amount based on the employee's timebase in that particular job? (i.e. 60% timebase, 60% payment)?  |
| A.15.  | This depends on the particular union representing that position. Absent agreement otherwise, a full agency fee is required for a position less than 100% time. However, if the Union in question agrees to implement an agency fee based on the percentage appointment (i.e. 60% timebase, 60% payment), then that employee will pay less than a full-time employee.   |
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| Q.16.  | If a union collects a flat dollar fee instead of a percentage of pay, will an employee have to pay the full flat dollar amount even if he/she has less than a full-time appointment in the unit?   |
| A.16.  | Yes. An employee will be required to pay the same fee regardless of appointment unless his or her exclusive representative requests a different agency fee structure to handle this situation.   |
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| Q.17.  | Does a part-time faculty unit member who earns less than \$400 per month from CSU employment, have to pay fair share fees?   |
| A.17.  | No. The CFA has agreed not to deduct fair share fees from those faculty unit employees earning less than \$400 per month.  |
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| <b>ARE EMPLOYEES REQUIRED TO PAY AN AGENCY FEE</b> |  |
| Q.18.  | Can an employee be reclassified to a position in order to avoid paying the fair share fee?   |
| A.18.  | No, classifications are determined by the tasks performed. If an employee believes the tasks he or she performs do not accurately reflect his or her job description, the employee can speak to a manager regarding the possibility of a reclassification. However, reclassification may not result in an employee leaving his or her current bargaining unit, nor guarantee movement into a position not requiring an agency fee. |
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| Q.19.  | Do I have to give the union permission to take an agency fee deduction from my monthly wages  |
| A.19.  | No, the University is required by law to make the deduction once the union requests it.   |
| Q.20.  | Will I be terminated from employment if I refuse to pay the agency fee?   |
| A.20.  | The University will not terminate employees for non-payment of an agency fee. The State Controller, the University's payroll agent, will automatically deduct the agency fee amount and remit the money deducted to the appropriate Union(s).   |
| Q.21.  | How can the agency fee be rescinded?  |
| A.21.  | Agency fee may be rescinded by a majority (50% +1) vote in a secret ballot <b>of all the employees in a bargaining unit</b> . A bargaining unit may be systemwide or local, please check with your union.   |
| Q.22.  | How do you take a vote to cancel the agency fee?  |
| A.22.  | First, a petition must served on the <a href="#">PERB</a> that contains the signatures of at least 30 percent of the employees in the bargaining unit. The signatures have to be obtained in one academic year.   |
| Q.23.  | How often can there be a vote to cancel the agency fee?   |
| A.23.  | There cannot be more than one vote taken during the term of any contract in effect on or after January 1, 2000. (Refer to the Duration Article in Collective Bargaining Agreement covering the terms and conditions of your employment with the University).  |
| <b>CONSCIENTIOUS OBJECTORS AND HOW DO THEY OBJECT TO THE FEE</b> |   |
| Q.24.  | Can an employee avoid paying an agency fee to the union?  |
| A.24.  | If the union representing the position imposes an agency fee, then the employee cannot avoid an agency fee deduction. However, if the employee is a conscientious objector, the agency fee will be donated to a selected charity.   |
| Q.25.  | What is the course of action for non-payment?   |
| A.25.  | If the employee does not pay an amount equivalent to the agency fee to a charitable organization in accordance with procedures for providing proof of payment, the State Controller, the University's payroll agent, will assume payment has not been made and begin making automatic agency fee deductions as part of the payroll process. |

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| Q.26. | Who is a "conscientious objector"?   |
| A.26. | The law states that a conscientious objector is an employee " who is a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting public employee organizations." A conscientious objector would not be required to join, but would instead be required to pay a sum equal to the agency fee to a nonreligious, non-labor charitable fund.   |
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| Q.27. | If I am a conscientious objector whom do I notify?   |
| A.27. | Notify the union <u>directly</u> of your conscientious objector status.  |
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| Q.28. | What will the process be for evaluating conscientious objector status?   |
| A.28. | Each union will administer its own criteria for determining conscientious objector status.   |
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| Q.29. | If an employee disagrees with the union's decision to deny conscientious objector status, can the employee grieve the decision? If so, what is the process?  |
| A.29. | If you do not agree with your union rejection of a claim for conscientious objector status, you may contact PERB for advice on your rights.  |
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| Q.30. | If an employee is a conscientious objector can he/she select any charity to which the agency fee will be donated?  |
| A.30. | The University and the union may agree upon a list of charities to which the agency fee can be donated. If an employee is a conscientious objector, she/he must first notify the union and inform it to which charity he/she wants to donate. Once the University and union agree on a selection of charitable organizations, a list will be posted on the University bulletin board. The agreement with the California Faculty Association can be found there. If a union and the University do not agree on a list of charities, the employee may donate to a non-religious, non-labor charitable organization that meets the requirements set forth in the US Internal Revenue Service Code. The employee will be required to provide the union proof monthly of the charitable contribution. |
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| Q.31. | If monthly proof of payment to a charitable organization is not provided, does the State Controller automatically begin deducting monies from the employee's paycheck?   |
| A.31. | Yes. If the union notifies the State Controller, the University's payroll agent, that a charitable contribution is not being made according to procedures for providing proof of payment, the State Controller will begin making automatic agency fee deductions as part of the payroll process.   |

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| Q.32. | What will the process be for determining the non-labor funds to which conscientious objectors can contribute?   |
| A.32. | Determination of the non-labor funds is subject to the collective bargaining process. If the University and the exclusive representative cannot agree on the funds, then the employee gets to pick a non-labor, non-religious charitable organization that meets the requirements set forth in the US Internal Revenue Service Code. The State Board of Control lists of organizations that meet this standard, and which are available for payroll deduction, can be found at _____. |
| Q.33. | How many charities will be on the list?   |
| A.33. | If the union and University agree on a list of charities, by law, they must agree on <u>at least</u> three. If the University and union do not agree on a list, then the employee will select a charity.  |
| Q.34. | What if you have objections to the charities listed?  |
| A.34. | You must still direct your agency fee contribution to one of the charities listed. However, you can contact your union representative or a member of your local Labor Relations office to voice your concerns about the list of charitable organizations. The University and Union can jointly decide to change or add charitable organizations to the list.  |
| Q.35. | Can I donate my agency fee to charity even though I do not belong to a religion or sect that objects to financially supporting a public employee organization?  |
| A.35. | No. Only those employees who are members of a bona fide religion, body or sect that has historically held conscientious objections to joining or financially supporting public employee organizations may direct their agency fee contribution to a charitable organization.  |
| Q.36. | Which religions historically object to providing financial support to a public employee organization?   |
| A.36. | The Unions will be determining this matter. You can consult your union for a list of organizations the unions believe meet the legal criteria.  |
| Q.37. | What proof is required to have a conscientious objection?   |
| A.37. | Your exclusive representative will determine what proof is acceptable.  |

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| Q.38. | Assuming the union agrees, is there any preclusion to directing conscientious objector contributions to a University student scholarship fund through the Alumni Association or Foundation?  |
| A.38. | Under the law, unions and the University must agree on at least three charitable organizations. One of those organizations could be a University scholarship fund through the Alumni Association, provided it meets IRS criteria. However, the law is clear that the employee gets to choose from a minimum list of three charities agreed to by the exclusive representative and the University, or one of their own choosing. The agreement with the California Faculty Association includes all CSU auxiliary organizations, and the CSU has no agreement with any other CSU union that prohibits contributions to these CSU auxiliary organizations. |