

FROM THE OFFICE OF THE PRESIDENT

TO: AHCL RCHEA Associates
FROM: Colleen Assavapisitkul, AHCL President
SUBJECT: Wage Increase / Retro-Payment Update

With the recent ratification of the 2023-25 MOU (Memorandum of Understanding) between the Redbud Community Hospital Employee Association and Adventist Health Hospital Clearlake, Inc., I would like to update you on the status of the retro-payments.

We met with the Association's Officers and Counsel on Monday, 8/28/23, to discuss our agreement for a separate retro-paycheck. The retro payment encompasses 5-previous pay periods beginning on 7/9/2023, for all Association employees.

Unfortunately, we recently learned, post negotiations, that Adventist Health's Oracle Payroll System has some software limitations that would prevent the payroll department's ability to 'automate' the calculation of the retro-payments as a separate check.

In order to provide a separate check as requested by the Association, the retro-payment calculation must be completed 'manually,' and payments would take approximately 1-2 months to be paid. **More importantly, because it would be paid outside of your regular paycheck, per IRS regulations, a higher tax rate is applied at the supplemental withholding tax rate of approximately 41% for every individual receiving a separate check.**

Therefore, to expedite the implementation and payment of the new wage rates, including the delivery of retro-paychecks to all of you, we have presented a 2-step, alternative option, which has been presented to the Association Officers.

Specifically, on **10/6/2023**, you will see the increase in your new wage rates in your regular paycheck. Then, on the **10/20/2023** paycheck, you will see the retro-pay for the 5-previous pay periods, beginning with the 7/9/2023 pay period. When included in your regular pay, the retro-pay will be taxed at your established tax withholding rate already defined in the Oracle Payroll System. **Allowing the retro payments to be paid through your regular paycheck, you will not be taxed at the higher supplemental tax rate.**

I want to sincerely apologize for our oversight of the limitations of the payroll system. Additionally, I want to express our gratitude and appreciation to the Association Officers for listening to, and for collaborating with us to find a viable solution to the retro-paycheck matter that will speed up payment while reducing your state and federal tax withholdings.

Sincerely,

Colleen

Colleen Assavapisitkul, MSN, RN, CENP, HACP
President, Adventist Health Clear Lake

ATTN: RCHEA MEMBERS
CONTRACT PROPOSAL VOTE
RESULTS:

279 RCHEA dues paying
employees voted

271 YES

8 NO

PLEASE POST