

IN ARBITRATION BEFORE
LEVI T. GARDNER, III
ARBITRATOR

ARBITRATOR'S DECISION

IN THE MATTER BETWEEN:

HOUSE OFFICERS ASSOCIATION,

Union

Re: Holiday Pay Timing

&

REGENTS OF THE UNIVERSITY

OF MICHIGAN (Health System)

Employer

The parties in this arbitration are the University of Michigan's House Officers Association ("the Union") and the University of Michigan Health System ("the University"). At issue is the Union's demand that the University treat Holiday Pay as wages, thus requiring payment of same pursuant to MCL 408.472. The University, in response to the Union's demand, rejects the treatment of Holiday Pay as wages, claiming that such payments are a fringe benefit under MCL 408.473, Section 1(e) payable in the discretion of the employer. The University also notes the absence of any agreement between the parties establishing a fixed schedule or required timeline for the payment of Holiday Pay.

Holiday Pay is defined in the collective bargaining agreement (CBA) Article III between the parties as compensation for House Officers (medical and dental trainees) who work on any of ten listed holidays. The House Officers are required to report their claim, within 60 days, for Holiday Pay in order to have that compensation included in the next month's paycheck. It has

been the custom and practice for the University to include timely requests for Holiday Pay in the next month's paycheck; however, occasional irregularities, as acknowledged by Christine Rupkey, the University's manager of the Graduate Medical Education department, have given rise to the Union's claim that the University's failure to make timely payments in all circumstances is a violation of MCL 408.472, the statutory requirement fixing the time compensation must be paid.

The CBA includes Holiday Pay in the salary section, a designation that the University claims does not change the character of such payment as a fringe benefit as defined in MCL 408.473. No authority has been presented by the University that would support the argument that the parties agreement to include Holiday Pay in the salary section is an impermissible alteration of or violation of law. Reading MCL 408.473 in its entirety and giving ordinary meaning to its terms, *Detroit Public Schools v. Connecticut*, 308 Mich. App. 234, (citing *Aritodie, LLC v. Grand Rapids*, 305 Mich. App. 423, 428, 852 N.W.2d 650 (2014)), it is clear that compensation for "holidays" in said statute references paid holidays—time off with pay—not the Holiday Pay, compensation for working on specific holidays, covered by Article III of the CBA between the parties. Thus, Holiday Pay earned by House Officers is to be treated as wages and is to be paid timely in accordance with MCL 408.472. Both the custom and practice of the University and the *Payment of Wages and Fringe Benefits*, Act 390 of 1978 compel this result.

A handwritten signature in black ink, reading "Levi T. Gardner III", positioned above a horizontal line.

Levi T. Gardner, III
Arbitrator