

Facts about UC-AFSCME negotiations and AFSCME’s Nov. 20 strike

UC’s latest contract proposal offers pay increases, quality benefits for AFSCME employees

UC has worked diligently for more than a year to negotiate a fair contract with AFSCME, offering competitive pay, good health benefits and traditional pension benefits that few employers nationwide can match. UC invited AFSCME back to the table in early November in a good-faith effort to resolve differences and offered proposals that showed significant movement on pay and benefits.

In recent agreements with other UC unions, UC has demonstrated its ability to be flexible and work through issues. UC has invited AFSCME to cancel its Nov. 20 strike and instead return to the bargaining table and focus on settling differences.

UC’s most recent proposal guarantees multi-year wage increases, affordable health insurance and excellent retirement benefits (including retiree health insurance) for AFSCME-represented employees:

	UC’s proposal	AFSCME’s proposal
Wages	Annual raises of up to <u>3.5%/year</u> for 2014-16 for both patient care and service workers. These raises would be <u>in addition to increases of 2-3.5%</u> given earlier this year.	Annual raises of up to <u>9.5%/year</u> for 2013-16.
Health Benefits	Freeze premiums at 2014 levels for Kaiser plan for lower-paid staff, which could mean employee contributions as low as <u>\$12/mo.</u> (single) and <u>\$35/mo.</u> (family).	Freeze premiums at 2012 levels and cap any health care increases at 4%/year.
Pension Benefits	Employees hired before July 1, 2013 would contribute 8% starting July 1, 2014 -- the same amount most unionized and all non-unionized employees would pay. 2 options for employees hired on/after 7/1/13: <ul style="list-style-type: none"> • Employees contribute 7% of pay: Max. age factor would be 2.5% at age 65 • Employees contribute 5% of pay. Max. age factor would be 2.08% at age 62. 	Employees hired before July 1, 2013 would contribute 8% starting July 1, 2014. UC to provide 1.5% raises to offset and fund employee contributions for both 2013 increases and 2014 increases. Employees hired on or after July 1, 2013 would contribute 7% of pay. Max. age factor would be 2.5% at age 62.
Retiree Health Benefits	Employees hired before July 1, 2013 would follow UC’s old eligibility rules if their age + years of service = 50, with at least 5 years of service. Others would follow same rules as those hired on or after 7/1/13. Freeze Kaiser rate for those who retire during the life of agreement.	All employees hired before the new contract is ratified would fall under old eligibility rules. Lower rates than current payband 2.

The key issue: Pension reform

The key issue in these negotiations has been AFSCME’s objections to UC’s pension reforms. Like many other employers including the state of California, UC is enacting responsible pension reform to address a \$24 billion unfunded liability to its retirement programs, and allow it to continue offering employees quality pension benefits. UC’s reforms, which are similar to what has been implemented for state employees, include:

- Increased contributions toward the cost of pension benefits from both UC and employees
- A new category (“tier”) of pension benefits for employees hired on or after July 1, 2013
- Revised eligibility rules for retiree health benefits

These pension reforms already apply to nine UC unions representing 16 bargaining units, as well as approximately 75,000 non-unionized faculty and staff.

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UC has offered AFSCME two pension reform alternatives, both similar to the state's pension approach. AFSCME did not accept these and instead sought to have its members pay less than other UC employees for the same benefits, which UC considers unfair to other employees and not financially sustainable. Recently, AFSCME suggested a lower cap on pensionable earnings than what the federal law allows, which would hinder the pension benefits of its own members as well as others such as the California Nurses Association and UPTA.

Salaries for AFSCME-represented patient care and service employees

UC patient care and service employees are paid wages that are at or above market for comparable jobs, and well above the state and federal minimum wage:

- Minimum hourly pay for UC patient care and service employees is \$14.50 and \$14.42 respectively, nearly twice that of the state's \$8 minimum wage
- Minimum pay for UC hospital assistant is 16 percent above market
- Minimum pay for UC patient biller is 6 percent above market
- Minimum pay for UC food service worker is 21 percent above CSU and 20 percent above market
- Minimum pay for UC senior custodian is 15 percent higher than at CSU and 3 percent above market

Examples of average annual salaries for specific patient care employees include:

\$96,265 — Respiratory Therapist
\$90,626 — Radiology Technologist
\$59,654 — Vocational Nurse
\$46,764 — Hospital Unit Service Coordinator

Examples of average annual salaries for specific service employees include:

\$45,207 — Building Maintenance Worker
\$37,666 — Groundskeeper
\$35,304 — Senior Custodian
\$32,894 — Food Service Worker

Quality patient care and staffing at UC

Year after year, UC medical centers are lauded for excellent patient care, a distinction not achievable without a strong commitment to quality staffing. AFSCME claims UC medical centers are understaffed and that patient care is suffering. In fact, in the past five years UC patient care technical staff has increased by 13 percent systemwide. In addition, the ratio of patient care employees to occupied hospital beds remains stable at all UC hospitals.

AFSCME's allegations about UC misconduct

AFSCME states its Nov. 20 strike is to protest UC's alleged intimidation of employees during the union's two-day strike in May. The fact is UC asked AFSCME-represented employees if they planned to come to work during the strike, as is normal procedure and legally permissible, in order to adjust staffing as needed to ensure patient care during the strike. The Public Employment Relations Board has not determined there was any wrongdoing by UC, and has scheduled hearings on the matter for March 2014.

UC's recent implementation of wages and benefits for AFSCME-represented employees

UC has been bargaining in good faith with AFSCME since June 2012. Throughout the process, UC has remained open to discussing viable alternatives, particularly on the core issue of pension reform. After repeated attempts at settlement, UC implemented contract terms for AFSCME-represented workers that included pay raises, quality benefits and important pension reforms:

- Up to 3.5 percent wage increase this year
- Excellent health care benefits for employees and their families
- Quality pension and retiree health benefits through UC's post-employment benefits reforms