AFSCME Continues to Object to Pension Reform; UC Implements Latest Bargaining Proposal for Service Unit

Since October 2012, UC has bargained in good faith with AFSCME to reach a fair contract for Service Unit (SX) employees. UC has offered a competitive total compensation package, good working conditions and reasonable pension reform. However, AFSCME has rejected UC’s proposals.

From the start, AFSCME leadership has objected to UC’s responsible pension reform — the kind of reform that’s vital to protecting the long-term viability of UC’s retirement program so it continues to deliver quality benefits to UC’s employees when they retire.

On Sept. 3, 2013 the state’s neutral fact finder sided with UC on the key issue of pension reform and recommended the University’s approach. Eight other unions representing 14 distinct units have agreed to these reforms which also apply to non-unionized faculty and staff. These reforms are similar to what the state has implemented for other state employees.

UC invited AFSCME back to the bargaining table on Sept. 18, 2013 to try to resolve differences. However, despite UC’s best efforts, the two sides were not able to reach agreement on a mutually acceptable approach to pension reform.

At this point, we believe that circumstances remain fundamentally unchanged and that an agreement with AFSCME is not forthcoming. Therefore, we are implementing our latest proposal, as we are legally entitled to do, as follows:

- Medical, dental and vision benefits at current rates with no change. These excellent benefits are the same as for other UC employees.
• Attractive pension and retiree health benefits, and implementation of UC’s post-employment benefits program which includes:
  
  o **Employees hired before July 1, 2013:** UC’s contribution increases from 10 percent to 12 percent, and employee contributions increase from 5 percent to 6.5 percent.
  
  o **Employees hired on or after July 1, 2013** will receive a slightly modified tier of pension benefits.
  
  o Revised eligibility rules for retiree healthcare.

UC believes these terms are fair, fiscally responsible, and guarantee employees quality health care benefits, as well as attractive pension and retiree health benefits that few public and private employers nationwide offer.

UC’s service staff is paid wages that compare favorably to the public and private sector, and lead the market in many cases because of deliberate steps UC has taken to address service workers’ pay.

• Minimum pay for a UC food service worker is 21 percent above CSU and 20 percent above the general market.
• Minimum pay for a UC senior custodian is 15 percent higher than at CSU and 3 percent above the general market.
• UC service employees recently received a 2 percent step increase on July 1, 2013, even after the most recent contract expired June 30, 2013. In addition, service employees received up to 5 percent wage increases in each of the past two years, at a time when many other UC employees received nothing or significantly less.