Bargaining update #2: UC presents competitive retirement benefits proposal

UC and the California Nurses Association met April 17-19, 2013 for their second bargaining session for a new contract covering more than 11,700 nurses.

As part of its commitment to provide competitive pay and benefits, UC presented a fair and financially sustainable proposal on retirement benefits, along with two alternatives.

UC’s proposal calls for:

- Current employees: UC would contribute 12 percent of pay to the pension, and employees would contribute 6.5 percent starting July 1.

- Future hires: Employees hired on or after July 1 would receive slightly modified pension benefits, and contribute 7 percent of pay. Under this new “2013 tier,” the earliest retirement age would be 55 and maximum age factor would be at age 65.

- Revised eligibility rules for retiree health care

- Accomplishes the dual goal of reducing a $24 billion unfunded liability to the university’s retirement programs while still giving attractive retiree benefits to employees that few other public and private companies offer.

These benefits apply to the general UC employee population, including faculty and non-represented staff. Unions representing 14 bargaining units have already agreed to this approach.

UC also offered two alternatives to the 2013 tier that would affect only future employees hired July 1 or later:

- A pension plan similar to what the Legislature approved for new state workers. This sets the earliest retirement age at 52 and the maximum retirement age factor at age 67.

- The same as above, but the formula would be modified to provide enhanced benefits for those retiring between the ages of 52-59. This plan addresses a concern expressed by certain
unions that workers with physically demanding jobs may not want to wait until they reach the maximum retirement age factor.

For each of the alternatives, the university’s goal is to ensure that the overall annual cost of the plan and the university’s contribution toward that cost does not exceed those amounts for the 2013 tier.

The university hopes CNA agrees that pension reform is both important and necessary to guaranteeing that all current and future employees can continue receiving good retirement benefits. UC looks forward to constructive, efficient negotiations resulting in a multi-year contract that is fair for everyone.

The next bargaining session is scheduled for April 30-May 2 at UCSF.

For more news and bargaining updates, visit http://ucal.us/UCNurses