BARGAINING UPDATE 10: UC, Nurses’ Union discuss retirement benefits

UC and the California Nurses Association (CNA) discussed post-employment benefits Sep. 26-27, 2013 as contract negotiations continued. During the two-day session in Oakland, CNA proposed that all existing and new nurses’ contributions to retirement benefits be doubled from 5% to 10% by July 2015—nurses would be contributing more than any other UC employees.

Specifically, CNA’s proposal would place new nurses in the 1976 pension tier, instead of putting employees hired after July 1, 2013 in a slightly modified tier. Under their proposal, all nurses would contribute 6.5 percent once a contract is ratified and 9 percent on July 1, 2014.

The union also proposed paying 1 percent into a retiree health trust fund, in exchange for allowing all its members to follow the old eligibility rules for retiree healthcare, which would raise nurses combined contributions to 10% for retiree health and pension benefits.

UC declined the union’s proposals, reiterating to CNA that the 1976 pension tier is more expensive than the new tier, and that the central goal of UC’s pension reforms is to continue providing quality retirement benefits that are financially sustainable over the long term.

The university’s approach to pension reform is similar to what the state legislature has implemented for state workers. UC’s approach includes:

- Increased contributions toward the cost of pension benefits from both UC and employees. UC would contribute 12 percent and employees 6.5 percent, up from 10 percent and 5 percent respectively.
- A new category (“tier”) of pension benefits for employees hired on or after July 1, 2013.
- Revised eligibility rules for retiree health benefits.

UC also reiterated to the union that the university remains open to discussing post-employment benefits alternatives, and that UC’s key priority is benefits that are financially viable and fair to all employees.
The university and union are working on scheduling their next bargaining session.