

A special UPTE-CWA HX bulletin

THE HEALTH OF OUR PENSION PLAN IS AT STAKE



UC wants unilateral control and decision-making power over our pension funds. **UPTE** currently has the right to bargain over decisions being made about our retirement fund, and wants to retain that right.

- Both **UC** and **UPTE** agree that the UC Retirement Plan plan is very healthy and is 100% funded - that means there is currently enough money coming into the fund to cover all of its obligations to retirees. However, **UC** claims that the declining economy may endanger our pension fund if we don't start contributing immediately. **UPTE** says the fund is a multi-billion dollar pension plan which can withstand wide market fluctuations, and that employee contributions should not restart without a more thorough analysis.
- UC** says the state budget is in such crisis that employees should pay into the pension fund. **UPTE** counters that only about 17% of UC's budget comes from the state of California. Most of the health care professional (HX) unit's funds come from the medical centers' profits, fees, grants, donors, etc. Overall, the UC systemwide budget (and especially its medical centers), is quite healthy.
- UC** has proposed that employees contribute 5% of our salaries to the pension fund by 2011, and it says it will match those contributions. **UPTE** says UC has not contributed any money into the pension fund in 19 years, while all that time, employees have steadily paid 2% of our salaries into a second UC pension fund (called the DCP). If funding for the UCRP pension plan eventually turns out to be needed, **UPTE** believes UC should repay the money it diverted to other purposes over the years before it asks employees to take what would amount to a de facto pay cut of 5%.
- UC** does not claim that it lacks money for tech and researcher (TX/RX) unit salary increases, but it does say that such increases are not a priority. **UPTE** says that UC has the money, but is choosing to spend it on massive executive perks rather than wage increases for university workers.
- UC** says we should trust it to administer our pension funds. **UPTE** believes UC has mismanaged our pension and can't be trusted, after forcing out the university's talented pension treasurer in 2000 and hiring outside contractors who moved much of fund's investments to Enron (a company which promptly lost over \$1.2 billion in value). UC's outsourcing of the fund's management also resulted in over \$1 billion in administrative fees.

THE SOLUTION? SHARED GOVERNANCE OF THE PENSION FUND

UPTE's technical and research (TX/RX) units are currently bargaining with UC for a new contract, and the pension plan is a key issue. UPTE and other UC unions are proposing "shared governance" of the pension fund, where decisions are made for an elected board of trustees drawn from both unions and management. UC is one of the few major public higher education institutions that does not have such a board.

UPTE's HX unit is represented on the issue of pension bargaining at the TX/RX table by Mercedes Garcia-Mohr (Clinical Social Worker at UC San Diego). We need to support her and our colleagues in the TX/RX unit in their efforts. For more information, or to get involved in the pension fight, please contact Wendi Felson, HX coordinator, 310-948-9119, <wfelson@gmail.com>.