



Our UC benefits and retirement are on the chopping block

A mandatory 8% pay cut to support our retirement fund? Massive increases in co-pays for health benefits? The end of UC's renowned pension plan, that only a few years ago was rolling in cash? It all sounds too incredible to be true, but we better believe it and get organizing to save our pensions and benefits.

➤ **You may have no health benefits after you retire.**

UC has clearly stated that health benefits are not an entitlement. UC can unilaterally change the monthly premiums, curtail or completely eliminate coverage. Over the past years, premiums for current retirees have increased dramatically.

➤ **Your benefits costs may increase by hundreds of dollars per month.**

UC has projected that it may increase the employee contribution from the current 8% of the cost of benefits to more than 30%. For the average health plan, this means your co-pay would be approximately \$250 per month.

➤ **UC refused to support health care reform that could have prevented higher costs.**

UC's unions all supported the health care reform proposition on last fall's 2004 ballot, but UC did not. The proposition would have provided health coverage for millions of uninsured Californians. Our benefits costs are currently inflated to account for the care received by these massive numbers of uninsured. Even though UC medical centers end up caring for a disproportionately high percentage of the indigent and uninsured, UC did not support this modest reform to our health care system.

➤ **You may end up with a pay cut in order to make contributions to your retirement.**

UC's retirement program has been quite healthy for decades, and employees have not been required to make contributions to the defined benefit plan for 15 years. UC is now discussing mandatory employee contributions of up to 8% of our salaries. The union has the right to negotiate over such cuts.

➤ **UC may cut your defined contribution plan to sustain the defined benefit plan.**

UC may take away the 2% contributions you currently make to a 401K style defined contribution plan (which adds to your basic retirement), and force you to pay it to the UCRP defined benefit plan, at no extra benefit to you.

➤ **New employees may be excluded from defined benefit plan.**

UC may exclude employees hired after July 1, 2007 from the defined benefit plan. Those employees would only be eligible for a 401K-style defined contribution plan. Under such a plan, you have no guaranteed retirement check, but will have to pay Wall Street money managers to roll the dice with your retirement savings. If no new employees are admitted to the defined benefit plan we currently have, that plan will lose its future funding base, putting our pensions at risk. Setting up a defined contribution plan for new employees could cost a huge amount, and that may also undermine the stability of our current defined benefit plan.

➤ **UC is considering a new retirement benefit plan – for executives and faculty only.**

UC may set up special retirement benefits for executives and faculty. UC argues that this will be necessary to attract the most qualified and talented leadership. But after years of dedication, why should those of us who keep this university running end up with an inferior retirement plan?

➤ **UC has mismanaged our retirement fund.**

In 2000, the Regents forced the resignation of long time UC treasurer Patricia Small, who had rung up healthy gains for our retirement fund, with an annual average return of 16%. UC Regent Gerald Parsky, who chaired Bush's California reelection campaign, convinced the Regents to give over management of the fund to a private firm, Wilshire Associates, run by Dennis Tito, himself a major Bush donor. (For more on Wilshire Associates, see www.upte.org/wilshireassociates.pdf.) Tito invested large sums of money in Enron, losing hundreds of millions of dollars of our retirement fund. UC has been suing to get some of this money back. Now our retirement fund has substantially declined in value, and UC is proposing that we make contributions up to 15 years earlier than would have been necessary before Wilshire Associates got our money to play with. Why should we pay for their mistakes?

➤ **What can you do?**

◆ Get informed! Read all the bad news in UC's own words. The UC web pages, letters, and management presentations from which these projections are extracted are on the UPTe website at www.upte.org/retirements.html.

◆ Get involved! Talk to your coworkers about this extremely serious situation. Contact your UPTe local to find out how you can help fight these take backs.

◆ Act now! Sign the "Don't Chop My Pension and Benefits" petition online at www.upte.org/protectmybenefits.html.

