

Pension Bargaining Update #6

On January 30th and 31st the UC Union Coalition Bargaining Team (UCUC) met with the University, this time at UCB, regarding UC's proposed *Paycuts for Pensions*.

Union Coalition Proposes Joint Governance of Pension

Joint Governance means that pension decisions are made by agreement of trustees representing both Workers and Management – like at CalPERS. Nationally recognized pension expert Peter Saltzman came to bargaining and explained to UC Management the benefits of the union proposal for Joint Governance of the pension fund.

Top 3 Reasons for Joint Pension Governance

- 1. Plans that have Joint Governance are Healthier.** Nationwide, 99% of the under funding of pensions covered by the federal Pension Benefits Guarantee Corp. are for plans that only have management trustees. Jointly governed pension assets make up 10% of the total, but only 1% of the total under-funding.
- 2. Plans that are Jointly Governed Have Better Benefits for Workers.** With Joint Governance, instead of not paying into the fund for 15 years—like UC Management has done – when there are fund surpluses, what happens with the surplus is agreed upon by the labor and management trustees. We would have been a part of the process all along not just brought in at the end.
- 3. Joint Governance Improves Pension Security by Eliminating Conflict of Interest.** Jointly governed pensions have broader oversight of pension investments and benefits changes.

AT BARGAINING UC UNIONS PREVENTED MANAGEMENT FROM PUTTING OUT INACCURATE INFORMATION OUT TO MEMBERS IN MANAGERMENTS UPCOMING RETIREMENT READINESS GUIDE



Workers from UPTE, CUE, AFSCME, Coalition of UC Faculty Assns, CNA, AFT and the UCSA (representing 200,000 students state-wide) spoke out against UC Management's Proposed Cuts.

The UC Union Coalition made a Counter Proposal to Management:

- **UC repay CAP and “contribution holiday” funds.** Before employee contributions to the pension restart, UC Management must refund the pension with money they saved by not making pension contributions for 15 years, while employees still paid 2% into the DCP, and refund the CAP I and CAP II money UC Management used in lieu of employee salary increases.
- **No Loss in Pay for the Pension until workers reach Market Wages, a Self-Sufficiency Wage and Parity State-wide.** Until workers' wages are up to market and self-sufficiency, UC increase employee salaries by any amount they want to take out for pension contributions. Thousands of UC workers are 25% below market wages.
- **Employer/Employee funding ratio the same as historic levels.** Once UC workers are treated with the same respect in terms of salary as other workers doing the same work, then UC workers would make pension contributions at a 5:1 ratio (this is the historic rate of contribution at UC).

NO Pay Cuts for Benefits!

UC Union Coalition

