

A special RX/TX bulletin

# THE HEALTH OF OUR PENSION PLAN IS AT STAKE



UPTE-CWA's technical and research (TX/RX) units are currently bargaining with UC for a new contract, and our pension plan is a key issue. 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 “fully 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 researcher and tech (RX/TX) unit's funds come from the grants, fees, med centers, 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 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 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 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 the only public higher education institution that does not have such a board.

We need to support our elected TX/RX bargaining representatives in their efforts. For more information, or to get involved in the effort to save our pensions, contact your local or email [info@upte-cwa.org](mailto:info@upte-cwa.org).