

# Hands Off Our Benefits!

UPTE-CWA:

*Standing together, standing strong*

# ***Let's be myth busters!***

## **Three Myths**

- UC's pension and retiree health benefits are not financially sustainable.
- Public employees caused the state and UC budget crises and their pension, benefits and collective bargaining power need to be curtailed.
- We do not have the power to challenge what UC wants to impose.

## **Three Truths**

- Pension fund is healthy and retiree health costs are only a small fraction of UC's budget.
- Wall Street speculators caused the recession and got bailed out. They are making record profits again and need to create jobs and invest in our economic recovery.
- Working and standing together we can protect our pensions and benefits through a variety of activities.

# Pension Fund Is Not In Crisis

- Investments have rebounded. Last year, the pension fund made 12.7% which is 5.2% more than the 7.5% UC assumes (from UCOP financial statements)
- Contributions to pension fund have resumed. By July 1, 2012 contributions will be:
  - Employer 10%
  - Employees 5%
- Pension fund can absorb a few bad years because investments and liabilities are projected out 30 years.
- UC's proposal is about balancing the overall UC budget by cutting our benefits.

# 2-Tier Proposal Radical Policy Shift

For new hires UC will cut contributions & benefits

	<b><u>Pension</u></b>	
	<b>Tier 1</b>	<b>Tier 2</b>
Employer Contribution	10% + more	8.1%
Employee Contribution	5%	7%
Retirement Age	50	55
Age for Maximum Benefit	55	65
Cash out option	yes	no
Survivor benefits	yes	no
Cost-of-living adjustment for in active retirees	yes	no
	<b><u>Retiree Health Benefits</u></b>	
	<b>Tier 1</b>	<b>Tier 2</b>
Age of eligibility	50	55
Age for Maximum Benefit	55	65
% UC pays at eligibility	50%	0%
UC maximum contribution (currently 88%)	70%	70%

## 2-Tier Pension Hurts Us All

- Creates a divisive workforce: some having better benefits than others for the same work
- Encourages UC to shed more expensive “legacy” employees
- Eventually reduce benefits for all by forcing those on tier 1 to pay higher contributions or take reduced benefits
- Undermines the power of the current plan and the proposed plan due to less employees paying into either plan.

## **Budget problems not caused by pensions & benefits**

- State budget crises have been caused by a dramatic decline in revenue due to the recession, not employee benefits plans
- Many states and agencies did not make necessary contributions. UC has not contributed to the fund since the 1990's
- Employees are now required to pay for a crisis they did not create

# We Can Protect our Pension

- **Bargaining: Build on our success from 2007**
  - UC must bargain with unions for those of us who have a union contract
  - UC can unilaterally impose pension changes on those without a union contract
  - UPTe is bargaining with UC right now on these issues yet UC continues to give out misinformation on budget issues, blaming our pension and retiree healthcare
  - Executive compensation has nearly doubled since the crisis started in 2008.
  - Promoting through Bargaining for UC/employee joint governance on UCRP.
- **Union coalition: Strength in unity with other UC unions taking part in Actions Together.**
- **Political Action: UC needs state money. We have leverage if we get active through letters & emails to our state legislators. Visit them in person either locally or in Sacramento. All to be sure they are aware of the issues.**

# Take Action at UC

- Go to UPTTE website to get rid of Regent David Crane today!
- Discuss UC's plans with your co-workers
- Set up lunch time meetings with others in your building
- Participate in actions to pressure UC, such as electronic pickets, protests and strikes.



# Take Action in State

- Register to vote
- Participate in UPTÉ's legislative actions by signing letters to legislators and visiting their Sacramento and local offices
- Join the UPTÉ local legislative committee
- Make contributions to COPE (a political action fund) so we can support union-friendly candidates