President’s Corner
Bruce Kelly

This Sentinel centers on employee and retiree benefits. We are starting to see Lawrence Livermore National Security (LLNS) changing its story on benefits as well as other policies we had in the past. The bottom line is these are the kinds of efficiencies that LLNS promised the National Nuclear Security Administration (NNSA) when they won the contract. I think we all understand what LLNS means by “efficient” by now. If you are in TCP-2 and retired from the University of California (UC) before the privatization, then you will be interested in the move to have all UC retirees’ benefits under UC. The retirees have really come to understand just how efficient it is to sub-contract out the management of their benefits. In addition, there are other articles that describe national efforts on health care and our effort at lobbying Congress to evaluate LLNS and Los Alamos National Security (LANS) management of the two labs. I have noted in the article, Legislative Efforts to Build a Stronger Future for our Lab, that there is language in the authorization bills to do this evaluation.

We are also looking at new ways of publishing articles that would normally go into the Sentinel. We want to get them out faster and are looking at publishing individual articles on the web instead of all together in the Sentinel. Another issue is a way to get a discussion going on items of interest to our members and fellow employees. An example would be getting your ideas on the proposed reorganization of 200 series employees. This is usually done with a blog or list server, and the question is “do we have a completely open service or a monitored one?” Open blogs tend to drift off topic and monitored ones take a large amount of work, so this is still being discussed.
LLNS has introduced tremendous changes in retiree medical benefits for those people who are coordinated with Medicare. If you are eligible for Medicare when you retire, these changes will also affect you. Basically, what has been done is that the changes LLNS announced for employees over the next couple of years were all done to retirees this year, and much more.

The University of California (UC) has a tiered system to pay for employee benefits. The more an employee earns the larger part of the benefit cost the employee pays. All retirees are put into the next to lowest tier when it comes to figuring out their share. When LLNS took over the managing of UC retirees who worked at the Lab, it removed the tier system and instituted an 80/20% split in premium payments. So, the retirees took a double hit when this happened. They all moved up a tier and had to pay their 20%. Furthermore, LLNS sub-contracted out retiree benefits from their contracted out benefits provider.

Hewitt is the contract administrator for LLNS health benefits, and this includes pre-Medicare retirees and non-Medicare retirees. For Medicare retirees, UC provided a Medigap plan that paid for deductibles, copayments and prescriptions. LLNS has given the Medigap plans to Extend Health, which has turned them into individual plans that retirees have to manage. For managing your own health insurance LLNS gives you $200 per person per month toward your medical and prescription benefits. Under UC, retirees were getting as much as $461 a month for these benefits and the service was managed by the provider. Under the new plan LLNS has increased retirees out-of-pocket expense while saving themselves tens of millions of dollars by abandoning the group insurance policy.

It is also the case that there is no association between Kaiser and Extend Health. LLNS has stated they plan to fix this in the near future, but retirees have heard that Kaiser does not plan to join in an agreement with Extend Health. So your future health benefit provider may have to change if you are with Kaiser. Furthermore, it is rather callous of LLNS to make such a move just so they could make more money.

These retirees are people who worked for UC and retired as UC employees before the privatization of the Lab took place. They still receive a UC pension benefit, but their health care benefit was sold out from under them. There is a large group of former employees that have organized to do something about their situation. Joe Requa has organized a group, University of California Livermore Retiree Group (UCLRG), to seek legal action to regain their UC benefits. There is a web page, http://home.comcast.net/~jrequa/retiree.htm, where you can get information about this cause. Joe states on his web page, “I believe moving retiree medical benefits to LLNS, for those of us who retired from LLNL before LLNS was created is illegal.”

In June 2009, he issued a call to action to begin the legal process. This is the second time that a large group of former employees is suing LLNS. This has never happened before in the 50 year history of the Lab!

We urge you all to be aware of this situation as you will be in it as well if nothing is done. If you are a UC retiree, you may want to visit the web page and get involved, both politically and legally. Even as a future LLNS retiree, you should think about lobbying your representatives now to support this effort. Retirees comprise a growing population of voters which can have a say in how their federal representatives look at these issues. The message that management has been telling Department of Energy (DOE) is that we need to increase the cadre of talented people in the weapons area to maintain a creditable deterrent. That will be harder to do if LLNS disregards the employee’s contribution to national security and sends them out to a dry pasture when they retire.

There are a lot of other “details” that you need to know about when it comes to how this plan works and how it is coordinated with Medicare. For example, the reimbursement you get to cover the “donut hole” in prescription benefits is taxable. I struggled with deciding whether to describe all the issues, but I find that it may cloud the picture. The picture is wrong! It is not one of riding off into the sunset when you retire, but one that rides off the edge of the cliff. Get involved in your future. Don’t just think, “that’s the way it is,” you can do something about it!
Legislative Efforts to Build a Stronger Future for our Lab

R.W. Logan

As most of our Sentinel readers know, we of SPSE-UPTE maintain a fairly active legislative effort in Washington, DC, and Sacramento as well. We carry with us the inherent credibility that comes with our lack of a profit motive – we are not there to lobby for performance incentives for SPSE-UPTE, or for a new weapons program directed to bring money to ourselves, a new building with fancy windows, or anything else related to profits or perks. But in these times of crisis for our Lab and our nation, we are there to express concerns about the future of the Lab and its employees.

As two brief examples of this, I will summarize recent legislative trips I took on behalf of SPSE-UPTE, one to Washington, DC, and one to Sacramento, CA.

On the first trip, I attended the Council of Engineers and Scientists Organization (CESO) meeting in Washington, DC. CESO is comprised of employee associations from a variety of corporate and government entities. Unlike Bechtel, LLNS, and LANS, LLCs, most of the corporate representation in CESO is from public corporations, with shareholders, public conference calls, etc. I don’t know if that makes all the difference but it helps. Our focus was in two areas:

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1. The Employee Freedom of Choice Act (EFCA). As you may know, just before our Lab transitioned from public to private, we used the “card check” process, where employees can choose at their leisure to sign and return, or not, a card requesting representation. It is a very low key, no pressure process, in spite of propaganda you may hear from those afraid of EFCA. I did not realize that our country had the equivalent of EFCA during its most mighty industrial years, up until the mid-1970s. And, perhaps some of you did not realize that at the Lab, we had the equivalent of EFCA (and in fact the equivalent of collective bargaining) up until that fateful day of October 1, 2007. When I was youngster in Detroit, I used to think unions and all that stuff were silly and an annoyance. Since that time, I have seen more than my share of greed, and how it ebbs and flows between different classes of sartorial style. EFCA is one of several essential balancing tools if we are to retain the skills in our nation necessary to accomplish things beyond talking on the phone and balancing budget spreadsheets. Mind you, most of what I did at the Lab in the latter days comprised the latter. But if we lose respect for the careers of those who actually make and read drawings, cut, weld, and torque parts together, then we have lost the war – figuratively, and at some point perhaps even literally.

2. The “Race To The Bottom” of Health Care in the workplace. This is an initiative just beginning within CESO, and the first step was to take a survey of the CESO member organizations. There is good and bad news for us. The good news is that in the CESO survey, “we won!” The bad news is, we won the “race to the bottom.” The LLNS, LLC, benefit set tied for last place among the CESO member health care benefits. But hey, if you are reading this, it means you’re most likely alive, and one can argue that is “substantially equivalent” health benefits, right?

As part of the CESO trip I was able to visit several of our favorite Congressional offices. I gave each office a few hints about the outcome of our “Options for the Lab’s Future” survey in which many of you took the time to participate. We are compiling the results and comments for formal release, and they are summarized in an April 2009, Fact Sheet available on the SPSE-UPTE website. But, it is perhaps not a surprise that the “non profit” options were highly favored over the “nuke for profit” options. I also discussed our official SPSE-UPTE position on studies and actions we would like to see to help steer the course of the labs for the future, to counter any possible bias that may have been introduced during the oxymoron of “private for-profit nuclear weapons with a non-competitive monopoly.”

*Editor’s Note: New since this article was written is the inclusion of a board based study of the effects of the privatization of both LLNL and LANL in both the House and Senate version of the Authorization bills for DOE.*

Well, compared to the relief programs (TARP I and TARP II) and the economic stimulus (ARRA), we at the labs may be small in the financial picture. But, as Dennis Leary put it so well in his song of a few years ago, “we got the bombs.” A bit blunt, but a very, very serious commentary. Even if we are “only” a few billion dollars a year, the future of our labs matters very much. I believe Congress shares our concern.

My second recent SPSE-UPTE trip was up to Sacramento as part of an UPTE contingent of ten people. We covered a total of seventeen (17) offices of the state legislature on a very intense day. Our focus was on increasing transparency, accuracy, and management quality within the UC system, which becomes an even more nebulous entity when one considers the unique UC-LLNS relationship. We used two examples to stress the need for openness and accountability. The first was an example of poor management within the UC Campus system, which is leading to inadequate salaries for the technical and research staff and 30% annual attrition. The second concerned the accounting irregularities resulting in a $372,000,000 gift or bailout taken from our UCRP retirement funds and given to LLNS, LLC. Of course, at the Lab, there are two views of this story, since about an equal number of folks took the UCRP-based “TCP-2” and the LLNS, LLC-based “TCP-1.” But what happened is a dangerous miscalculation for either side, as Jeff Colvin pointed out in a prior Sentinel article. The legislative offices were very sympathetic to the examples presented by our UPTE contingent, and were supportive of greater openness, since UC is after all our state’s largest public university. We were even lucky enough to get a picture of most of UPTE’s delegation with Assembly Majority Whip Fiona Ma. In all, it was a good day and we are looking forward to more interactions with Sacramento. ■
Monitoring the UC Retirement Plan

If UC employees are required to resume employee contributions to University of California Retirement Plan (UCRP), this does not directly affect Lab employees who opted for TCP-2 at the transition. Since these employees are inactive members of UCRP, they will not suddenly see money being deducted from their paychecks going into UCRP. Employees who opted for TCP-1, however, may see an effect. There is language in the management contract between DOE and LLNS that urges LLNS to make the same changes to TCP-1 that UC makes to UCRP in order to keep the two plans "substantially equivalent." Thus, if UC restarts employee contributions to UCRP, there may be some pressure for LLNS to start employee contributions to TCP-1, an effective pay cut. Of course, LLNS is free to make such changes even if UC does not. Indeed, LLNS can make whatever changes they want at any time they want, without bargaining these changes with employees—except for the Skilled Trades employees who now have a collective bargaining agreement.

Below is a reprinted article from the UPTE Update, 12/2008, Analyzing the UC Retirement Plan: why the fund needs transparency by Paul Brooks.

Paul Brooks is a spectroscopist at UC Berkeley, and a member of UPTE’s research professionals (RX) unit. He served as a union pension bargainer in 2006-2007, doing copious research into how the UC Retirement Plan (UCRP) is structured and run. The Update spoke with him about the current state of the pension plan.

Q. Are there problems with the way the pension system is functioning now?

A. Yes. The regents are not fulfilling their fiduciary responsibility as trustees of the pension fund. Some have conflicts of interest, being involved with investment firms. Some of their decisions have been made in unnecessarily closed sessions. Pension management fees prior to 2000 – while the fund was still managed “in house” by the UC treasurer – were on the order of 0.1%. Management fees since the fund was contracted out have not been fully disclosed, but it appears they are 0.36% of the fund, a very high figure, which may have cost the fund approximately $1 billion. We need shared governance of the fund so that representatives of employees will have a voice and a vote as elected trustees. Other public employer retirement funds, such as CalPERS, already have such shared governance.

Q. What changes are needed before a restart of employee contributions, assuming those are even necessary?

A. The regents have failed to follow best actuarial practices by not doing a thorough annual evaluation of the pension fund. The fund remains over 100% funded – meaning it is currently healthy, with enough current employees paying in to fund those retiring. UC’s push for contributions at this time raises concerns that it is deliberately trying to make the pension fund look underfunded, in order to establish an inferior 401k retirement system, at least for new hires. This follows the practice in private business, where most non-unionized employees have been moved to 401k-style plans, which shifts the burden of retirement planning to employees and lowers management’s costs. Some problems with 401ks are that most employees have no idea what fees they are being charged; that the average return is below that of professionally-managed defined benefit plan investments; and that employers do not contribute as much as with a defined benefit plan. While the employer saves money on contributions, the 401k investment firm makes huge fees for often doing a lousy job, and the employee is left with not enough retirement money.

Q. What does UPTE advocate if contributions are needed?

A. Employee and employer contributions to UCRP were stopped in 1991 because the fund was so well-funded. Before then, UC employees put 2-3% of their salaries into the UC defined benefit plan, while the university contributed another 8-16% depending on how well the fund was doing. UC has discussed that employees take a pay cut of 5% to 8% to fund the pension plan. Why? Probably because that’s the model of how 401k plans operate – equal contributions from employee and employer. But this is as bad a deal for UC employees as it has been for other American workers, who have been forced out of defined benefit plans and into 401ks, and who are now left holding the bag.

Q. What are the CAP funds and why should we care?

A. During various years of budget crisis (1992, 1993, 1994, 2002 and/or 2003), in lieu of wage increases, UC set up a special benefit called the “Capital Accumulation Provision.” It was a way of compensating us with retirement benefits rather than wage increases. The problem is, this money came out of the UCRP fund – basically UC raided the retirement fund to prop up its wage commitments. We are just paying for our CAP accounts, with interest.

For a more detailed analysis, including citations for the statements above, please visit http://www.upte.org/benefits/UCRP.html.
“With the 2009 health care cost increases my premium has gone up $1.22 per hour, prescription co-pays that were $15.00, jumped to $20.00 and $40.00 co-pays jumped to $55.00.” Maintenance Mechanic at LLNL

Health Insurance Reform: Single Payer Health Care: HR676
Sue Byars

“Of all the forms of inequality, injustice in health care is the most shocking and inhumane.” Dr. Martin Luther King, Jr.

SPSE-UPTE gets many calls from Lab employees who are upset about the rising cost of our benefits, particularly health care. In addition, there is daily news about the shrinking job market, job losses, and the suffering of American workers. Also, we all have friends and family who simply can’t afford health care coverage, or have to make medical decisions (like whether to have medical tests or re-fill a prescription) based on the costs of those services.

In 2007, it was reported that more than one in six Americans under the age of 65 lacked health insurance. Even for those with insurance, major illness and life-saving treatments still can require hefty out-of-pocket expenses, high cost-sharing requirements, and there are often caps on benefits and lifetime maximums. These factors contribute to financial problems and lead many people to resort to bankruptcy. (Approaches to Covering the Uninsured: A Guide published by The Henry J. Kaiser Family Foundation)

Single Payer Health Care is the solution that is endorsed by many consumer groups, and by our parent union, the Communications Workers of America (CWA). It is also a solution that is greatly misunderstood by many workers, so we want to provide some information and resources. There is a bill for national single payer legislation, Bill HR676, that has been introduced by Congressman John Conyers, Jr. (D-MI).

“There is a very serious health care crisis in America that must be addressed now by the Congress and the President. I have introduced HR 676, The United States National Health Insurance Act, to ensure that every American, regardless of income, employment status, or race, has access to quality, affordable health care services.” Congressman John Conyers, Jr. http://conyers.house.gov/
So, what is single-payer health care? According to the sponsors, it is NOT “Socialized Medicine” and it doesn’t mean that the medical system will be taken over by the government. What it does however, is create a new “single payer” method of collecting and distributing payments for medical services. It refers to the type of financing system, a government run organization that would collect all healthcare fees, and pay out all health care costs. It is also called the “New Expanded Medicare” bill. (Healthcare-Now! At www.healthcare-now.org)

HR-676 proposes to make health care a human right. By financing through the government, it improves coverage for all Americans, and expands care to those who are uninsured. It would cover every person in the United States for all necessary medical care including prescription drugs and dental. It would end deductibles and co-payments and save money by eliminating the private health insurance industry. (Unions for Single Payer Health Care at http://unionsforsinglepayerhr676.org)

There are many pros and cons to the single payer method. We have provided some information for you and hope it is helpful. The current health care system combined with the current job loss and financial crisis leaves many more people vulnerable to health care access problems and high costs.

“I got a surprise the last time I had a prescription refilled. I went to the same pharmacy, and while my co-pay for the prescription remained the same, I got half as many pills.” Physicist at LLNL

continued next column
SKILLED TRADES MEMBERSHIP APPLICATION

Yes! I want to join SPSE-UPTE CWA Local 9119, AFL-CIO.

I’m joining the union to preserve what we’ve won through solidarity.

Membership benefits include:

• Full membership rights, including voting in elections, running for office, attending membership meetings, attending UPTE and CWA conventions, and voting on contract ratifications.
• Frequent updates on the status of pay raises, benefits and other working conditions.
• UPTE's newsletter, the “UPDATE,” with information about our union's activities.
• Eligibility for a wide range of “union privilege” benefits, such as low-cost credit cards and mortgage loans

And most importantly, union membership allows you to contribute to making Lawrence Livermore National Laboratory a better place to work for all of us.

Please accept this application for membership in SPSE-UPTE, CWA Local 9119, AFL-CIO, effective as of the date I sign below.

Name (please print)_________________________  Employee Number___________
Classification______________________________  Job Code________
E-mail____________________________________ Extension_______
Home Address_____________________________________________________________
City________________________________________ Zip Code____________________

Signature____________________________________ Date____________________
Home Telephone______________________________

Give or mail completed form to Rob Swanson / SPSE-UPTE, 4047 First Street, Suite 200, Livermore, CA 94551
JOIN SPSE-UPTE for Non Skilled Trades

Membership is open to all Lawrence Livermore National Laboratory employees that are not represented by another union:
To join SPSE-UPTE, complete and return this form. The form below authorizes payment of $25.00 per month dues to be paid by payroll deduction to SPSE. Be sure to sign on *6. If you do not wish to have automatic deduction do not fill out the * items and you will be billed quarterly.

Name (please print)________________________Employee Number________________________

Job code____________________L-Code________Extension________E-mail________________________

Home Address________________________City________________________Zip Code________________________

Signature________________________Date________________________Home Telephone________________________

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I authorize Lawrence Livermore National Laboratory (LLNL) to withhold monthly or cease withholding from my earnings as an employee, membership dues, initiation fees and general assessments as indicated above.

I understand and agree to the arrangement whereby one total monthly deduction will be made by LLNL based upon the current rate of dues, initiation fees, and general assessments. I ALSO UNDERSTAND THAT CHANGES IN THE RATE OF DUES, INITIATION FEES AND GENERAL ASSESSMENTS MAY BE MADE AFTER NOTICE TO THAT EFFECT IS GIVEN TO LLNL BY THE ORGANIZATION TO WHICH SUCH AUTHORIZED DEDUCTIONS ARE ASSIGNED AND I HEREBY EXPRESSLY AGREE THAT PURSUANT TO SUCH NOTICE LLNL MAY WITHHOLD FROM MY EARNINGS AMOUNTS EITHER GREATER THAN OR LESS THAN THOSE SHOWN ABOVE WITHOUT OBLIGATION TO INFORM ME BEFORE DOING SO OR TO SEEK ADDITIONAL AUTHORIZATION FROM ME FOR SUCH WITHHOLDINGS.

LLNL will remit the amount deducted to the official designated by the organization.

This authorization shall remain in effect until revoked by me - allowing up to 30 days time to change the payroll records in order to make effective this assignment or revocation thereof - or until another employee organization becomes my exclusive representative. It is understood that this authorization shall become void in the event the employee organization's eligibility for payroll deduction terminates for any reason.

Upon termination of my employment with LLNL, this authorization will no longer be in effect.

This authorization does not include dues, initiation fees and general assessments to cover any time prior to the payroll period in which the initial deduction is made.

Payroll deductions, including those legally required and those authorized by an employee are assigned priorities. In the event there are insufficient earnings to cover all required and authorized deductions it is understood that deductions will be taken in the order assigned by LLNL and no adjustment will be made in a subsequent pay period for membership dues, initiation fees and general assessments.

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RETENTION: 1 YEAR AFTER INACTIVE - ACCOUNTING OFFICE

Return signed and completed form to:

Margie Altenbach, L-189
SPSE-UPTE
4047 First Street, Suite 200, or P.O. Box 1066
Livermore, CA 94551-1066

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