

# HR BULLETIN

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**DISTRIBUTION:** Primarily to Managers and Supervisors of SX-Covered Employees.

## Facts about the new contract for UC service workers

UC recently reached an agreement with the American Federation of State, County and Municipal Employees on a new labor contract for UC service employees. It was a fair and generous agreement, which the union itself heralded it as "historic": "...98% of UC Service Workers voted yes to accept the historic contract agreement with the University of California..." (Source: AFSCME press release)

AFSCME has begun to circulate misleading information about UC's commitment to implementing the new wage structures ("salary steps") mandated by the new contract. The below information clarifies these issues.

### **Improved wages – salaries for UC service employees now comparable to CSU**

The new contract includes **over \$64 million** in total wage increases for UC service workers – highlights:

- 3% across-the-board raises in each year, plus additional 1% across-the-board increases in July 2009
- Increased minimum hourly rates from \$10.28 to \$14.00 by the end of the contract.
- **Raises average service worker salaries by 26%** over five years, from \$30,000 to \$38,000.
- Increased average hourly pay for service employees from **\$14.35 to \$18.39** over the life of the contract.
- With this contract, **salaries for UC service workers are now comparable to – and in some cases higher than – similar positions at CSU.**

### **Excellent benefits – lower paid staff paying lower premiums; UC paying most of the costs**

The contract also continues to provide service workers UC's excellent health and retirement benefits, with UC shouldering the vast majority of the costs, especially for lower-paid employees – highlights:

- UC pays **93-96 percent** of monthly medical premiums for UC's 42,000 staff earning \$46,000 or less.
- For 2009, UC adopted a special one-time subsidy to help offset monthly premium increases for UC employees. As a result, approximately 36,000 UC employees, including **21,000 lower-paid employees** (those earning \$46,000 or less), will see **a reduction** in their 2009 net monthly rates as compared to 2008. (details at [http://atyourservice.ucop.edu/news/health/0810\\_health\\_rates.html](http://atyourservice.ucop.edu/news/health/0810_health_rates.html)).
- UC employees have not had to contribute toward the cost of their pension benefits for nearly 20 years. In fact, **80% of UC employees have never contributed toward the cost of their pension benefits.**
- In order to keep UC's pension plan strong, UC is planning to resume contributions – from both UC and employees – beginning April 2010. When contributions resume, as with other employees service employees will have their current 2% contributions to the UC Defined Contribution Plan redirected to UCRP for the first year. **As a result, UC employees will experience no decrease in their net take-home pay due to the initial reinstatement of UCRP contributions.**

### **Clarification about "the steps issue"**

AFSCME has accused UC of reneging on aspects of the contract concerning the structure of the new pay scales – this is inaccurate. When the contract was signed, **it was mutually agreed** that defining the incremental percentage increases ("steps") within the new salary ranges would require more mutual work (higher minimum salaries squeeze those in brackets above the new entry levels). The task now at hand, as foreseen when both sides signed the agreement, is to sit down and work through these issues -- together. Since these step structures are not effective until October, there is ample time to work through the details.

**UC is living up to the terms of the contract** and is committed to working through these issues, at the table, through respectful and productive dialogue. The university calls upon AFSCME leaders to do the same.

If you have any questions, please consult with Employee & Labor Relations (530-754-8892).

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