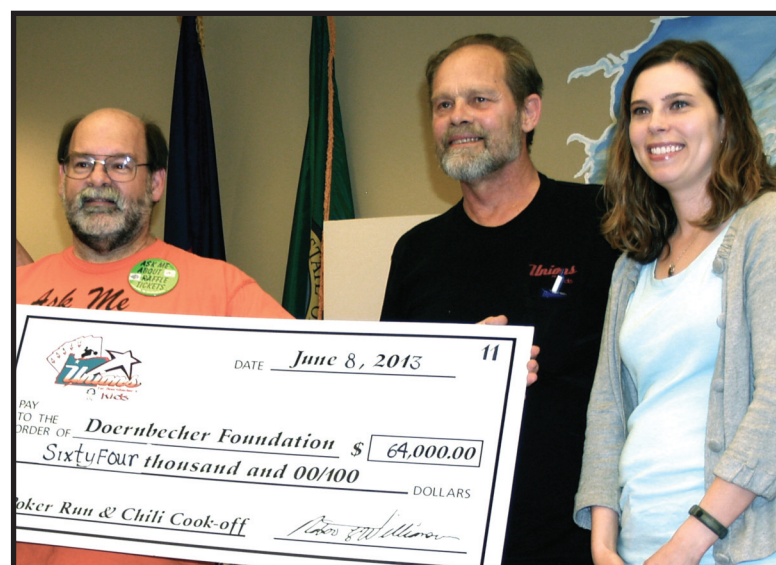




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## As Obamacare insurance exchanges near launch, labor braces for impact

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Organized labor — entirely left out of the legislation that became known as Obamacare — has spent years behind the scenes patiently pleading with the Obama Administration to be allowed to benefit from the law's implementation. Now, four months before the law's mandated state insurance exchanges launch, it appears that while some union members will benefit, many others may actually be harmed.

The state-by-state health insurance exchanges, which launch Oct. 1, 2013, are the linchpin of Obamacare's plan to cover the uninsured. The exchanges will benefit a minority of low-wage union members who don't currently have employer-provided health insurance. But they may harm many other union members who are covered through union-affiliated multi-employer health trusts — which are prevalent in construction and in low-wage industries like grocery and janitorial.

The harm would come chiefly because union members and their employers won't have access to individual

subsidies, or to small-employer tax credits, for insurance purchased on the exchanges. But their nonunion competitors will.

The state exchanges will begin selling insurance Oct. 1 to individuals and small businesses, with coverage to take effect Jan. 1, 2014.

All otherwise uninsured individuals will be required to purchase health insurance, or else face a tax penalty that starts at 1 percent of income and rises to 2.5 percent by 2016. Those earning up to four times the poverty level will get some amount of subsidy when they purchase on the exchanges. And the poorest — those earning less than 133 percent of the poverty level — will have their insurance paid for entirely.

But individuals won't be allowed to buy insurance on the exchanges if their employer provides health insurance. And most union employers *do* provide health insurance. Unionized janitorial and security contractors in Portland, for example, recently signed five-year contracts committing them to provide insurance. Nonunion employers that currently provide insurance could decide

to drop coverage, and give raises to cover their workers' individual premiums for insurance bought on the exchanges. But union employers wouldn't have that option while their current contracts continued.

Meanwhile, small businesses (less than 50 employees) don't have to provide insurance under the new law. But they get a tax credit reimbursing them 50 percent of the cost if they purchase insurance on the exchanges for their employees.

Yet unionized small businesses that purchase insurance through union health trusts *won't* get that tax credit. The tax credit only goes for insurance that's sold on the exchanges. And the trusts can't sell on the exchanges. The trusts are neither insurers nor employers, strictly speaking; they're more like jointly-run purchasing pools that self-insure or purchase group insurance plans.

That's not all. Union health trusts will actually have to pay a temporary tax to subsidize private insurance com-

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## Motorcycle ride raises cash for kids

The 11th annual Unions for Kids motorcycle poker run donated a record \$64,000 to Doernbecher Children's Hospital. In the photo above, committee members Rob Williamson and Lee Duncan present a check to Ashley Schmidt of the Doernbecher Foundation. The event, held June 8 at the IBEW Local 48 union hall in Northeast Portland, drew 405 participants. The winner of the Poker Run — with a high hand of four queens — was Carol Gilmore. The low-hand of 4-5-6-7-9 was held by Darcy Freimark. Each received a cash prize. The Chili Cook-off champions were Rick and Gwen Flores, representing IBEW Local 48. The largest portion of the fundraiser comes from a raffle for a new Harley-Davidson motorcycle. This year's winner was Christine Smith of Milwaukie, Oregon. She is a member of International Alliance of Theatrical Stage Employees (IATSE) Local 28. The largest single union contribution to the event was \$5,000 from Carpenters Local 156. The largest private (corporate) contribution was from Columbia Motorcycle Harley-Davidson, \$3,500. Another \$4,818 was raised at a Texas Hold'em poker tournament in March hosted by Sheet Metal Workers Local 16. Unions for Kids is a nonprofit and all-volunteer organization, with 100 percent of the proceeds going to the kids at Doernbecher Children's Hospital. Since its inception, the Poker Run has donated \$390,000 to Doernbecher.

## Precision Castparts workers vote down Machinists Union

A union campaign among Portland-area Precision Castparts (PCC) workers failed to find majority support in ballots counted June 7. The tally was 932 for joining International Association of Machinists (IAM), and 1,258 against, or roughly 43 percent to 57 percent. Twenty ballots were challenged by one side or another and weren't counted in the tally, but that wouldn't have affected the outcome.

Turnout was very high, with 2,210 workers casting ballots over a two-day period at five sites in Portland, Milwaukie, and Clackamas, Oregon. That amounted to 95 percent of the 2,323 workers eligible to vote.

The vote came after a month of heavy campaigning. PCC employed consultants and waged a tailor-made campaign that followed the standard employer playbook for fighting unions.

"They hit all the standard misinformation marks," IAM national spokesperson Frank Larkin told the Labor Press. "Both aboveground and below-ground campaigns stirred the rumor pot with threats of outsourcing to Mexico, or the prospect that if you join a union, you go on strike."

Managers and consultants led mandatory-attendance antiunion meetings in the workplace. The company

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