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PORTLAND, OREGON**'Presents from Partners' holiday party a joyful event**

Labor's Community Service Agency and the Northwest Oregon Labor Council held their annual "Presents from Partners" holiday party for children of out-of-work union members Dec. 13 at the Sheet Metal Workers Local 16/SMACNA Training Center in Northeast Portland. This year, the International Longshore and Warehouse Union Credit Union, ILWU Locals 8, 40 and 92, and the Inland Boatmen's Union donated 80 bikes. In the photo above, two wide-eyed youngsters are ecstatic as they are ushered in to choose from a roomful of two-wheelers. (For more photos of the party, turn to Page 16.)

University of Oregon grad students reach settlement after 8-day strike

EUGENE — University of Oregon grad students ended their first-ever strike Dec. 10 after the university increased its wage offer and improved the terms of a new medical and paternity leave fund. Strikers will not have their pay docked for the eight days they were out on the picket line.

The tentative agreement was hashed out in a marathon 22-hour bargaining session that went through the night. Members were expected to vote to ratify the tentative agreement after this issue went to press.

Graduate Teaching Fellows Federation (GTFF) Local 3544, an affiliate of the American Federation of Teachers, represents about 1,400 UO graduate students who receive stipends to

teach undergraduate classes. The strike began Dec. 2 — a week before final exams.

Before the strike, UO was proposing annual raises of 5 and 4 percent over the two-year union contract, and the union was proposing 5.5 percent each year. But the two sides settled on 5 percent a year. That's above the likely rate of inflation, though less than what the union said is necessary to live in high-cost Eugene. Graduate teaching fellows work a maximum of half-time for a minimum pay of \$4,090 to \$4,878 per academic quarter. The first year's raise will be retroactive to Sept. 15, when the previous contract expired.

The other issue of contention was paid leave for a serious illness or the

birth or adoption of a child. Eugene City Council passed a paid sick leave ordinance earlier this year, but it doesn't apply to UO workers because they're considered employees of the state.

GTFF wanted a guaranteed two-week paid leave benefit in the contract, but in the end agreed to a memorandum of understanding committing UO to create a hardship fund. The fund will provide up to \$1,500 for a grad student who had a new child and up to \$1,000 for a serious medical event. It will be open to all graduate students, not just those who teach classes and belong to the union. The university committed to

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Congress passes major change to law on union pensionsBy DON McINTOSH
Associate Editor

Severely underfunded union pension plans will be allowed to reduce current retiree benefits in order to avoid future insolvency, under a last-minute amendment attached to the \$1.1 trillion federal government appropriations bill known as the "CRomnibus."

The amendment was sponsored by an unlikely duo: anti-union House Education and Workforce Committee chair John Kline (R-Minn.), and pro-union former committee chair George Miller (D-Calif.), who was serving out his final days after 20 years in office. The 161-page amendment came under the unwieldy name of Amendment 1 to H Res 776 (which itself governed consideration of HR 83). The proposal had support from a number of unions, and opposition from others. It was drawn up by committee staff based for the most part on "Solutions, Not Bailouts" — a proposal introduced last year by the National Coordinating Committee for Multiemployer Plans (NC-CMP), a group representing union benefit plans.

Amendment 1 covers multi-employer pension plans — plans that unions jointly sponsor with employer groups, overseen 50-50 by trustees appointed by the union and employers. Employers contribute under the terms of collective bargaining agreements, and the funds are invested so that the plans have enough to pay guaranteed monthly benefits when employees retire. All told, about 10 million people are in multi-employer plans, which are common in unionized construction, trucking, grocery, and service industries. They're easier for small employers to join, and they're much more sta-

ble than single-employer pensions, which fail when the single company fails. But today, many multi-employer plans are in crisis, thanks to stock market downturns and declining employment in union industries. Like single employer pension plans, multi-employer pensions are insured through the Pension Benefit Guaranty Corporation, but PBGC pays out only a fraction of promised benefits when a plan runs out of money, and PBGC is itself in danger of insolvency.

'Right now, if we do nothing, those very same retirees that you're worried about have a very high likelihood of losing all of their benefits, or going to the PBGC and getting a maximum benefit of \$12,000 a year.'

Amendment 1 would shore up PBGC finances by doubling the per-participant premium paid by multi-employer pension plans to \$26 per person per year.

It would also allow severely underfunded plans (those expected to run out of money in 20 years or less) to reduce benefits for existing retirees — if that would prevent the plan from becoming insolvent. Plan trustees would not be allowed to cut benefits for disabled retirees or retirees 80 years or older.

And the cuts for retirees ages 75 to 79 would be less than younger retirees. Benefits could not be cut to a level below 110 percent of PBGC's minimum benefit, but that could still be a pretty hefty cut. And the consequences could be widespread: Up to 3 million people are in plans that are regarded as severely underfunded.

One part of Amendment 1 came at Miller's insistence, and was not part of the Solutions Not Bailouts proposal: In plans with more than 10,000 participants (retirees and active workers), participants would have a chance to vote to reject the proposed cuts. But the cuts would only be rejected if more than 50 percent of participants voted against them, not 50 percent of those voting.

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