



'ANGUS BARKS'

By Jeff Francis
AEG Executive Board

Medical Background

3600 union workers at Sikorsky in Connecticut, who make Black Hawk helicopters, went on contract strike for six weeks last spring. Negotiations broke down when Sikorsky, a division of United Technologies, insisted their traditional medical plan be scrapped, in favor of a new costlier plan. This new plan had been forced on Sikorsky managers a year prior to the strike by members of Teamsters Local 1150.

1100 union members at Bombardier in Wichita Kansas, who make Lear Jets, went on contract strike for three weeks in October. 80% of Machinists Local 639 members rejected a contract offer that included 4%-3%-3% raises; because the medical package was so costly it would have wiped out their wage increases.

Effective 1/1/2005, GE changed its medical plan for management. Newly hired exempt personnel, upon retirement before age 65 will have to pay for their own medical coverage. After age 65, they will have no medical coverage from GE.

Because of our union contract, union members who retire before age 65, continue the same medical coverage, at the same costs, as active employees. After age 65, our retirees can choose 2 post-65 plans to supplement Medicare coverage. **Our union contract expires on June 17th next year.**

GE CEO Jeff Immelt told CNBC in February *"new employees are going to have different benefit packages than the legacy employees are going to have"*. GE HR Vice President Bill Conaty stated, *"Looking to the future, I expect there will continue to be adjustments in retiree health – for example, to contributions and cost sharing provisions"*.

In the Union's contract survey, the national membership chose medical benefits as the #1 priority. Amongst Local 201 members, maintaining medical benefits/costs was the # 2 priority, behind #1 pension improvements.

Currently the average union member with a family of four pays an estimated amount of **\$1,100** annually for medical coverage, and **\$360** for prescriptions. Younger employees will tell you that's very affordable compared to what they paid at previous employers. Older workers will tell you union negotiators gave up raises to keep our medical plans affordable.

Currently a retired union member and spouse pay **\$4,632** annually for post-65 medical coverage, with average estimated prescriptions costing **\$784**. These costs are difficult to manage for older retirees because **GE's Pension Plan has no cost-of-living clause.**

If you are a younger worker supporting a family, or an older worker expecting to retire, you should be very concerned about the Company's direction on medical benefit plans. Also, you should be very interested in supporting the Union's plans to campaign for a decent contract. That campaign will get a boost at the **January 23rd membership meetings at 10AM and 7:30PM.**

UE Conference Board Secretary Steve Tormey will present the Union's perspective on GE's medical insurance costs. Steve is the most experienced member of our CBC national negotiating team. **His presentation will challenge GE's propaganda, and reveal GE's intentions. Steve deserves a strong showing from our concerned members and retirees. Mark your 2007 calendar.**

jfrancis@local201iuecwa.org

