



# 'ANGUS BARKS'

By Jeff Francis  
AEG Executive Board

## *Don't Screw the New Guy*

The Company's plan to slash retirement benefits for hourly new-hires is their worst proposal yet. When GE presented it in the first week of negotiations, our IUE International leaders requested the Company remove it from the table. As we enter the last week of negotiations, it's still there.

The chart below demonstrates what this huge takeaway means, by comparing retirement benefits currently available to all CBC members, with what the next generation of workers would get under GE's proposal. For comparison purposes, today's dollars, today's costs, and today's formulas are used.

**Married union member earning \$65,000/yr  
Retires at age 60, with 35 years service**

|   | <b>CURRENT<br/>UNION MEMBER</b> | <b>NEW HIRE</b>           |
|---|---------------------------------|---------------------------|
| <b>INCOME FROM GE</b>                     |                                 |                           |
| pension                                   | \$2,100/mo                      | \$1,575/mo                |
| supplements                               | \$910/mo                        | \$0                       |
| total                                     | \$3,010/mo                      | \$1,575/mo                |
| <b>MEDICAL COSTS</b>                      |                                 |                           |
| pre-65 medical (HCP)                      | \$71/mo                         | \$752/mo                  |
| post-65 medical<br>(Medicare supplements) | \$208/mo<br>(GE Plans)          | \$407/mo<br>(BC/BS Plans) |
| <b>DEATH BENEFIT</b>                      |                                 |                           |
| life ins. benefit                         | \$162,500                       | \$15,000                  |

In addition, disability pensions for new hires would be reduced up to 34% (ours are reduced 12%). Medical coverage for spouses of disability pensioners, and widowed spouses of new hires who die on the job, would cost \$376/mo in today's dollars. New hires would not be eligible for SERO, or plant closing benefits. These cuts are drastic and far-reaching,

### **WHY THE MEAT CLEAVER**

With GE, it's always about money - real and projected. Accounting rules require GE to list accumulated future retiree benefit obligations. Note 6 in the 2006 Annual Report shows that figure at \$8 billion projected over the next 30 years. Not a problem for a corporation that cleared \$20 billion in profits in one year.

Cutting retirement benefits would not impact our future hires for another 30 years. *But it would allow GE to show a dramatic accounting gain immediately.*

Most of you have seen how quickly GE supervisors will sacrifice quality standards to achieve vouchering gains. Imagine how anxious GE's negotiators are to sell out the retirement life of a whole generation, to gain a favorable stock report.

New hires will be screwed, unless our CBC negotiating committee is stubborn enough, and our membership support strong enough, to put a stop to the Company's proposal.

[jfrancis@local201iuecwa.org](mailto:jfrancis@local201iuecwa.org)

