

# Q & A's ON THE 2015 CONTRACT

SUNDAY, JUNE 28, 2015

WITH LOCAL 201 BA RIC CASILLI AND PRESIDENT PETE CAPANO

***Q. How would you characterize the agreement?***

A. Overall it is an acceptable agreement considering the economic and political environment, including the reality that GE and competitor Aviation non-union plants exist in numerous locations in the south and overseas. There are some weak points in the agreement and some very strong points. As a whole it will benefit all our members in Lynn going forward

***Q. Was it a good "Wage" Package?***

A. The wage package was not the strongest but adequate considering the rest of the package. It has 3 ACP Payments totaling \$8,000 and just one wage base increase of \$.60 cents per hour. However, there are also 4 fixed COLA's totaling \$.80 per hour in base wage increases and a \$2,000 lump sum ratification bonus. And there are additional significant wage rate increases in the overtime rate related to the ACP's- ranging from \$.20 to \$.61 per hour for members working overtime for approximately 3 out of the 4 years of the Contract.

***Q. Can you explain the unusual features of the "Wage" package?***

A. Yes, the Unions were not looking for huge wage increases but were looking to hold down Medical Plan Cost increases and get a wage package that put members ahead some economically. We think both were achieved although we would have liked one less ACP Payment for another base wage increase. The ACP's and Ratification bonus had to do with the pending sale of appliances and Louisville. The \$.60 cents per hour wage rate increase (rather than a percentage) had to do with the wage gap into 2 tier wage shops, and the **guaranteed** fixed \$.80 per hour wage rate COLA increases for this Contract had to do with low inflation rates that caused no semi- annual increases a number of times the last 4 years .

***Q. Is the ACP payment identical to a lump sum payment?***

A. No, it is not identical to a lump sum. An ACP payment is not as good as a wage base increase like the \$.60 and \$.80 (COLA) increases secured but it also not as bad as pure lump sum like the \$2,000 Ratification Bonus . The \$8,000 in ACP payments members has 3 advantages over a lump sum. ACP are earnings and get credited to your pension , your 401K accounts and GE's matching contribution, and increases **one's overtime pay rate for long periods of time** . Also, both the ACP payments (and the ratification bonus) do NOT count as earnings to push you higher on the Medical bracket wage tables

***Q. In regards to the \$2,000 ratification bonus, why do members of a Local that reject the agreement not get the bonus?***

A. Disgusting provision we tried to get removed right to the end. It's undemocratic, anti-union, ant-American and possibly illegal. Our Locals are under a National Contract not a Local Contract. We have contacted lawyers concerning that provision. But we have to look at the whole package and what it means for our members and the future of Lynn; and not let our just anger over this one provision make us vote with emotions versus common sense.

***Q. You mentioned you balance the Wage Package against holding down Medical Costs – did that occur?***

A, **Yes, medical contribution bracket rates were frozen until January 1, 2017.** That means these rates were frozen for a 3 year period carrying over from our current Contract (January 2, 2014 through January 1, 2017). The members' rates, under the working spouse provisions, also are frozen to January 1, 2017. **In addition, the package freezes all the medical plan deductibles, co-pays and out of pocket maximum amounts members have to pay through the life of the 4 year contract.** There are also NO increases in generic/targeted drug co-pays for retail and mail order drugs and certain cholesterol medications costs were lowered for the life of the agreement. There also was a cost reduction for members adding a dependent child in the middle of a year, emergency ambulance coverage improved from 80% to 100%, and there now is an **option** (at

open enrollment) to select a simplified auto reimbursement process for members who were having trouble with the Wage Work normal process.

**Q. What happened to post-65 medical Insurance and was there a Retiree pension increase?**

A. The Company refused to negotiate at all with the Unions over pre-65 retirees and post 65 retirees, using the past Supreme Court ruling that Unions do not represent retirees and that is not mandatory for the Company to bargain over the plans post 65 retirees are under or the plans that pre-65 retirees will go under. At this time, both groups of retirees remain in a legal limbo status. The non-union salaried lawsuit against GE appears to be going forward on at least one charge. The Union will be awaiting GE's next move in regards to our pre-65 and post 65 retirees and then review whether any legal action will be forthcoming. In regard to current members as of June 22, 2015, who retire under the 2015-2019 agreement, shall be eligible for the current Salaried Exchange Plan options with the \$1000 RRA and Pharmacy Assistance Fund. This is a complicated legal issue started when GE unnecessarily cut their salaried employees out of the traditional plans on January 1, 2015.

There is a small **retiree pension increase** for eligible members that retired 2005 or earlier. Retirees that retired before 1996 get the highest amounts. The Company was careful to frame this letter as an announcement and not as a negotiated item (per usual). We credit Local 201 Retiree President Kevin Mahar for playing a major role in this occurring at all.

**Q. What is the strongest part of the package?**

A. Clearly it is the pension improvements for current members. The **Pension Update will improve at least 593 Local 201 member pensions. The "average" increase to one's pension is 16.5%! The average monthly increase is \$543.41 per month. 193 members are getting over a 20% increase to their pensions.** The International Union credited Local 201 for securing this. Nationally, 1,327 got update improvements and many more under the pension tables. Members eligible for this update are those members that as of December 31, 2014 had at

least 25 years PQS **OR** as of that date had both attained at least age 55 and completed 20 years of PQS.

In addition for all members in the Pension Plan, the regular pension breakpoint increased from \$45,000 to \$50,000 but was frozen there for the life of the contract allowing all members in the pension plan to accrue more pension benefit at the higher 1.9% rate for earnings above \$50,000. **And the Union secured a letter that members in the Pension Plan will not have to be concerned with any GE proposals to freeze the Pension Plan for at least 8 years.**

For members hired before Jan. 1, 2012 and eligible for the update but did not have a historical earnings pattern to benefit from this update **OR** members that did not meet the age and service qualifiers for the update – there were pension **improvements in the Guaranteed Pension Tables**. The Tables went up by \$1.00 per year of Pension benefit service. The top of the tables went up 6.25% for those with a final average pay of at least \$86,000.

Both **Pension Supplements** were renewed and increased.

Our members hired on or after January 1, 2012 (not in the Defined Pension Plan) but are in an enhanced Defined Contribution Plan will receive a onetime Company payment of \$300 in 2016 into their plan in addition to the Company \$600 annual payment into their accounts that provide higher company matches than the regular 401K.

***Q. Were there other benefit areas improved?***

A. Yes, our STD, LTDI, Disability Pension, IEA, VISION and Dental Plans (among others) all were improved. The Vision and Disability pension Plans had not been improved in years until this contract.

***Q. What about the two National VRIP OPPORTUNITES?***

A. Our Lynn location is well situated to get a good share of these 1,000 decent retirement packages. Lynn has the most people **eligible** in the country and the Lynn and Erie sites have the most individuals in the higher PBS brackets. Just for the first window opportunity, It is estimated that there will be somewhere

between 102 and 189 Lynn workers who will make the cut for the first 500 slots in February of 2016. It should be noted there is a reduction in company paid retiree life Insurance to \$15,000 for retirements January 1, 2016 or after. (Note: The current plan for retirees allows some to retain up to \$50,000.) However, the February 2016 and 2018 “window” dates mean members pick up all their vacation and sick pay monies for the additional year.

***Q. What about Job Security***

A. There are some improvements in Job security features. One of the main ones is a clause that allows the Union to request discussions for a 10 day working period over the subcontracting of work even without job loss. However, for Lynn we think that the verbal commitments made both at the national and local levels to begin in- sourcing large amounts of work following a successful ratification is even more critical.

***Q. Can you summarize the best provisions of the agreement and why you believe Lynn members should vote to ratify?***

A. The best parts of the agreement are (1) No pension freeze now can occur for 8 years pending UE and IUE-CWA national contract approval (2) The Pension Improvements, especially the Update Increases (3) The VRIPS combined with the verbal commitment to in source large amounts of work into Lynn should provide job security protection for our younger members and a fighting chance for the future of the plant (4) We held our own in the Wage Increase vs. Medical costs battle and got improvements in many benefit plans on top of it

***Q. How about a protest rejection vote against the bad parts of package?***

A. This would NOT be a wise thing to do. One of the bad parts of the agreement is the Ratification Bonus “bribe” provision. It is terrible but in the long run and big picture means nothing even if it is found to be legal, other than an embarrassment in GE’s negotiating style. And we can’t vote rejection based on GE’s possibly legal refusal to bargain with us on post 65 benefits for current retirees. That now remains a legal issue to be resolved or decided based upon GE’s future actions and International Union’ legal department. So, we do not

believe a rejection or protest vote is the way to go. **We believe this package is an acceptable package and we feel it is the best interests for our members looking to retire with good pensions and VRIP opportunities AND for our middle age and younger members looking to have a future at the GE River Works plant.**

Membership Information Meetings –Monday June29, 2015, 12:30PM  
and 3:30PM @ St Michaels Hall Lynn.

Secret Ballot Membership voting- Tuesday, June 30, 2015-, 6:00AM to  
5:00PM @ GE Building 2- 96 Auditorium and Union Hall

**The IUE-CWA Local 201 Executive Policy Board  
recommends approval of the Tentative Agreement**