

July 8, 2013

## Announcement to the Members of Unions in the Coalition of Labor Organizations at MSU

The bargaining team of the Coalition of Labor Organizations at MSU is pleased to present the tentative health care agreement we reached with the University on June 24, 2013 at 11:50 p.m. The agreement includes no concessions. In fact, we were able to secure some consideration for the sacrifices made by support staff employees in the last several years. Here are a few of the highlights:

- A four-year tentative plan that continues quality health care coverage with a fully-funded option for the period starting January 1, 2014 and ending December 31, 2017.
- Health care savings disbursement. Due to the effective stewardship of the University and the CLO in keeping the health care spend well below the 5% cap of our current contract (final numbers still to be calculated); employees have put aside over \$7 million. The new agreement would disperse those savings to employees who are benefits eligible within the CLO.

Health care savings for the period between July 1, 2010 and June 30, 2013 will be paid in January 2014 to employees who are on the payroll as of January 1, 2014.

Health care savings for the period between July 1, 2013 and June 30, 2014 will be paid in January 2015 to employees who are on the payroll as of January 1, 2015.

- An **average** increase in total compensation of 2.36% in each of the four years of the contract. This will be achieved by tying salary increases to increases in health care using the following matrix:

HEALTH CARE COST EXPERIENCE			BASE WAGE FACTOR AVERAGE	HEALTH CARE COST EXPERIENCE			BASE WAGE FACTOR AVERAGE
0.00%	-	1.00%	2.60%	6.01%	-	7.00%	1.70%
1.01%	-	2.00%	2.50%	7.01%	-	8.00%	1.50%
2.01%	-	3.00%	2.30%	8.01%	-	9.00%	1.30%
3.01%	-	4.00%	2.20%	9.01%	-	10.00%	1.20%
4.01%	-	5.00%	2.00%	10.01%	-	11.00%	1.00%
5.01%	-	6.00%	1.90%	11.01%	-	+	0%

- Autism coverage for children 0-8 years old, effective as of January 1, 2014.
- A commitment by both the CLO and University to meet to explore additional cost control measures and other health care issues of mutual concern.

The CLO bargaining team is proud to recommend the tentative agreement, believing that it exemplifies the value of unions. The employer, the students and the taxpayers of Michigan benefit as we continue to explore health care savings. At the same time, the unions have protected workers from the impact of major cost-shifting or benefit-cutting measures being employed by other institutions. Without the creativity and hard work of both the unions and the employer, MSU and the employees would be paying far more for health care.

### Future activities:

- More details of the tentative contract will be available soon. The information will be available online and through the communications channels of the individual unions.
- The unions will set up meetings across MSU's various campuses within the next several weeks/month to give members an opportunity to ask questions about the agreement.
- Each union will follow its own ratification process as we have done in the past.