

## Facts about UC's implementation of pay increases and benefits for service employees

After more than a year of negotiations with AFSCME, and completion of legally required impasse procedures, UC has decided to implement a wage increase and benefits for its service workers. Below are answers to key questions about UC's decision.

### Q. What is UC implementing for service employees?

A. UC is implementing the following for all UC service employees:

- A 2 percent across-the-board pay increase. Overall compensation for UC service staff is currently above market and this pay increase helps ensure salaries for our service staff remain market-competitive;
- Health benefits at the same rates as other UC employees with similar salaries;
- UC's retirement options choice program, which provides future service employees with a choice between UC's defined benefit pension plan or a defined contribution 401(k)-style plan. Current service employees will see NO CHANGE in their pension benefits.

### Q. Why is UC taking this action?

A. Negotiations with AFSCME have gone on for more than a year, and UC and AFSCME have completed all legally required impasse procedures, including state-assisted mediation and factfinding. Accordingly, UC has decided to implement certain terms in order to provide UC's hard-working service employees with raises and good benefits for the near-term. Our goal, however, remains to reach a long-term contract with AFSCME.

### Q. Is it legal for UC to do this?

A. Yes. Since all legally required impasse procedures, including mediation and factfinding, have been completed, UC is legally allowed to implement these pay increases and benefits.

### Q. Does this mean negotiations are over?

A. The pay increase is a one-time increase and the rates for healthcare benefits reflect 2017-18 fiscal year rates. At some point, UC and AFSCME will need to return to the bargaining table in order to negotiate any additional increases as part of a multi-year contract.

### Q. How (and why) are the implemented terms different than UC's final settlement offer?

A. The 2% pay increase UC is implementing is slightly less than the 3% UC offered AFSCME in its Apr. 6 final settlement offer. UC's implemented terms also do not include the one-time \$750/employee payment or the \$25 limit on monthly health insurance premium increases in UC's final offer. UC's final settlement offer to AFSCME, which the union rejected, was in exchange for a multi-year contract and to bring negotiations to an end. We believe our final settlement offer was a very fair proposal, and we're disappointed AFSCME rejected it.

### Q. Do the pay increases and benefits UC is giving service employees also apply to UC patient care employees, who are also represented by AFSCME?

A. No — these pay increases and benefits only apply to UC service employees. UC is currently in state-assisted mediation with AFSCME regarding a contract for patient care employees.