

## **How We Won the Fight to Save Our Pension**

Today's victory is how we reached a tentative agreement that will secure and save our pension for current members and retirees.

Almost a year ago, with little notice to the union, the Hospital split the member pension plan in two. The stated reason for the split in the plan was that it was an administrative change to better fund the plans. We immediately requested more information from the Hospital in order to understand the change.

What we learned was that the Hospital had split the member pension plans into:

- (1) The pension funds of all current members who had previously chosen to freeze their pension and the pension funds of retirees.
- (2) The pension funds of those members who were still actively contributing to the pension.

After consulting an attorney who specialized in pensions we were told that by putting all of the pension funds of non-actively contributing members into one separate fund they could be at risk. Of particular concern, the Hospital could pursue a complex legal strategy called "De-Risking" whereby it could offer low lump sum payouts to retirees and current members for a fraction of the value of their total benefit. Further, the Hospital could forcibly convert the pension benefits of any members who did not take a payout to an annuity with a private insurance company that would be far less secure than a pension. The Hospital would then benefit by having the entire pension liability removed from its books.

With this knowledge we filed a grievance contending that the pension change violated our contract. Ultimately, negotiation settlement talks on the pension grievance had stalled and it was likely that we were going to have to have an arbitrator decide whether the pension many of us had worked for years to earn would be secure. Rather than roll the dice on an arbitrator, we decided to force the issue in contract negotiations. For multiple negotiating sessions the employer evaded answering direct questions about why it separated the plan. After we gave notice of our picket, we got the break we had been waiting for. We're pleased to announce that our tentative agreement contains language explicitly preventing the Hospital from "De-Risking" our pension plan without the consent of PECSH/MNA to ensure that the Hospital does not sacrifice the security of our members' benefits.