

# Benefits of PEF Membership

Job Security and Health Care

# What's Your Plan?

Here's Mine:

1. Work here at least until I'm eligible to retire
2. Get comprehensive health insurance at a reasonable price
3. Some time after I'm eligible, retire from State service
4. Collect my full pension after retirement
5. Get the same health care in retirement that I got at work at the same price

# How Does PEF Help Me Achieve My Plan?

- Negotiates and enforces our Contract
  - Contract lists our health benefits and how much we pay for them
  - Contract has protections for members when they are disciplined
  - PEF has professional staff to enforce all aspects of the Contract
- Political action
  - Lobbies for and against legislation
  - Endorses politicians who will protect our job security and benefits
  - Uses the leverage of our 54,000 members
  - Example: This year, State budget had these provisions
    - Cap on State reimbursement for Medicare premiums – PEF helped defeat it
    - Higher health insurance premiums for employees with less State service – PEF helped defeat it

# What Threatens Our Plans?

- Voluntary union dues
- Right now, employees in our bargaining unit must pay dues, even if they refuse to join PEF
- Within the next year, the US Supreme court is likely to rule on a case to make our dues voluntary
- What happens if PEF members stop paying dues
  - PEF's ability to stop legislation that harms us weakens
  - PEF loses professional staff that enforce Contract and protect members
  - PEF CAN FAIL – leaving us at the mercy of the State

# Job Security

- How can PEF members lose their jobs?
  1. Layoffs
    - Done by seniority in title
    - Most members get more protection as they gain seniority
    - Our contract forbids decreasing PEF employment by contracting work out
    - PEF can negotiate with State to avoid layoffs – Ex: Governor Patterson
  2. Getting fired through discipline
    - Right now: this happens rarely because of our Contract protections
    - Can become more frequent if our union weakens

# How Does PEF Protect us from Discipline?

- PEF members can only be fired for “Just Cause”
  - Higher level of protection than “convenience” or “cause”
- PEF members can request binding arbitration before discipline
  - Arbitration is like a “mini-trial”
  - PEF and Management jointly pick arbitrators
  - PEF field reps and attorneys represent members in arbitrations
  - The arbitrator uses case law for determining “just cause”
- We cannot face ANY penalty unless we agree to it or an arbitrator commands it
- PEF and management jointly pay arbitration fees
  - Dissuades management from bringing frivolous discipline

# Why is Discipline Protection Important?

- “But I’m a good employee. Nobody would ever fire me.”
  - No employee is safe if they get the wrong management
- What if you get a bad boss?
  - Some bosses “manage up”
    - They treat their bosses with respect and treat their subordinates like crap
  - Some bosses are incompetent
    - They blame their failures on you, even if you are doing a good job
  - You may not find out your boss is trashing you to their managers, until it’s too late
- What if the governor or agency turns up the pressure?
  - Will your boss protect you? Will he become a bad boss?
- With discipline protection and professionalism, you can survive a bad boss

# Why is Discipline Protection Important?

- What if agencies start going after employees near retirement age?
  - State can save a lot of money on pensions and health care
  - You are not eligible for retiree health care if you are fired before you retire
  - May be illegal, but without PEF we are on our own
- “Don’t I still have civil service protection without PEF?”
- Here’s the “protection” M/C employees get
  - A hearing officer arbitrates the case
    - If the M/C employee is not in their voluntary union, they hire their own representation
  - If agency management disagrees with the hearing officer’s decision, management can overrule the decision and impose discipline, including firing the employee
  - Their prosecutor can overrule their “judge”
- If enough members stop paying dues and PEF fails, M/C “protection” is the best we will get
  - Without PEF lobbying, we will probably lose any discipline protection we have left

# Health Insurance Benefits

- The State pays for part of our health care costs and we pay the rest
- This issue is about how much the State pays and how much we pay
- If health care costs shift to us:
  - Some members will not have the means to pay for costly medical expenses
    - Insurance does not necessarily make health care affordable
  - The rest of us are going to have to forego other important expenses
- Let's focus on three ways we pay for our health care
  1. Premiums
  2. Deductibles
  3. Copays
- Currently, premiums, deductibles, copays and all of our benefits are negotiated in our Contract
  - Without PEF (or a weakened PEF), the State can shift costs to us

# Premiums

- For the Empire Plan – Individual Coverage
  - PEF member's share of the yearly premium: \$1,383
  - The State's share of the yearly premium: \$7,263
  - PEF members pay 16% of premium, State pays 84%
- For the Empire Plan – Family Coverage
  - PEF member's share of the yearly premium: \$5,432
  - The State's share of the yearly premium: \$16,274
  - PEF members pay 25% of premium, State pays 75%
- With no PEF or a weakened PEF, the State can force us to pay a higher percentage of our premiums
- Survey of State and local government workers by U.S Bureau of Labor Statistics (2016):
  - Union workers paid 22% of their family plan premiums
  - Nonunion workers paid average of 36% of their family plan premiums – 64% higher!
  - If PEF members paid the nonunion average, family plan premiums increase by \$2,388
  - Nonunion premium averages can go even higher as nonunion managers stop benefiting from their union subordinates' benefits

# Other Health Care Cost Increases

- With no PEF or a weakened PEF, State can decrease their premium costs in several ways
- State could make us pay deductibles for in-network care
  - Deductible is the amount of money we would pay every year before insurance pays anything
  - Current Empire Plan deductible for in-network care is zero dollars
  - 83% of Americans with health insurance paid a deductible in 2016\*
  - Average deductible was \$1,478\*
    - \*Kaiser Family Foundation (2016)
  - If we had to pay this deductible, we would pay in full for several office visits each year before getting any insurance benefits

# Copays

- Copay is your fee for a health service: office visit, hospital admission, etc.
- Remember: In the nonunion world, we would pay all health costs each year until we meet our deductibles (average \$1,478)
- Primary Care visit copay (\*Money magazine Sept 2015)
  - PEF member: \$20
  - Average worker: \$24\*
- Specialist visit copay
  - PEF member: \$20
  - Average worker: \$37\*
- Hospital Admission
  - PEF member: \$0
  - Average Worker: \$308\*

# Health Care in Retirement

- PEF is critical to our long-term well being in retirement
- Legislature can change our retiree health insurance benefits, premiums and costs at any time
- Our retiree health insurance benefits are not protected by the State constitution
- Lobbying by PEF and other public employee unions is critical to maintaining our retiree health benefits
- Continuing your PEF membership in retirement helps ensure that we continue to receive comprehensive health care in retirement
  - PEF offers group dental and eye care insurance in retirement
  - Tell your managers who used to be PEF members – they can join as a retiree!

# Conclusions

- PEF protects us from unjustified discipline that can ruin our careers and retirement
- PEF fights to make sure that we have comprehensive health care at below average costs
- You are our active members who regularly attend our PEF meetings
- We need your help to keep PEF alive and strong

# How You Can Help

- Please fill out a recommitment card and bring it to a steward
- Please give a recommitment card to a coworker(s) and explain to him/her why PEF is important
  - A handful of shop stewards will not be able to convince over 700 PEF members in Central Office to remain in PEF
  - You have relationships with your coworkers that shop stewards do not have
  - The most effective way to strengthen PEF is coworker to coworker
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