



CAS

California Associate Staff



Your Bargaining Voice

CAS Bargaining Team
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CAS/CSO Tripartite Bargaining Update

All parties agreed to narrow our focus on solving the critical pension funding issue first and to set aside unresolved language items for a future bargaining year.

Our main goal is to keep our current benefits in place with no modifications. Keeping in line with your priorities -- **protecting health benefits and preserving your pension**, CAS and CSO presented an economic counterproposal to CTA that included the following provisions:

- 3 year Term
- Effective 9/1/09, Rule of 65 (minimum of 50 years of age and 10 years of qualified service); and effective 1/1/13, Rule of 70 (minimum of 50 years of age and a minimum of 13 years of qualified service required). CAS and CSO also stated that the Rule of 70 had significant value and should be recognized in any settlement. CAS and CSO proposed the value be 2.5%.
- An additional 12% contribution by CTA to the Retirement Trust;
- Salary increase of 3%: 0% in first year, 1% in the second year and 2% in the third year for across-the-board increases or restructuring of the salary schedule;
- Agreed to CTA's proposal to streamline and simplify the CTA contribution rate for Blue Cross and Kaiser to the Health and Welfare Trust; and
- Acknowledged a previously agreed upon change by the Health Trustees to implement the Medco mail order incentive (for routine maintenance drugs, any refill after 3rd refill would be subject to a higher co-pay if you choose to purchase these drugs at your retail pharmacy) which would effect a significant cost savings to the Trust.

“The quality of employees will be directly proportional to the quality of life you maintain for them.”

-Charles E. Bryan



Mark Your Calendars!

**Tripartite Bargaining continues on
April 14, 2009!**

**Contract Expiration
Date: 8/31/09**



CTA's counter refused to recognize any value in the settlement for the Rule of 65/70 and insisted that labor come up with 4% to add to CTA's 8% additional pension contribution. CTA recognized 1.25% on the table (credit for no increase in vehicle or meal allowances, savings from the Medco mail order incentive, and savings from the revised rate-setting for Blue Cross and Kaiser employer contributions). CTA insisted that the remaining 2.75% come from reductions in the medical plan or reductions in the 401(k), or a combination thereof. CTA promised that if we could not reach an agreement soon, the consequence would be a reduction in retirement benefits, presumably starting with the age for unreduced retirement potentially going from age 55 to somewhere between 58 and 65 years of age.

CAS and CSO countered with a two-year proposal that withdrew the Rule of 65/70 (with its 13 year vesting) from the table and proposed any salary increase be redirected to help fund the Retirement Trust. This moved CTA's proposed 1% salary in year two and 1% in year three to the Retirement Trust contribution leaving CTA to fund the difference of .75% - an amount CTA can easily afford without rolling back the medical benefits or 401(k).

The parties resume tripartite bargaining tomorrow morning at 9:00 a.m.

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