SUMMARY OF THE NEW PENSION AND HEALTH BENEFITS LAW

CWA DISTRICT 1
The pension and health benefits bill (S-2937) was signed into law on June 28th, 2011 and became effective immediately.

Pension Changes (for Employees in PERS)
• Employee pension contributions will increase from 5.5% to 6.5% as of July 1st, 2011, then will increase to 7.5% over a period of seven years.
• Cost-of-living adjustments (COLAs) for all current and future retirees will be suspended until the pension fund reaches 80% of the full funding level (which could take an estimated 30 years).
• The normal retirement age for new members of the pension system will be age 65 (vs. 60 or 62 currently). New members will be able to retire early if they have 30 years of credited service (vs. 25 currently). Current employees will remain subject to the retirement age and years-of-service requirements that previously applied to them.
• There will be no change in the formula for calculating retirement benefits.
• Once the fund reaches a funded ratio of 80%, a joint employer-employee committee will decide on future changes to the benefit and contribution levels.
• If the state or any other employer fails to make its required contribution, employees may sue to enforce their contractual right to have contributions made. Nonetheless, the state will be allowed to continue underfunding the system for the next seven years while the full contribution level is phased in.

Health Benefit Changes
• All active employees will be required to pay a contribution toward their health benefit costs, based on a percentage of the premium. The rate will depend on each employee’s base salary and coverage tier (single, member with child or spouse, and family). Contributions will be made by payroll deduction on a pre-tax basis.
• If a union contract is in force when the law goes into effect, covered employees will begin the new premium-sharing the first year after the contract expires. All others will begin right away.
• Employees who are already on the payroll when the new premium-sharing begins will gradually increase their contribution rates over a four-year period. In Year 4 they will pay the full rate, ranging from 3% of the premium for the lowest-paid employees to 35% for the highest-paid employees (see chart). Employees who are hired after the premium-sharing has begun will pay the full contribution rates for Year 4 right away.
• Notwithstanding the above rates, no employee will pay less than 1.5% of base salary.
• If an employee is already paying a contribution which is less than the new law requires, the new contribution amount will replace the old amount.
• On June 28th, 2015 the premium-sharing provisions will sunset. Despite this, employees must continue to pay the contributions until the full Year 4 rates are in effect for the affected group.
• Negotiations over premium-sharing will be pre-empted until the full Year 4 rates are implemented, at which point these rates will constitute the status quo for future negotiations. Notwithstanding the above, additional contributions not required by law
A MESSAGE FROM THE PRESIDENT
JOHN E. ROSE

One June 23rd, the Assembly passed A4133 by a vote of 46 to 32. On June 28th, the Senate passed S2937 by a vote of 24 to 15. This was a sad turning point for the Unions. This bill affects all of Local 1031’s State, Municipal and Library workers. The Democrats who were our friends crossed sides and allied with the Republicans.

Please note that four months ago we placed a healthcare proposal on the bargaining table that would have saved the state $230 million over 4 years. The State could not produce figures on their plan at the bargaining table and has no idea what their savings will be, but went forward to legislate rather than negotiate.

A summary of the bill is in this issue. Please read it.

I would like to thank all of you who called your legislators, attended the rallies in Trenton, occupied the Senate and Assembly galleries and stood up against the attack on collective bargaining. Your participation was greatly appreciated. Those Democrats who voted against us by supporting the attack on collective bargaining will not be forgotten. We will remember in November – no phone calls, no labor walks and no support from Local 1031 or, I hope, any other Local. This is not a threat, this is a promise.

However, the fight is not over yet because they will now attempt to go after Civil Service and who knows what else. We need to stay strong and let them know they cannot crush our spirit and that we still stand united and will continue to fight for worker’s rights.

Again, thank to all of you who fought the fight. We will live to fight another day.

With Pride and In Solidarity,
John E. Rose, President

UMDNJ UPDATE

The following letter was sent to UMDNJ Senior Management on June 17th, 2011. This letter was sent before the legislation requiring a greater contribution to your health benefits was passed. UMDNJ had the power to settle a contract and deliberately chose not to. UMDNJ Senior Management did not respond to CWA. We do not have a contract and do not have dates to get back to the table. CWA and the Coalition of Unions are scheduled to meet with Senior Management and ask about negotiations, the Rutgers merger and St. Barnabas on July 18th. Look for updates about this meeting.

Dr. Owen and Senior Management at UMDNJ:

I have spoken with the HPAE Nurses who walked out of negotiations and went to speak to Dr. Owen because they were told by Abbe Kanan that he was not authorized to make a monetary offer to settle the contract. It was communicated to CWA that Dr. Owen did not come to speak to the Nurses, but Jim Rowan came out to speak and stated that Jerry Garcia and Abbe Kanan have the full authority to settle contracts. I was told that the Nurses filmed this statement. Additional, Local 1031 deals with OER and Trenton often because we represent the State Universities and Colleges of NJ. It has been communicated that UMDNJ is checking in with Trenton to ask if they should settle contracts now and lock in the 1.5%. (Governor Christie will obviously say don’t do it!) Lastly, CWA has been told by Phil Stern, the attorney hired to represent UMDNJ...
in our negotiations, that Senior Management is considering an offer to CWA.

I am writing to you today to ask, what is the real story? Is UMDNJ asking Trenton for permission? Is Senior Management pondering a settlement, and if so, when will they actually make an offer? Or do Jerry and Abbe have full authority to settle contracts and they are the ones holding up negotiations with all of the Unions? The people I speak with in Trenton tell me that Les Aron is checking in with Trenton. This, in my opinion, is preposterous! CWA has been without a contract for years. Our members have not had a raise since 2007! We explained to UMDNJ that settling contracts before July 1st and locking in the 1.5% would create good faith especially because of the lack of salary increase for the past 4 years. This would prevent further cuts in pay. The State Workers, the PBA, the Firefighters, the Teachers and all of the other Public Workers have had raises and steps for the past 4 years. UMDNJ has not. CWA does not believe that Trenton understands or cares about this. If you watched the coverage on NJN, a station that Governor Christie has “sold” and his cronies will all profit from, you will see that the testimony before the Senate Budgetary Committee pointed out that it is illegal to take away the COLA from the pensions, that there is not cost containments being fostered on the “For Profit” insurance companies (Norcross), that CWA offered to pay more for HB and also asked the State to institute cost cutting measures that would save the state millions of dollars and that the changes from this bill will not save the State much money. All the bill does is shift the cost of premiums on to the backs of workers. The bill in Trenton is clearly to attack collective bargaining, this same thing that UMDNJ has been doing by failing to settle contracts.

I am going to Stratford today and have been at the New Brunswick Campus, the Piscataway Campus, and the Newark Campus all week. I don’t think that you realize the impact of the pension increase and the health care increases will have on the working families of UMDNJ. This will cost them thousands of dollars! My members believe that Senior Management at UMDNJ is out of touch with the pain of the workers and that you all make HUGE salaries and are working out the best deals for yourselves with St. Barnabas and Rutgers. This is the view of CWA members and I am sure the Teamsters, the HPAE and all of the other working people of UMDNJ share that view. Dr. Owen has not been vocal about preventing the take over of RWJMS and is now communicating that all talks with St. Barnabas will not be in public. This fosters the beliefs I have just communicated.

My members deserve to know what their future holds. They deserve to know if they will have a contract before July 1st. If UMDNJ will not make an offer and settle our contract, then communicate this and provide a reason. The silence is deafening! We deserve a contract after 4 years. We deserve to know what is transpiring with St. Barnabas and UMDNJ should make all talks open to the public. Finally, we deserve to know what is going on with RWJMS and we believe that UMDNJ and Dr. Owen should make a public statement to all employees about this. My members on every campus have communicated these thoughts to me and I am sharing this with all of you.

Please supply CWA with an answer as soon as possible. I plan to share this with my members and your answer.

Kathleen Hernandez
Executive Vice President

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Our Congratulations to:
Ramapo Member, Susan Gluchanicz, winner of a Morton Bahr Scholarship Award

Stockton Member, William Harron’s daughter, Alisha, winner of a CWA Joe Beirne Foundation Scholarship Award

CWA Local 1031’s
Annual Statewide Membership Meeting
Thurs., Aug. 4th, 2011
6:15 PM to 8:30 PM
South Brunswick Public Library
110 Kingston Lane
Monmouth Junction, NJ

Please RSVP with your Branch President if you are planning to attend
Belleville
On June 29th, the Belleville Public Library staff ratified their second contract.

Bergenfield
A general membership meeting is scheduled for July 13th and negotiations for a second contract will begin soon.

Bloomfield
Since our last update, Bloomfield has a new Director, Catherine Wolverton, and we have a new Shop Steward, Joseph Kavanagh. In addition, former Staff Negotiator Barinder Bal celebrated 2 big events in May - her daughter graduated from medical school and got married!

Chatham
Nancy Picillo retired July 1st after more than 10 years as a Shop Steward and 20+ years as a member of the Library staff.

Clifton
Anne Schapiro is now Shop Steward for the Supervisor’s Unit. Paulette Guzy of the Allwood Branch joins Laure Barrett of the Main Library staff as a Shop Steward for the Non-Supervisors.

Cranford
Contract negotiations will begin soon.

Elizabeth
The members have filled out surveys and we will soon begin contract negotiations.

Glen Rock
Negotiations are in progress for a first contract. Staff members serving on the bargaining team are Joanne Frank and Susan Peskoe.

Irvington
A contract extension negotiated in 2010 is expiring and negotiations will begin soon for a successor agreement.

Livingston
Contract negotiations are in progress. Staff members serving on the bargaining team are Susan Muntz, Jan Aji, Rosemary Donaghue and John Sitnik.

Maplewood
Library Director Jane Kennedy is retiring in December. The staff has completed surveys and we will soon enter into contract negotiations.

Middlesex
Memorandums of Agreement were ratified in 2010 extending the contract through December 2012.

Millburn
A contract for Millburn Library was settled at the end of last year which will expire in December 2012.

Mount Olive
Members are completing surveys in preparation for negotiating a second contract.

North Brunswick
In June, the North Brunswick Library staff ratified their second contract.

Nutley
Library Director Joanne Tropiano has retired. The new Director, Sarah Lester, was a member of Local 1031 when she was employed at the Maplewood Public Library. The membership ratified a new contract in February.

Orange
Shop Steward Alice McMillan served as Acting Director for more than a year following the suspension of long term Director Doris Walker. Children’s Librarian and former Staff Negotiator, Debbie Ferraro, retired after more than 30 years of service with the Library.

Rutherford
Negotiations will begin soon for a first contract with CWA. The employees were previously represented by a staff association. After interviewing representatives from a number of different unions, they opted to sign up with CWA Local 1031.

South Brunswick
The current contract will expire in December. Members will soon be completing surveys to identify key bargaining issues.

Summit
The members ratified their second contract in June 2011 and successfully locked in paying 1.5% for health benefits through 2012.

Westfield
Surveys have been completed and negotiations will begin soon for a successor agreement.

West Orange
On July 1, 2011, PERC certified Local 1031 to be the bargaining agent for the Supervisors/Department Heads adding a second bargaining unit to our membership at the Library. Library Director Mary Romance has resigned, effective July 11, 2011.
MUNICIPAL UPDATE

CWA has been sending out email blasts to the municipalities but we do not have a lot of email addresses for these units. The blasts were about the health benefits and pensions changes. If you would like to receive emails in the future from Local 1031, please contact your Shop Steward and provide an email address. Also, please check our website. We will post a Municipal Section that will be updated as changes occur at your worksites.

BERGEN COUNTY BOARD OF SOCIAL SERVICES

CWA Local 1031 is happy to welcome the Bergen County Board of Social Services Administrators and Supervisors to our growing family. On June 3rd, the Public Employment Relations Commission (PERC), via the card check process, certified both units and we are looking forward to beginning negotiations as soon as possible. John Polk, Secretary/Treasurer, and René Garzón, Staff Representative/Organizer, put every effort into ensuring the process was smooth and successful.

MAPLEWOOD TOWNSHIP

Over the past two years, Maplewood Township was hit hard by the recession and experienced layoffs, furloughs and reduction in hours. In 2011, we are happy to report, there have been no furloughs. Additionally, Maplewood Township has been sharing services with South Orange and, as a result, our membership has grown.

MILLBURN BOE

The Millburn BOE contract expired June 30th, 2011. Rich Wolfgang will be sitting in on the negotiations. We have asked for dates to begin bargaining but have been told the BOE is in negotiations with the NJEA. We will update the website when we have negotiation dates.

ROSELLE PARK

This unit has not had any problems this last year. Their contract expires December 2012.

WEST LONG BRANCH

The Borough of West Long Branch has put in place a new rule that does not allow employees to carry any electronic devices (cell phones) during working hours. However, Local 1031 is hoping to discuss this issue with Administration. There needs to be exceptions to this rule for those town employees who legitimately have a need to carry them for emergency purposes.

NEW PENSION AND HEALTH BENEFITS LAW

Continued from front page

May be negotiated in the interim. In addition, local governments that are not in the SHBP may negotiate employee contributions that differ from the statutory rates, provided there is an overall cost savings (including savings from other plan changes) that equals or exceeds what would have been saved by using the statutory contribution rates plus any other design changes made by the SHBP.

- For purposes of calculating contributions, the **premium** for employees in the SHBP will include the cost of medical and prescription benefits only. For employees outside the SHBP, the premium will include the cost of medical, prescription, dental, vision care, and any other health benefits.

- Unless exempted by law, **all employees who retire after the effective date of the law and who receive employer-paid health benefits will have contributions deducted from their pension payments** using the same rates that are required for active employees. Deductions will start as soon as the state is administratively able to implement them, and the amounts will be remitted to the former employers. **Employees who already have 20 years or more in PERS when the law goes into effect and subsequently retire with 25 years of service will be exempt from the new premium-sharing requirements. Current retirees** are not affected.

- A joint labor-management committee will redesign the medical and prescription plans offered through the SHBP in order to provide different options for co-pays and other employee costs, including a high-deductible plan. These changes are expected to shift more costs onto employees.

- A provision in the original bill that would restrict coverage for out-of-state specialists was removed.

### Health Benefit Contribution Rates

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*Contributions will be calculated by applying the above rates to the premium cost, provided the result is at least 1.5% of the employee’s base salary. For state employees in the SHBP, premiums currently range from $7,623 per year for Single coverage to $19,057 per year for Family coverage. Based on the above chart, an employee with Single coverage who earns $55,000 would theoretically pay $424 in Year 1 (5.8% x $7,623). However, the actual contribution would be 1.5% of salary, since this amount is greater (1.5% x $55,000 = $825). The full Year 4 contributions will of course be higher yet—in some cases $6,000 or more for Family coverage. Note: premiums are subject to change and normally increase each year. Health benefits outside the SHBP may have significantly higher premiums.*
SCHOLARSHIPS AND GRANTS

Twelve $500 Scholarships and two $500 Dependent Care Grants will be awarded at the September CWA Local 1031 Executive Board meeting on Thursday, September 1st, 2011. These awards are determined by luck of the draw, and winners will be contacted by mail.

Please RETURN COMPLETED Scholarship Applications via mail or fax to:
CWA Local 1031, AFL-CIO
84 Culver Road, Monmouth Junction, NJ 08852
Fax: 732-274-0154
By WEDNESDAY, AUGUST 31st, 2011

For the ninth year, a member from each branch could win one of the twelve Scholarships or two Day Care Grants. For the purpose of this drawing only, HESAA, CHE and Thomas Edison will serve as one branch, Libraries, Bergen County Board of Social Services; Maplewood Township Workers, Millburn Board of Education, Roselle Park Police Dispatchers and Borough of West Long Branch will serve as one municipal branch, and will be eligible for two Scholarships. Two Dependent Care Grants will be awarded on a statewide-basis.

SCHOLARSHIP ELIGIBILITY IS:
Applicant must be a full member or the Dependent of a member. The applicant must be an incoming Freshman or continuing student at any vocational/technical, community, four-year college or university, or graduate professional program in the upcoming academic year.

In each case, winners will be required to provide proof of enrollment and proof of payment. The Executive Board reserves the right to draw alternate applicants if the status of an applicant changes or is found to be ineligible. Drawings are not final until they are certified by the Local. If you are a feepayer, now is a good time to join. Send in a membership card with your application.

The Deadline for Applications is
WEDNESDAY, AUGUST 31st, 2011
One Entry Per Applicant

SCHOLARSHIP APPLICATION
Name of Applicant_______________________________________________
School Student will attend___________________________________________
Member Name_________________________________________________
Member Worksite_______________________________________________
Relationship to Member____________________________________________
Address_____________________________________________________
PhoneNumber_________________________________________________
E-Mail ______________________________________________________

DEPENDENT CARE GRANT
Name of Member__________________________________________________
Worksite of Member_______________________________________________
Name of Dependent_______________________________________________
Name of Dependent Care Program___________________________________
Address of Member________________________________________________
PhoneNumber_________________________________________________
E-Mail ______________________________________________________

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ELECTIONS USA INC. will supervise election for officers of CWA Local 1031 during the period of October 10th, 2011 to October 15, 2011. The tabulation of the electronic ballots will take place immediately following the close of online voting by Elections USA.

The Secret Mail Ballot with instructions will be sent to your last known address.

If you have relocated within the last four (4) years and have not notified the Local Office, contact Local 1031 at (732) 274-2171 to give an updated address. You must do this by August 31st, 2011.

Offices to be elected: President, Executive Vice President, Secretary-Treasurer.

There will be NO EXCEPTIONS MADE TO THESE ELECTION RULES.

A. Petitions must be received in the Post Office no earlier than the publication of these Election Rules in the LAMP and no later than August 31st, 2011 and mailed to:

CWA LOCAL 1031 ELECTION COMMITTEE
84 CULVER ROAD
MONMOUTH JUNCTION, NJ 08852.

PETITIONS WILL BE OPENED IN THE LOCAL OFFICE BY THE ELECTION COMMITTEE AT 10:30 AM Thursday, September 1st, 2011.

B. Candidates’ statements consisting of NO MORE than 150 words shall accompany each petition. All words, letters and numbers count toward the final amount.

C. Candidates must have a petition of 50 original signatures of CWA full members in good standing. These must include printed name and signature, and BLUE INK must be used.

D. If candidates are interested in a slate, each candidate who is a member of a slate must submit their 50 original signatures on a separate petition and all slate members must mail their petitions in one envelope.

E. Each candidate must use their own earned leave time for campaign purposes. No release time will be provided to any candidate. All candidates shall be treated equally in regard to literature distribution and attendance at worksite meetings.

F. It is at the expense of the candidates for all other mailings and literature, other than the candidate’s statement which will be sent with the ballots by Elections USA.

PROVISIONS:

1. A candidate must be a CWA full member in good standing for a minimum of ONE YEAR before August 31st, 2011.

2. On the bottom of candidate’s statement, each candidate must clearly print their name as they wish it to appear on the ballot.

3. If a candidate is running as a part of a slate, the candidate must indicate the names of the other slate members and Slate Name.

4. After petitions have been certified by the Election Committee, anyone desiring membership mailings should make arrangements through the Election Committee. Any costs incurred will be the responsibility of the candidate.

5. If an election is not contested it shall be by acclamation. Write-In candidates are prohibited.

6. All election appeals shall be determined in accordance with the CWA Constitution and the Local 1031 By-Laws.

(Continued on back page)
7. Membership voting eligibility must be verifiable at the time of the ballot mailing and Branch Voting Session.

This year’s Election Committee consists of: Cristina Molinari, Chair, MSU; Lisa Conklin, HESSA; and Andy Rettberg, Kean.

All officers will be installed at the January 2012 Executive Board Meeting.

**BRANCH WORKSITE OFFICER ELECTIONS**

Every three years, CWA Local 1031 holds Branch Elections for the offices of President, Vice President, Secretary and Treasurer. Each Branch must establish its own Election Committee and follow the election guidelines set forth by the By-Laws of the Local and the CWA Constitution. Voting will be conducted at each worksite.

In order to run for Branch Office, a petition with twenty-five (25) signatures of CWA full members in good standing must be submitted to your respective Branch Election Committee between September 15th and September 30th. Petitions will be opened by your Branch Election Committee at your Branch worksite on September 30th. Petitions must include printed name and signature, and BLUE INK must be used. When there is no opposition to a candidate they will be considered elected by acclamation. However, if a Secret Ballot election is necessary the election will be held during the month of October, the specific date to be determined by your Branch Election Committee.

The Branches electing officers this year are: Kean, Montclair, New Jersey City University, Ramapo, Rowan, Stockton, The College of New Jersey, University of Medicine and Dentistry (Newark and New Brunswick/Piscataway Campuses), William Paterson, and the Library Representative. Branch Presidents will receive a seat on the Executive Board of Local 1031.