



Chartered by United Food & Commercial Workers International Union
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KIM C. CORDOVA
President

KEVIN R. SCHNEIDER August 1, 2016
Secretary-Treasurer

Dear UFCW Local 7 Members,

We have recently been notified that the company's rehire policy as it pertains to post-retiree benefits has changed without notification to or agreement with the Union.

Previously, retirees who were enrolled in their medical benefit during retirement would continue their retiree medical coverage while returning to per diem status. Kaiser, citing the Affordable Care Act, has changed its policy to suspend these benefits when the retiree returns to active status. Kaiser neither reviewed nor notified the Union of these potential ACA impacts, nor explored other potential solutions to allow rehired retirees to maintain medical coverage upon rehire in an active, per diem position.

Additionally, the company has maintained that when this retiree returns to retirement status, the benefit they receive would change as a result of having a "second", post-2016 retirement date. The company cited the National Agreement language stating that "retiree medical coverage . . . will be based on the retiree's last employment position, employment status, employee group and region," (pg. 63), though it appears the company is only partially applying this language to implement these changes as per diems, by definition, are not eligible for post-retiree medical benefits. Kaiser maintains that this policy was the status quo for management and non-LMP unions and that the Summary of Material Modification sent to employees to amend the current Summary Plan Description was meant to clarify an already existing policy.

Your union is pursuing a national strategy to rectify this situation and ensure that our members' retiree medical benefits are preserved as previously implemented. Along with other coalition unions, we are also escalating the issue through a national dispute process, as outlined in the National Agreement. In the event, however, we are unable to resolve this, the company may implement these changes effective January 1, 2017.

Please contact me at the email below should you find your benefits have been suspended or you hear about other changes to your retiree medical benefit due to your rehired per diem status. We are making every effort to rectify this situation thoroughly and expeditiously to ensure minimal disruption in your retirement.

Please do not hesitate to contact me if you have questions or require additional assistance.

In unity,

Nate Bernstein
Health Care Division Director, UFCW Local 7
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