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Why is there no Wage Increase Reflected on your Check?

Some of our members have asked why there is not an across-the-board wage increase reflected on recent pay checks.

We have been in contract negotiations since April of this year. We are negotiating nationally over a wage increase for this year and each year of the contract term. The wage increase that would take effect in September/October of the year that the National Agreement expires (this year, 2021) is a core topic for national bargaining.

We believe Kaiser Permanente owes it to its workers to provide a substantial wage increase. KP has proposed a 1% increase and a new wage structure for workers hired after 2023. This is just a non-starter for the following reasons:

- The Company continues to be financially successful nationally:
 - They made over \$2B billion in the second quarter of 2021 alone;
 - They turned down about \$500 million in CARES Act funds;
 - The Company sits on \$44.5 billion in reserves;
 - The company has grown by almost 600,000 members (patients) in the last three years.
- Kaiser Permanente is not acting like an employer in financial distress. We have suggested ways the company can save \$10s of millions per year, and the company is declining to exercise these options, even though their competitors are doing exactly these things we have put forth.
- With these things in mind, the company simply does not have a credible case for the most concessionary labor contract in the 40 years we have represented workers at KP.
- Our members have worked diligently during an historic pandemic, while managers, many doctors, and others worked from their homes. ***Workers deserve a raise!***

We have rejected the two-tier proposal because:

- **Two-tier affects current workers.**
 - In two tier wage systems existing staff members continually feel they are targeted in favor of lower wage workers.
 - Accepting two-tier wages today means opening the door to a host of concessions for years to come for current workers. Future workers on the second tier will not have your back when the company targets your pension, future pay increases and the like.
- The company thinks they can pay off existing employees to drive concessions for future employees, which is a non-starter.
- New hires perceive their co-workers sold them out for their own gain leading to disharmony and disunity in the workplace
- Two-tier means unequal pay for equal work, which is anathema to core union values.

- Currently, many job classifications already face national shortages. Kaiser will need to continue to pay competitively to deal with these challenges. Healthcare workers are leaving in droves, and two-tier will only add to these problems.
- Kaiser's competitors are generally providing substantial wage increases, as well as hiring and retention bonuses.
- The company bases its two-tier proposal on a discredited wage survey from two years ago.
- The company is not in financial distress.

Our Local Contract Doesn't Expire until the Spring. What's the Difference Between Local and National Bargaining?

Please see the communication we sent out about this in early September: <http://ufcw7.org/files/2021/09/Email-Blast-Important-Bargaining-Update.pdf>

We Received a Notice from the National Labor Relations Board. What's that About?

Several months ago UFCW Local 7 filed a charge against Kaiser Permanente for violating federal labor law. Specifically, they refused to provide information that they are obligated to provide under the law. As part of the settlement to resolve that issue, Kaiser Permanente was required to provide a notice to its employees stating the basic terms of the settlement.

Not surprisingly, when the Company violates federal law there are consequences, and the Company was forced through the settlement to send out this notice.

ICYMI

For more information on the strike votes, please see this update: <http://ufcw7.org/files/2021/10/Updates-on-Strike-Votes-and-the-Bargaining-Environment.pdf>

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In unity,

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