

age of 67 or older. For Group C employees, the benefit formula is calculated at 2.2 percent for the first thirty-five years and 2.5 percent for each year thereafter, and the Final Average Salary (FAS) is calculated using the last five highest years' salary.

The Cost of Living increase each year will remain at 3 percent for current retirees, but after January 7, 2013, the increase will be based on the Consumer Price Index or 3 percent, whichever is less.

Several other changes were also implemented that affect disability retirement, purchasing service credit and other topics. For a complete summary of the changes, please go to <https://www.opers.org>. If you have any questions about retirement benefits, please contact the Columbus PGO office for more information.

Understanding the Retirement Framework

By Amelia Woodward, Esq., PGO Field Representative

Looking forward to retirement may be motivation to go to work everyday, and it is wise to understand the various options available to retirees when work will soon be a mere afterthought. As public employees, you and your employer pay into a public retirement system out of each paycheck based on a percentage of your income. After several years of working, you can qualify to retire based on your age and years of service. The benefits you receive upon retirement depend on how long you worked in the

public sector and your annual income over a set period of time.

If you worked in the private sector, or in a state that requires public employees to pay into Social Security, you could also qualify to receive Social Security benefits if you have worked enough quarters to receive the required number of credits. If you paid into Social Security, you earn one credit for every \$1,130 of earnings, up to a maximum of four credits per year. A person needs to have earned forty credits or have worked for ten years (and paid into Social Security) to receive Social Security retirement benefits.

If you become unable to work and meet the qualifications (service years and age at time of injury), you could qualify for a disability retirement or Social Security Disability. A disability retirement is an option through the public employees retirement system if you haven't met the full service requirements for a typical retirement. An injured or ill worker may qualify for Social Security Disability if the medical condition meets the agency's requirement and twenty of the required forty credits earned within the last ten years.

If you worked in the private sector, you may also have contributed to a pension, a 401(K) (for employees in the private sector and closely governed by ERISA—the Employment Retirement Income Security Act), a 403(B) (for employees of a not-for-profit enterprise with little involvement by the employer) or some other retirement account.

A pension is usually a defined benefit plan, meaning you will receive a certain amount of money that was negotiated for you while you were working. For 401(K), 403(B) or other retirement accounts, once the account becomes "vested," you can take the account and all that you paid into it, as well as what your employer paid into it, with you when you leave the employer.

Planning for retirement is important and will give you peace of mind to know what will be available to you when working becomes a happy memory. It is always advisable to consult with a certified financial planner for more information about investing and planning for retirement.

INVESTMENTS AND
FINANCIAL PLANNING



"I reviewed your investments and set you up for early retirement. On your last day, you can afford to leave at 4:30 instead of 5:00."



"Retirement won't be that different from work. You'll just be reporting to me."

Turbulence Ahead: American Airlines Pilots Take Action

By John Campbell-Orde, Esq., PGO General Counsel

Not long ago American Airlines pilots refused to agree to sweeping concessions proposed by their employer. The employer then entered bankruptcy proceedings. Through the bankruptcy proceedings the employer was able to throw out its collective bargaining agreement with pilots. In response, the pilots appear to have begun a classic, and sometimes very effective, job action. The pilots appear to be engaging what is known as "work to rule."

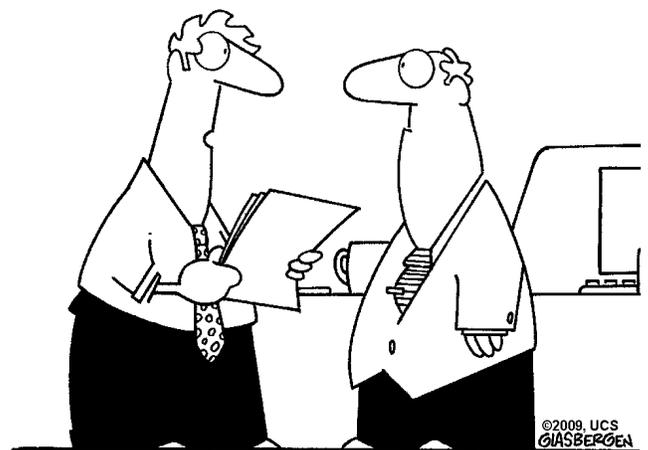
Work to rule is neither a strike nor a slowdown. A strike, of course, is where employees withhold their labor by not coming to work in order to protest unfair proposals by an employer, while a slowdown is where employees come to work but intentionally slow down the pace at which they perform their work. Slowdowns are most commonly associated with factory or assembly-line production, where there are rather specific time frames for producing or assembling a product.

There are disadvantages to strikes and particularly to slowdowns. Slowdowns may violate employer policies and may lead to discipline. Strikes naturally cost employees their daily wages because they are not working. Work to rule campaigns, on the other hand, avoid both drawbacks. In a work to rule campaign, employees come to work and do their job at the normal pace. However, many employers have extensive policies governing workplace proce-

dures even though employers often operate on the assumption that these policies won't be followed all the time.

Employers often unfairly view their policies as insurance programs against liability but are not fully committed to the policies. This can lead to excessive policies that frequently are not followed. In work to rule, employees simply take employers at their word and start complying with every employer policy and legal requirement associated with their job. Because employers tend to over-regulate their employees in an attempt to avoid liability, complying with every policy can create problems from the employer. In addition to complying with all policy requirements, employees also stop doing off-the-clock work or favors for the employer during a work to rule campaign.

American Airline pilots appear to have begun a work to rule campaign by strictly complying with all maintenance and safety procedures. These procedures require pilots to catalogue any maintenance issues and generally do not permit them to attempt to correct these issues. Consequently, pilots apparently have begun "writing up" every problem they notice, as required by employer policy. If pilots hear an unusual sound, they write it up. If the windshield wipers on the plane squeak, pilots write it up—and so on. As one pilot described it, if you addressed every potential maintenance problem with your family car your spouse probably would be happy . . . until the repair bill arrived.



"While kissing the boo-boo may generate an increase in sexual harassment claims, it could reduce company health care costs by 40%"



"And you can rest assured that this workplace grievance will be ignored at the very highest level."

Arbitration Nuts & Bolts

By John Campbell-Orde, Esq., PGO General Counsel

Arbitration is how unions resolve disputes with employers over what a collective bargaining agreement means. When a union (or bargaining-unit member) disagrees with how an employer is interpreting or applying a collective bargaining agreement, the union files a grievance with the employer. A grievance is a simple document that describes how the union believes the employer has violated the collective bargaining agreement and the remedy sought by the union. The employer meets with the union, listens to its arguments, and then decides whether to alter its behavior based on the grievance. If the employer disagrees with the union’s assertions in the grievance and chooses not to alter its behavior, the union can then appeal the grievance to arbitration.

Arbitration is basically a private court proceeding in which the parties typically receive a decision on the grievance faster than if they went to court. In an arbitration, the employer and union each have a representative, who is often but not always a lawyer. Their respective representatives introduce evidence, call witnesses to testify, and often write briefs in which they make their final arguments after the hearing has concluded. An arbitrator, or panel of arbitrators, presides over the hearing and considers all the evidence. Arbitrators are independent third-parties selected and hired by the union and employer to resolve the grievance. The union and employer often split the cost of hiring an arbitrator, although sometimes the losing party is required to pay all the costs.

While imperfect, arbitration is an efficient way to resolve disagreements between unions and employers. And remember, if you think the employer is misinterpreting or misapplying your collective bargaining

agreement, talk to your union representative immediately so we can decide whether a grievance needs to be filed.

Employers Go Rogue: Lockouts Extend to Professional Musicians

By Amelia Woodward, Esq., PGO Field Representative

Union members utilize the threat of a strike to send a clear message to management when negotiations stall: Treat us fairly or production or service stops. But now that union members aren’t in a position to strike, either politically or financially, employers are taking advantage by putting pressure on to bust unions. Currently, this is being accomplished by locking out workers all over the country, from sugar processing factory workers in Minnesota to musicians in cities like Atlanta, St. Paul and Indianapolis. The financial strain a lockout puts on families is substantial.

The American Crystal Sugar workers have been locked out for over a year and have pleaded with management to resume bargaining and let them go back to work, but management is not interested. It is obvious to union members at American Crystal Sugar that management is working to bust the union, and points to the company’s placement of ads for replacement workers a full year before the lockout began as evidence of this. The company is demanding that employees give up seniority rights and cut their healthcare coverage. **The lockout has spurred the AFL CIO to announce a boycott of American Crystal Sugar products which includes Target private selection brand sugar.**

Musicians in symphonies all over the country are being locked out because management of the non-profit orchestras are asking for huge, unnecessary wage concessions. The locked out musicians in the Minnesota Orchestra are being asked to accept a 33 percent wage reduction. Musicians in Atlanta accepted a 30 percent reduction to end their month-long lockout. Indianapolis Symphony Orchestra musicians are returning to the stage after a month-long lockout and an agreement to also accept a 32 percent decrease to their wages.

The increased use of managements’ heartless tactics makes it clear the labor movement needs more unity, like that evidenced by the organized labor during the Chicago Teachers’ strike. Until we start leveraging our power and exercising solidarity, we will continue to lose these battles. **HELP LOCKED-OUT WORKERS: DO NOT BUY THEIR EMPLOYERS’ PRODUCTS OR USE THEIR SERVICES!**