

The Professionals Guild of Ohio



PGO UNION NEWS

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P.O. Box 7139
Columbus, Ohio 43205

Questions or comments can
be directed to the Executive
Director.

E-Mail:

cmason@professionalsguild.org

Website:

www.professionalsguild.org

Like us on Facebook

Phone:

**614-258-4401 or
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Fax:

614-258-4465

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The Affordable Care Act After One Year

*By Nicole D. Jackson, Esq.,
PGO Field Representative*

The next Open Enrollment for the Affordable Care Act (“ACA,” also referred to as “Obamacare”) will begin on November 15, 2014. According to new findings released by the Center for Disease Control and Prevention, the number of Americans without health insurance has dropped significantly this year: 13 percent of Americans remain uninsured, compared with 16 percent in 2010. The federal government has predicted that as a result of the ACA, the number of uninsured would drop from 45 million in 2012 to 23 million by 2023.

Many experts are reporting that the ACA is bringing greater scrutiny and accountability to health insurance premium increases, resulting in savings for consumers. Before the Affordable Care Act, annual premium increases were often in the double digits. Now, the law requires insurance companies in every state to publicly justify any rate increase of 10 percent or more. Health and Human Services Secretary Sylvia M. Burwell released a new report showing that in 2013 alone, consumers benefitted from \$1 billion in savings from lower than originally requested health insurance rates.

On the other hand, reports on the effects of the ACA have not been all positive. There have been reports of a “family glitch” in the Act’s provisions. This so-called “family glitch” occurs when an individual is offered health insurance through their employer but the plan is not extended to the rest of their family. Based on the IRS’ interpretation of the law, the other immediate family members that are not offered health insurance through their family member’s employer, is also not eligible to receive subsidies for insurance through the ACA marketplace exchange, even if their income is below the federal poverty level.

Under the ACA, Americans below 138 percent of the poverty line are eligible for Medicaid coverage, and anyone up to 400 percent of the poverty level can also receive subsidies to help pay for insurance purchased through the health exchange. However, this provision does not apply to families that have been offered employer-sponsored insurance (ESI), even if it is only offered to the individual employee.

There are four key dates to remember regarding the ACA:

- **November 15, 2014** - Open Enrollment begins. Apply for, keep, or change coverage.

- **December 15, 2014** - Enroll by the 15th if new coverage that will begin on January 1, 2015 is wanted. If a plan is changing or being switched, enroll by the 15th to avoid a lapse in coverage.
- **December 31, 2014** - Coverage ends for 2014 plans. Coverage for 2015 plans can start as soon as January 1st.
- **February 15, 2015** - This is the last day to apply for 2015 coverage before the end of Open Enrollment.

For more information regarding enrollment in the Affordable Care Act, visit www.healthcare.gov.

Increases in Premiums Stay Low, Deductibles Skyrocket

By Paul Henry, PGO Field Representative

Even though it may come as no surprise, a new study by the Kaiser family foundation affirms that you are paying more out of your pocket to be covered by your employer's health insurance. For this study, a survey was conducted on 2,000 employers. This past year alone, health insurance costs rose about 3 percent. The average cost of an employer-sponsored family health plan reached \$16,384 while the average cost to the employee was around \$4,823 of that amount. This increase in the cost of the health insurance premiums is relatively consistent with the inflation rate. One would suspect that this would only lead to a modest increase to the cost of healthcare for employees. That has not been the case.



"... And of course, our health care plan."



"New hires will pay 20 percent more for their health care. Old hires will be fired."

High Deductible Health Plans (HDHP's) have become the new normal in the workplace. Premiums for the employer healthcare plans have grown approximately 26 percent in the past five years. The deductible amounts have skyrocketed a stunning 47 percent over the same time period. Back in 2009, the average deductible amount was about \$800. In 2014, employees are now facing an average deductible of \$1,217. This is the amount employees must pay for care before their insurance kicks in. These plans are beneficial for the employer as it decreases the amount they need to contribute to the health insurance premiums. That being said, it is incredibly detrimental to employees who are required to pay upwards of \$1,000 before being able to utilize their insurance. How many people have that type of money to spend in an emergency situation?

HDHP's are here to stay for the foreseeable future. They allow employers to keep down health insurance costs by shifting the monetary burden to their employees. This has not just been a trend in the private sector. Public sector employers, such as Montgomery County Children Services, have shifted as many employees as it can to HDHP's.

For a detailed analysis of the Montgomery County plan, you can review the increase in the deductibles, the increased premium amounts, and the changes made to coverage over the years. We would urge all Montgomery County Children Services employees to go to professionalsguildblog.wordpress.com and let us know your thoughts and feelings on our Questions and Concerns page. We look forward to reading your comments.

As Unions Decline, Inequality Rises

By Paul Henry, PGO Field Representative

Wage and income inequality took a dive after the Great Depression and FDR's New Deal. Nowadays, it is back on the climb. Since the late 1970's unionization rates have plummeted, and not surprisingly, so has wage equality.

The National Labor Relations Act was passed in 1935. This legislation provided much needed protections to workers and encouraged them to unionize. For the next three decades, the wealth of the richest Americans fell by one-third. This money found its way into the pockets of workers who were able to go to the bargaining table and fight for better wages and working conditions. Labor unions provided a check on the power of executives and bosses. With a voice at the bargaining table, workers were able to share in the prosperity of the post WWII era.

Following the thirty years of prosperity for the American worker, have been thirty years of labor law reform. From the Reagan administration's busting of the PATCO union, to trade agreements made with Mexico and China, labor's strength at the bargaining table has been greatly diminished. In order to determine the effect this has on the everyday worker, one only has to take a lesson from history. Wage inequality has now risen to the same levels it was in the 1920's. Ten percent of the wealthiest people receive over 50 percent of the income paid to workers. Without a strong voice at the bargaining table, the workers suffer.



"If I give 110 percent, will I get a 110 percent raise?"

Workers' Pay Not Increased During Gains in Productivity

By Nicole Jackson, Esq., PGO Field Representative

According to recent data released by the economic-policy research group Policy Matters Ohio, Ohio's productivity grew by 67 percent between 1979 and 2013; however, median hourly wages for workers fell by 1.1 percent when adjusted for inflation. The data shows that even though productivity in Ohio had grown, employers are not sharing profits from productivity improvements with workers.

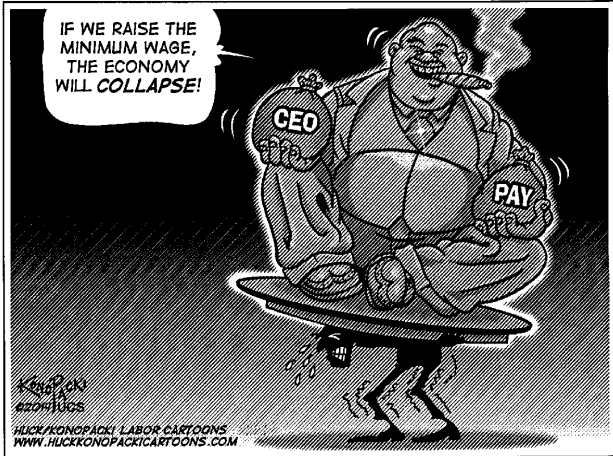
Even more alarming is the fact that in 2013, Ohio's inflation-adjusted median wage was \$15.81, compared to \$17.11 and \$17.12 experienced in 1999 and 1979, respectively. Ohio's median wage is now nearly 90 cents less per hour than that of the median American worker, the Policy Matters Ohio report said. According to reports from Ohio economists, the productivity improvements can be attributed to new technology, which unfortunately requires fewer workers, who are, in fact, being paid less.

PGO Council 17 Settles Contract

The Union and the Clark County Board of Developmental Disabilities ratified a tentative agreement for a three-year contract. No general increase in year one; however, if any other union or non-bargaining unit employee receives wage increases, PGO bargaining unit members will receive the same increases. There will be wage re-openers in year two and year three provided a levy is passed. Council president **Frank Raynor**, vice president **Pam King**, and PGO Field Representative **Nicole Jackson** served on the Union bargaining committee for these negotiations.



"Explain to me again how low wages equals more jobs."



Minimum Wage

By Nicole Jackson, Esq., PGO Field Representative

There has been much debate in the past year regarding raising the federal minimum wage from its current \$7.25 an hour to \$10.10. President Barack Obama recently urged raising the federal minimum wage in his weekly address. On the other hand, republicans in congress have been very vocal about their opposition to raising the federal minimum wage, often citing a negative impact it could have on employment and the economy. During a debate in Worthington, Ohio, Pat Tiberi (R) who represents Ohio's 12th district was asked his opinion on raising the federal minimum wage and among his responses was "I don't want a \$20 hamburger." Members of the U.S. Congress make around \$174,000 annually.

According to President Obama's weekly address on October 11, 2014, "raising the federal minimum wage to ten dollars and ten cents an hour, or ten-ten, would benefit 28 million American workers. 28 million. And these aren't just high schoolers on their first job. The average worker who would benefit is 35 years old. Most low-wage workers are women."

"Ask yourself, could you live on \$14, 500 a year? That's what someone working full-time on the minimum wage makes. If they're raising kids, that's below the poverty line, and that's not right. A hard day's work deserves a fair day's pay," said President Obama.

Many opponents of raising the minimum wage often argue that minimum wage jobs are intended for highschoolers and people with a high school diploma or GED. However, that is not the reality in this

economy anymore. Over 70 percent of all fast-food workers have at least a high school degree and more than 30 percent have had some college education according to the study conducted by the Center for Economic Policy and Research. In addition, many factory jobs in manufacturing are now being shipped overseas by businesses. The days when the head of household had a factory jobs are few and far in-between. The downsizing of manufacturing jobs in the U.S. has forced many people with college degrees to work in low paying service jobs to make ends meet.

Back in September a series of protest took place in 150 cities to demand higher wages. The Center for Economic Policy and Research did a study and found that only 30 percent of low-wage fast food workers are teenagers. One study found that fast-food CEOs are making 1,200 times the average worker's pay.

Raising the federal minimum wage is a good thing. It sets the bar higher for those at higher wages to make more. We can only hope that the republicans in congress will compromise on this issue and allow a bill to pass. Last February, acting without congress, President Obama issued an executive order raising the minimum wage for workers of federal contractors from \$7.25 to \$10.10.

Put a Stop to the Lies

Many of us have at least one Fox News-watching co-worker (or neighbor, or relative) who's always parroting talking points: "Unions killed Detroit," "Unions are a drag on the economy." **Bust those myths, and others, with well-researched answers** provided by Media Matters at bit.ly/UnionMyths101. The group has also launched a Mythopedia (mythopedia.mediamatters.org), where you can easily look up and fact-check your opponent's sketchy sound-bites. (Source: Labor Notes, May, 2014)

