

The Professionals Guild of Ohio



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Politicians Seek to Punish the Jobless

By Paul Henry,

PGO Field Representative

The Ohio legislature is seeking to overhaul the unemployment compensation system of the state. Politicians cite their concerns about an outstanding debt of \$775 million to the federal government and the great debate is who should bear the burden. The Republican led majority has introduced House Bill 394 which, if passed, would drastically cut jobless benefits for the unemployed.

Workers would be entitled to fewer weeks of unemployment compensation under this bill. During the height of the Great Recession, the federal government expanded unemployment benefits up to 99 weeks. Currently, workers losing their jobs are entitled to 26 weeks of unemployment compensation. This bill would limit unemployment benefits to just 12 to 20 weeks depending on the unemployment rate. If this bill were passed today, someone applying for unemployment benefits would only be entitled to 12 weeks of compensation.

Workers who left employment due to the use of drugs or alcohol and unemployed job seekers who work in a field where drug tests normally take place would both be required to submit to drug testing. This part of the proposed bill has drawn the ire of such groups as the Americans Civil Liberties Union (ACLU). The ACLU released a statement criticizing the bill saying "HB 394

gives people zero opportunity to appeal positive drug tests. It also does not allow future tests if someone successfully completes treatment for drug addiction."

Workers will also no longer be able to receive additional compensation for having dependents. Current Ohio law allows unemployed workers to receive additional money if they had higher wages or dependents to care for. The proposed bill would eliminate these increases, discontinuing needed supplemental income to parents and guardians who have fallen on difficult times and lost their jobs.

Clearly, this bill is designed to strip away the protections the middle-class worker relies on. Those who need the additional help are being forced to shoulder this burden. Ironically, while the workers' benefits are cut, employers' tax contributions to the fund would be reduced by \$313 million a year by this law. Ohio AFL-CIO president Tim Burga said it best when he stated, "[h]istorically, changes to the unemployment compensation system have been a joint venture between labor and business. This bill does not represent any concession from employers, and it is clear that working people are the sacrificial lambs in this misguided attempt at solvency."



**"All that
harms LABOR
is treason to
AMERICA."**

- Abraham Lincoln



©UCS, 2010
 "You're improving, but your health insurance is wasting away."

The ACA Cadillac Tax

By Paul Henry, PGO Field Representative

One of the more controversial provisions of the Affordable Care Act is the “Cadillac Tax.” Though its implementation has been delayed, this tax will take effect January 1, 2018. The tax will be incurred if employee health benefits rise above a certain level (\$10,200 for individual coverage and \$27,500 for family coverage). The marginal tax rate is 40 percent and it will increase every year with the cost of living.

But why is there a Cadillac Tax? The name itself was meant to evoke images of lavish health insurance plans given to high level managers and executives. However, the truth is that most of the plans that would fall into the category of the Cadillac Tax are the low deductible plans that used to be the standard in union contracts. It is estimated that in 2018, when this tax is scheduled to be implemented, 48 percent of all large-employer plans will fall into the Cadillac Tax category.

Employers will have to pay the additional taxes for the health plans levied by the Cadillac Tax. Under these circumstances, even the most generous employers will have problems funding healthcare plans for their employees if they do not begin to acknowledge the dollar limits which have been set by the ACA. A calculation performed by a group of municipal employees in the state of Washington revealed that their employer would be required to pay an additional \$76 million in taxes to continue existing healthcare plans. This is just the excuse employers have been looking for to justify their greedy desire to slash health insurance benefits and move to-

ward high deductible health plans as they fall under the dollar limits set as the baseline for the Cadillac Tax.

If this provision of the ACA remains the law of the land, we can expect health plan deductibles to continue to rise and benefits to fall. The expressed desire to keep healthcare plans “affordable” has turned into shifting a disproportionate high cost to employees and keeping them affordable only for employers. Employees who are being required to take these bare-bone high deductible plans end up one medical emergency away from bankruptcy. Though the goal of the Cadillac Tax may have been a noble one, the shifting of healthcare costs to employees will not help the American worker or the middle class.

Workers Strike Back At Wal-Mart

By Paul Henry, PGO Field Representative

Wal-Mart has become famous for its anti-union animus. This has drawn the ire of American workers who are working hard to get ahead. The “super store” has been known to close its stores that try to unionize. Recently, 2,200 workers were laid-off due to “plumbing issues.” It just so happened that these plumbing issues were in one of the original stores that began the OUR Wal-Mart movement, which has had some success in uniting workers to fight against the Wal-Mart power structure.

These workers have not given up despite losing their jobs. The workers at the Pico Riviera Wal-Mart have stated that the closure of these locations are retaliatory in nature and have only been done because



"Spare change?"



“Who’s got the convertible with the top that won’t go up?”

workers have begun standing up for their rights. The United Food and Commercial Workers, the union backing OUR Wal-Mart, has filed charges with the National Labor Relations Board claiming that the termination of the employees at the store constituted an unfair labor practice.

It is sadly frustrating that after so many years of bad publicity, Wal-Mart continues to trample on its workers’ rights. Hopefully the NLRB will be able to force Wal-Mart to respect its workers’ rights and comply with both the letter and the spirit of the law. Having wealth does not give Wal-Mart the right to disrespect the workers that have helped build the company. The Unfair Labor Practice Charge is still pending.

IKEA Workers Strike for Recognition

By Paul Henry, PGO Field Representative

IKEA, the well known Swedish furniture company, has touted its stance on social responsibility and respect for its workers in Europe. In fact, most of its European stores are overwhelmingly unionized. Ironically, the retailer’s progressive view towards workers seems to be stuck on the other side of the Atlantic. IKEA workers in Stoughton, Massachusetts are facing an employer that has quickly adopted the American view of labor relations: corporate profits over workers’ rights. Management at this store has gone as far as distributing anti-union propaganda to its workers and threatening their jobs if concerted union activity is suspected. In spite of

these threats, a group of workers has decided that a job without dignity is not a job worth having.

The workers at the Stoughton store, who have affiliated with the UFCW, are seeking to organize a union of the 32 people working in IKEA’s “Goods Flow In” department where workers receive shipments and stock the store. The proposed bargaining unit delivered a petition, signed by 75 percent of the department, demanding union recognition. Despite the overwhelming support from the workers, IKEA has refused to recognize the union.

This failure to recognize the union led the workers to go on strike for recognition from their employer. “I’m fighting for my rights,” said striker Veronica Cabral, a 36-year-old single mother and immigrant from Cape Verde. “I want better for me, my family, and my co-workers.”

Despite the showing of solidarity by the workers in the Goods Flow In department, management continued to refuse to recognize the union. The workers have promised that if they must have an election, they will vote for union representation so they will no longer be ignored.

2015 Cost of Living

Every year, the Bureau of Labor Statistics tracks the Consumer Price Index (CPI). The CPI also reflects the rate at which inflation is occurring. Monthly reports are released and at the end of the year, the Bureau provides the average rate at which inflation occurred. According to the BLS, there was no increase in the CPI for 2015. Do you feel richer?



“Meet Sims, a vital part of our organization—he’s the one responsible for everything that goes wrong.”



"Once upon a time, an employer who wanted to have the best workers in the land offered fully paid health insurance and a guaranteed-benefits pension plan."

The Gilded Age for Auto Workers

By Paul Henry, PGO Field Representative

Mark Twain coined the phrase "The Gilded Age" in the late 19th century as a way to describe an era of serious social issues that were ignored and glossed over by society. Twain's statement was never meant to be a compliment, and unfortunately it can still be utilized today when talking about the plight of the American worker.

After the auto industry was bailed out, business started booming. The "Big Three" American auto companies began turning a profit. The United Auto Workers members who took substantial concessions when their employers appeared to be going under had hoped they would be lifted up as well when the industry rebounded. Recently negotiated UAW contracts initially appeared to do that by ending the two-tier wage schedules. Now, it seemed, new employees finally had the same opportunity their parents had to make a living wage. Regrettably, this may not be the case.

When one looks at the opportunity for higher wages, it is easy to ignore the other details. An examination of the new contracts compared to the contracts before the recession, reveals that the new workers are entering their own "Gilded Age." The UAW has given up on some of the benefits that made UAW contracts the gold standard for the American worker. Pensions, automatic cost of living wage increases, and overtime pay after eight hours in a day have all disappeared. These benefits were given up in 2007, at the same time the two-tier con-

tracts were implemented. Now that the new contracts provide a roadmap for workers to end the two-tier wages, these other prior benefits are nowhere to be found.

From July 2009 to September 2015, Ford made \$48.4 billion in profit. Not equitably sharing these huge profits has led to resentment by many workers. Tino Scalici, a worker from Ford's Kansas City plant, stated "They are looking at how much Ford is making, how much they're paying the CEO. We did what we had to do to bring Ford out of its darkest hour and this is how we're repaid, when the company is bursting at the seams with cash."

Despite the dissatisfaction among the workers, they voted to accept contracts with the Big Three. Many now fear that the concessions the workers gave to save these companies during bad times will become the new normal in a time of plenty. Unfortunately, this is not a unique trend. During the Great Recession of 2008, many workers made concessions to keep their jobs. Eight years later, employers are coming to the bargaining table acting as if the workers should still be happy just to have jobs. This situation will not change until a majority of workers stand together and declare that it is the employers that need to express their appreciation just because they have the greatest workers in the world!

2016 IRS Mileage Rate

Effective January 1, 2016, the standard IRS mileage rate for business miles driven is 54 cents per mile. The business expense rate decreased three and one-half cents from the 2015 rate.



"Explain to me again why enjoying life when I retire is more important than enjoying life now."