



# UE Tentative Agreement with GE

## Sunday, June 21, 2015

### Recommended by UE-GE Conference Board

**Four-Year Contract Term: June 22, 2015 to June 23, 2019**

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#### **Wages**

*Approximately \$15,500 in additional compensation during four-year term of contract*

**Three Lump Sums** (company is calling these “Accelerated Cash Payments.”)

- \$8,000 in cash payments payable to eligible employees on active payroll. Payment schedule is as follows:

Lump Sum	Dates
\$3,500	<ul style="list-style-type: none"><li>• First installment of \$1,500 will be paid in July 2015 after ratification</li><li>• Second installment of \$2,000 in January 2016</li></ul>
\$2,250	January 2018
\$2,250	January 2019

Lump sums are also payable to those who return from layoff, from illness absence or other approved leave, by specified dates in the contract. Second installment of first lump sum is payable to those members employed by the Company on both the June 2015 and January 2016 eligibility dates.

- Lump sums increase both Pension credits and RSP company contributions:
  - + Adds at least **\$280 in Company Contributions** for those maximizing the Company Match
  - + For those eligible for the Company Retirement Contribution (CRC), adds \$240 in Company Contributions
  - + For those in the GE Pension Plan, boosts annual lifetime pension benefit paid at retirement under both Guaranteed Pension table and Regular Benefit formula



### **Ratification Bonus**

- **\$2,000 bonus** is payable upon national contract ratification, as soon as practicable after July 3, 2015

### **One general wage increase and four fixed Cost-of-Living Adjustments (COLAs)**

June 27, 2016	20¢/hour	Fixed COLA
January 23, 2017	60¢/hour	General increase
June 26, 2017	20¢/hour	Fixed COLA
June 25, 2018	20¢/hour	Fixed COLA
April 22, 2019	20¢/hour	Fixed COLA
<b>Total</b>	<b>\$1.40</b>	

- Fixed COLAs guarantee wage increases in times of deflation or low inflation. Existing COLA language in contract is preserved.

### **GE Pension Plan**

#### **Guaranteed Pension Table improved**

- Guaranteed Pension table increases at all pay levels by \$1, with the top level going up even more, from \$80 to \$85, an increase of 6.25% effective July 1, 2015.
- Increase in Guaranteed Pension table delivers an immediate boost for many employees.

#### **Regular Pension update adds to pensions for many long-service employees**

- Union members qualifying for update receive average increase of \$5,309 a year (15.9%).
  - Based on best consecutive three-year average earnings out of last six years from 2009 through 2014.
- All straight-time and overtime earnings included in update calculations.

#### **Regular Pension Formula improved**

- Breakpoint fixed at \$50,000 for term of contract.
- Keeps more pay at high end of formula.



### **Required Pension contributions reduced**

- Starting in 2016, 3% Personal Pension Account (PPA) contribution begins at \$100,000 (up from \$80,000 currently). Increases annual take-home pay **up to \$600 per year**

### **Early retirement supplements renewed and increased**

- Expands payment period for both supplements to “bridge” retirees to age when they are eligible to collect Social Security benefits at 80% level.
- Regular Supplement increased to \$21 per month per year of service (from \$20) and Special Supplement renewed and increased to \$425 per month from \$400.
- Effective for retirements on or after July 1, 2015 and on or before July 1, 2019.

### **Disability Pension Supplements**

- Monthly supplement increased to \$100 (up from \$75); applied to Guaranteed Pension in addition to Regular Pension.
- Increase Disability Pension Supplement, payable if you are denied Social Security Disability Insurance benefits. Receive the greater of:
  - \$150 per month (from \$125); and
  - \$8 a month (up from \$6) for each year of PQS up to 25 years.
- Effective for participants entitled to Disability Pension who terminate employment by reason of permanent disability on or after June 1, 2015.

### **GE Letter Guarantees No Freeze to Pension Through 2023**

- GE has provided a side letter to address concerns about the future of the GE Pension Plan.
  - + Upon ratification of the National Contract agreements by both the UE, the company agrees that it will not make any proposals in 2019 negotiations that would “freeze” either the Regular or Guaranteed pension benefits for the next contract period, UE-represented participants.

### **GE Retirement Savings Plan (RSP)**

- Automatic enrollment beginning January 1, 2016 for union employees who have not elected to participate and who are eligible for Company Retirement Contributions (CRCs)
  - Enrolled at 2% of pay as pre-tax employee contributions
  - Advance notice with information about opting out will be provided to all affected employees



- A one-time \$300 Additional Company Retirement Contribution (ACRC) will be paid in January 2016 to members' account for employees who were hired after January 1, 2012.
- Effective October 1, 2015, participants can make partial loan pre-payments for any outstanding loans on their account.
- Applies to 36 people in Local 506.

## **VRIP (Voluntary Retirement Incentive Program)**

### **Two VRIP opportunities for 1,000 GE employees nationwide**

- Two VRIPs available for hourly and nonexempt employees age 60 or older with at least 10 years of continuous service.
- The first VRIP will be available to 500 eligible employees nationwide who voluntarily terminate employment on February 29, 2016. The second VRIP will be available to 500 eligible employees nationwide on February 28, 2018.
- VRIP participants receive cash payment equal to 75% of annual pay (approximately 39 weeks of pay) and can elect to retire with applicable retiree health and life insurance benefits.
- Priority selection based upon highest Pension Benefit Service (PBS) among applying GE employees nationwide.

## **Job and Income Security**

### **SERO job-loss protection benefit renewed through the term of the contract**

- Protects employees age 55-59 with at least 25 years Pension Qualification Service (PQS) who are affected by a permanent job-loss event.

### **SERO 30 protection renewed through the term of the contract**

- Protects UE members under age 55 with at least 30 years of PQS who are directly impacted by a permanent job-loss event that results in a layoff or a pay rate reduction of 18% or more in a 12-month period.

### **Plant Closing Pension Option (PCPO) protection renewed through the term of the contract**

- Protects eligible UE members affected by plant closings, including those under age 50 with at least 30 years of PQS.



**Employees eligible for PCPO and direct impact SERO and SERO 30 receive:**

- Immediate unreduced pension with all negotiated pension improvements;
- Enhanced Regular and Special Supplements; and
- Other benefits available to similarly situated retirees, including life insurance and company-subsidized pre-65 health and dental coverage.

**Special Supplement Benefit Option (SSBO)**

- SSBO renewed for employees who are age 59 or younger who do not elect to take a SERO or PCPO and are affected by a permanent job-loss event on or after June 30, 2015, and on or before July 1, 2019.
- Benefit increased to \$425 per month, from \$400.

**Job Security Improvements**

- A Transfer of Work not completed within 18 months after the announced date of the transfer authorizes the Union to request a new 30-day decision bargaining about completing the remaining work more cost-effectively than at the other location(s).
- The Job Preservation and Growth Committee will meet annually to discuss insourcing opportunities at sites with more than 25 employees for subcontracted jobs.
- New Subcontracting Notice provision requires the company to give 14 days' notice to UE prior to sub-contracting or farm-out of production work even though there is no job loss. The Union can request a 14-day bargaining period in which local officers/stewards can make the case to keep the work in-house.
- The National Union, Local Union leaders, and GE Corporate representatives will hold an annual meeting to discuss the state of the business at each site.
- Employees affected by a plant closing shall have the right to have their plant closing date advanced in order to assume Preferential Placement and accept placement if their original plant closing date has been exceeded by 12 months.

**Preferential Placement**

- Employees may designate up to 12 locations (up from 10) where they want to work.
- Relocation assistance boosted to \$4,500 from \$4,000 for single employees and to \$9,000 from \$8,000 for employees with dependents.



- Reimbursement expenses for interviews increased to \$300 from \$275 per interview.
- Reduce the Preferential Placement waiting period while on layoff from six months to three months.

### **Income Extension Aid improved**

- Increase the minimum benefit from two weeks of pay to four weeks of pay for employees with between six months and one year of continuous service.
- Increase the maximum weekly payment percentage to 90% from 75% for announced permanent lack of work events. (does not increase total IEA benefit)

## **Health Care**

*Except where noted, all changes effective January 1, 2016*

### **No payroll contribution increases in 2016, increases beginning in 2017**

- No increase in payroll contributions in 2016.
- An employee earning \$62,500 and enrolled in Health Benefits Option 1 family coverage will pay an additional \$8.28 per week in 2017, an additional \$9.32 per week in 2018 and an additional \$10.48 per week in 2019.
- An employee earning \$87,500 and enrolled in Health Benefits Option 1 family coverage will pay an additional \$10.36 per week in 2017, an additional \$11.66 per week in 2018, and an additional \$10.48 in 2019.

### **No increases to deductible or co-insurance maximum**

- Deductibles and co-insurance maximums do not increase over the four-year contract.

### **Simplified process for medical savings accounts**

- Two new features:
  - **GE Pharmacy Card:** Replaces CVS Caremark card and WageWorks card, which can be used to pay for prescriptions at retail and mail-order pharmacies.
  - **Auto-Reimbursement:** Automatically sends from appropriate medical savings account funds (HRA, FSA, HSA) to the employee – by check or direct deposit – after the claim is processed; employees then pays the doctor directly.
    - No additional action is needed: no computer, receipts or verification.



- **UE and GE Review of New Health Care Claims Processing:** GE and UE will meet mid-year in 2016 to review new system and to make necessary changes if the system does not work properly.

### **Expanded medical coverage**

- Ambulance services (including air ambulance) **covered at 100%**, not subject to deductible (Option 1 & 2).
- **No deductible or out-of-pocket maximum increases** in the middle of the calendar year when adding a dependent child (birth, adoption, step-child) to medical plan. Deductibles, out-of-pocket maximums and HRA credits will not change until the next plan year.

### **Pharmacy changes**

- **No co-pay increases** for targeted drugs: \$12 for a 30-day supply, \$24 for a 90-day, mail-order supply – not subject to deductible (Option 1 & 2 only).
- Certain cholesterol medications added to targeted drug list with co-pays; not subject to the deductible (Option 1 & 2 only).
- Increase in charges for specialty drugs -- \$90 for 30-day supply and \$270 for 90-day supply.

### **Dental benefits improvements**

- Like the medical plan, **dependent children** can remain on both GE dental plans **up to age 26**.
- **Schedule of Dental Benefits Improved** for GE's Dental Schedule Option to reflect increases since last update, effective January 1, 2017.
- GE's Dental Premium Option will **cover fillings at 100%** of reasonable, necessary and customary charges; payment amounts subject to the \$2,500 annual maximum.
- Both dental plans eliminate the "missing tooth exclusion" (pre-existing condition) adding services for restorative treatment for dental issues which occurred prior to enrollment in GE Dental Plan.

### **Vision plan enhancements**

- GE's Vision Standard Option will provide **eye examinations every year** for employees and covered adult dependents.
- Improvements to GE's Vision Standard Option benefits:
  - Reduces co-pay for **Standard Progressive lenses** (\$65 to \$50);



- Reduces co-pay for **Ultra Progressive lenses** (\$195 to \$140);
- Eliminates co-pay for **Polycarbonate lenses**; and
- Eliminate co-pays for **Edge Treatment and Tints**.
- GE's Vision Premium option benefits:
- Reduces co-pay for **Ultra Progressive lenses** (\$130 to \$75); and
- Eliminates co-pay for **Premium and Ultra-Anti Reflective coating**.

### **On-site health insurance advocate**

- At major locations (including Erie), the Company will provide an on-site health insurance specialist to act as an advocate for employees on insurance issues.

## **Post-65 Retiree Health Care and Retiree Life Insurance**

*For those hired before 1/1/08*

### **Post-65 Health Care – Preserve Benefit for Duration of Contract**

GE will offer access to **OneExchange** to help future eligible retirees purchase prescription drug and Medicare supplement plans.

- OneExchange is a private Medicare exchange run by Towers Watson.
- It is staffed by licensed, non-commissioned benefit experts who help retirees understand, select, and enroll in an individual Medicare supplement plan.
- Access to OneExchange will be free for all retirees.

For those who retire by age 60 or later with at least 10 years of service (PCPO or SERO) by June 23, 2019, GE will provide financial assistance to purchase these plans:

- **GE will credit \$1,000 annually to a Retiree Reimbursement Account (RRA):** Helps pay for the cost for new plan premiums and other eligible medical expenses. Unused amounts can carry over from year to year. Eligible spouses and same-sex domestic partners also receive \$1,000 annually.
- **GE Pharmacy Assistance Fund** covers catastrophic prescription costs as defined by the government at no cost to eligible retirees.

### **Retiree Life Insurance – Preserves for Life of Contract**

- Employees who retire between January 1, 2016 and June 23, 2019 will be eligible for their current Company-provided life insurance in retirement up to \$15,000 maximum.





## **Disability Benefits**

### **Short-Term Disability benefit enhancements**

- Maximum weekly short-term disability benefits will increase from \$800 to \$850 for disabilities beginning on or after January 1, 2016.
- For disabilities beginning on or after January 1, 2018, the maximum weekly benefit will increase from \$850 to \$900.
- Minimum weekly short-term disability benefits will increase from \$350 to \$375 for disabilities beginning on or after January 1, 2016, not to exceed your normal rate of pay.

### **Long-Term Disability Income enhancements**

- The monthly benefit minimum for hourly employees will increase from \$250 to \$350 (effective for disabilities beginning on or after January 1, 2016).

### **Salary Continuation Program improved**

- The maximum weekly benefit for extended illness payments for non-exempt employees, equal to 60% of pay, will increase from \$800 to \$850 for disabilities beginning on or after January 1, 2016 and to \$900 per week for disabilities beginning on or after January 1, 2018. Eligible employees may receive these payments, or 50% of pay, for up to 26 weeks, or any benefit required by applicable state disability law — whichever is greater.
- Starting January 1, 2016, the new minimum weekly short-term disability benefit will be \$375 a week, not to exceed your normal rate of pay.

## **Sick & Personal Pay**

### **Sick & Personal Pay enhancements**

- Under the Sick & Personal Pay Program, the number of hours an employee receives for each calendar year is based on an employee's length of service. When an employee reaches service year anniversaries 1, 15 and 25, they will now have available the incremental hours of sick and personal pay beginning January 1 of their anniversary year.

## **Other Benefit Improvements**

### **Dependent Life Insurance eligibility extended to age 26**



- Dependent children enrolled in the Dependent Life Insurance plan will remain covered under the plan until the last day of the month in which the dependent child turns age 26 (effective January 1, 2016).

### **Enhanced pay for military service**

- Employees who attend annual encampments or training duty in the Armed Forces who have at least 30 days of continuous GE service will now be eligible for up to 21 days of GE differential pay and service credits for the entire period.

### **Death-in-Family benefits**

- The provisions have been expanded to include legal guardian and grandchild for the full five days of bereavement leave.

### **Adoption Assistance**

- Benefit increased to \$10,000 per adoption (up from \$8,000).

### **Educational Loans**

- The limit will increase from \$6,000 to \$8,000 per student per year. The maximum outstanding loan balance will also increase from \$24,000 to \$32,000 for one student and from \$36,000 to \$48,000 for two or more students.

## **Service Shops**

### **Improvements for Service Shops**

- The daily allowance for meals will be increased to \$42 a day, followed by a second increase on June 22, 2017 to \$44 a day.
- The maximum allowance for job-related tools and equipment will be raised from \$325 to \$350; safety shoe and other personal protective equipment will increase to \$250 per year.

## **Company to Recommend Special Pensioner Increase**

- The Company will recommend to GE's Board of Directors a structural increase to the lifetime pension benefits for eligible retirees (but not former executives) beginning Dec. 1, 2015.
- This increase will go to those who retired on or before December 2005.



- Eligible participants and surviving spouses will be notified of the increase in November 2015.
- The largest increases will go to those who have been retired the longest.