

## USW 9231

ACTIVISTS AT

## Indiana Lobby Day



AND



### President's Report

By: Todd Kegley

How My Retiree Health Care Works

### V.E.B.A.

Understanding a VEBA and how ours was started and where it is today;

### Voluntary Employee

### Benefit Association

When the USW sought out a buyer for the former, ACME, LTV and Bethlehem plants as well as a few smaller mills from the former Luken's steel and Bayou steel, they were all bankrupt companies. These companies were formed into a new company called International Steel Group or ISG. The steelworkers worked with Wilbur Ross in drafting a streamlined contract favorable to Ross in his acquisition to revive these companies and preserve thousands of jobs in the industry. Inland, under the 1999 labor agreement, would eventually have to adopt this new contract pattern established by the ISG plants and U.S. Steel, which had also purchased the bankrupt National Steel. These bankruptcies meant pensions were frozen at the funding levels at the time of bankruptcy. For example, if your pension fund was at 60% and you were entitled to a \$1,000 per month pension prior to bankruptcy you would now get \$600 per month. Those already retired also lost their retiree health care due to the bankruptcy. Those employees at the bankrupt facilities joined the Steelworker Pension Trust Fund as their new pension plan and had to work an additional 5 years to be vested. This would mean they now

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# UNION MEETING SUMMARIES

By: Kim Rutkowski

Recording Secretary

## MINUTES OF MEETINGS

The Local Union Meeting was called to order at 4:15pm on 2/11/2016 by Todd Kegley.

### There was a roll call of officers

President - **Present**, Vice President - **Present**, Recording Secretary - **Present**, Financial Secretary- **Not Present**, Treasurer- **Present**

### The minutes of the last meeting were read

Motion to accept Passed

### The Recording Secretary read the following correspondence

A thank you note was read from the Bob Smith family.

**January Treasurer** report was read

Motion to accept Passed

### President's Report Out

The negotiating committee has been going to Pittsburgh for the last 29 weeks. We are in a different position

than US Steel and we are not going to settle. Healthcare is still the main issue.

ATI is back in negotiations. They are working on issues such as back pay, medical out of pocket expenses and getting SCABS out of the plant.

We have been working under an extension of our contract since September. The company is due to make a deposit of 25 million into VEBA tomorrow. It will be an unfair practice if they fail to do that. The company will be very profitable once this is over.

JAC Report-There will be a JAC meeting next week. Items to discuss:

- Hiring Freeze
- Electrical & Mechanical Craft Training
- Potential Retirees
- Team Building

### Women of Steel

Libbi presented Todd with a certificate of appreciation from District 7 Director for supporting the WOS by sending our local women to District 7 meetings and conferences that help strengthen our union.

### Old Business

The hall needs floor and ceiling repairs and painting. We received 4 quotes to hire the work out. With the amount of money spent due to negotiations, we can do some of these repairs ourselves.

### New Business

Executive Board made a motion to send up to 2 people at the President's discretion to the USW Press Association Conference June 20-24, 2016 and pay for lost time and expenses. Accepted by the Floor. Seconded by Paul Rausch. All in favor. No opposed. Motion was passed.

Executive Board made a motion to send up to 2 teams to the District 7 Spring Bowling Tournament on April 9, 2016. Accepted by the Floor. Seconded by Dean Dunning. All in favor. No opposed. Motion was passed

Executive Board made a motion to

set the 2016 WOS, Charitable Contribution, and Solidarity Budgets at \$5000 each. Accepted by the Floor. Seconded by John Markiewicz. All in favor. No opposed. Motion was passed.

Executive Board made a motion to pay for a bus rental, breakfast, and dinner for Lobby Day if there is a minimum of 20 people. Accepted by the Floor. Seconded by Bob Smith. All in favor. No opposed. Motion was passed.

Executive Board made a motion to spend up to \$500 for an annual retirement party in May each year following the usual Union Meeting. Accepted by the Floor. Seconded by Paul Rausch. All in favor. No opposed. Motion was passed.

Executive Board made a motion to adjourn the meeting. Accepted by the Floor. Seconded by John Markiewicz. All in favor. No opposed. Motion was passed

Meeting adjourned.

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*Prez* Continued from Page 1

will get two pension checks at retirement, one from their former employer and one from the SPT.

This all occurred around 2003, about the time we began negotiations for an economic re-opener from the 1999 contract. As negotiations continued past the deadline, the former ISPAT Inland company comprised of the former Inland Steel, Minorca Mines and I/N the parties recognized that we were not healthy either and our pension plans were dangerously underfunded below the 60% level. Fast forward a little to 2004 and the acquisition of ISG by ISPAT forming a new company called Mittal Steel. Part of the 2004 agreement, which wasn't approved until November of 2005, was the creation of a Voluntary Employee Benefit Association to assist all of those former ISG employees who lost their retiree health care costs. The VEBA was started to assist Medicare eligible retirees with some of the cost of the part B premiums. If you are retired and over 65 you must take Medicare coverage and it becomes primary while our insurance then be-

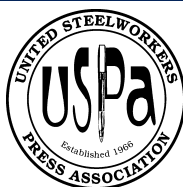
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220 South Harris  
PO Box 8  
New Carlisle, IN  
46552

Editor: Phil Pieniazek

President: Todd Kegley



Phone: 574-654-1210

E-mail: philip.pieniazek@arcelormittal.com

Look for us at <http://www.usw9231.com/>

comes secondary. Currently, Medicare part B premiums start at \$121 per month per person and go up based upon income levels. Part A is hospitalization coverage and has no cost if you are under Social Security or a Railroad Retirement and part B is the medical insurance part. Remember, without secondary coverage you are still responsible for the 20% of health care costs that Medicare does not cover. From the inception the company had to make quarterly contributions and over time the fund grew and we were able to expand the use of the fund to keep our retiree premiums low.

### How is my Retiree Health Care paid?

Prior to the establishment of the VEBA and the creation of the Retiree Health Care Agreement, the cost sharing was done on a percent basis. For the former Inland facilities, the premiums in 2000 were \$46.53 per dependent Pre-Medicare and \$10.74 for Medicare eligible retirees. Each year thereafter, the premiums would increase 10%. For us at I/N, our premiums were \$8 Pre-Medicare and \$4 for Medicare eligible retirees per month. In the 2005 negotiations the cost of healthcare continued to increase so a new approach was negotiated for premiums. The retiree health care cap system was initiated in 2006 and it established 2005 as the base year. Each year of the labor agreement the total cost of retiree health care was measured against the base year of 2005 and whatever percentage the overall costs were the same cost sharing was applied to the premiums. If the overall cost went up 20% the premiums went up 20%. By the end of the contract in 2008 those premiums were approaching \$120 and \$60 per month. For us at I/N we didn't have many retirees in 2004 so we were not impacted by the increase in premiums. We did agree to double our premiums to \$16/\$8 per month Pre-Medicare and Medicare eligible.

During the 2008 negotiations the parties began to realize the VEBA benefit trust fund was very healthy and we proposed using the VEBA trust fund to cover the "Over the CAP amounts" going forward and to freeze our premiums and lower the premiums at the oth-

er plants to \$70/\$35 per month and establish the ArcelorMittal USA Retiree Health Care Agreement. We did not join the agreement in 2008 because our premiums would have had to match those of the other members. A VEBA is a legal organization comprised of members who share the costs and benefits of the Trust Fund as determined by the Board of Directors. The company contributes about \$9300 per person towards retiree health care for pre-Medicare eligible retirees and about \$1,900 for Medicare eligible retirees. This amount has been frozen since 2008 with the VEBA picking up what would have been retiree premium increases. Then the retiree pays a monthly premium towards the remaining annual health care costs. Roughly speaking, there are about 3,500 Pre-Medicare and about 11,000 Medicare eligible currently

tors would have to approve that and that is not likely to happen if we want to maintain our current coverage. We now have over 170 retirees and can no longer be looked at as a rounding error like we were in 1996. This is a very confusing topic but I wanted to try and explain the VEBA and how it impacts us. The new contract will likely have a provision for new hires creating Personal Retirement Accounts where the company will contribute an amount per hour into an account that is part of your 401(k) that new hires will be able to use to cover the portion of retiree health care costs that are currently covered by the VEBA. I hope this has helped, but as always if you have questions about this topic or anything just send me an email.

I/N SOLIDARITY

Todd Kegley

**UNION MEETING  
SECOND THURSDAY  
OF  
EVERY MONTH  
4:15 PM**

drawing from the VEBA at a cost to the VEBA of about 132 million per year. The VEBA picks up about half of the overall costs above the cap amount that the company already contributes.

One of the biggest remaining issues in this round of negotiations is around the VEBA. The future funding of the Trust Fund and the corresponding monthly premiums are still on the table and important for all of our futures. We are not part of the Retiree Health Care Agreement but will likely be after these negotiations. I have been asked why we can't keep our premiums at \$16/\$8 and still have the VEBA pick up the difference. The reason is that we all share in the benefits of the plan design and the coverage but don't contribute the same the board of direc-



Sisters and Brothers,

We continue to meet every week, via conference call, with the International CAT Coordinator and coordinators from all the other AM locals. With slow progress on the actual negotiations, we continue to look down the road and make plans for activities and actions that will strengthen our resolve and solidarity. Now that the weather is improving, look for more rallies and gate actions to start up again. And please continue to wear your solidarity stickers, armbands, and union shirts throughout the mill. The Union has won two fights and contracts so far, and we will win this one with AM as well.

**"United We Stand, Divided We Beg"**

**"One Day Longer, One Day Stronger"**



Contributed by: Jim Pondo

## BEHAVIOR

Team member behavior is something that management likes to throw at me when there is an incident that could have been prevented if the team member involved had done their job per the work instruction. They argue that if we control team member behavior, our safety incident rate will be substantially less and equipment damage incidents would become nonexistent. Really? For thousands of years management has been trying to control worker behavior via various management systems. The perfect system does not exist or everyone would be doing it. Automation was supposed to be the ultimate solution by taking the human element out of the equation. Anyone familiar with the number of automation failures around here can testify on how that management system is working.

There has been a lot of study in academia about why workers do the things that they do in the workplace. Guess what their conclusion is? The management system determines the work culture by what it chooses to allow or not allow and work culture drives worker behavior. People do the things that they do because it made sense at the time that they did it and it is thought to be what was expected of them. People don't do things with the intention they may be severely injured as a result of their action.

When I/N was in its' infancy one of the first tasks of the new work (management) system was to develop "Mission" statements that would set the expectation of our work culture. Reading both the Tek and Kote mission statements there leaves very little doubt that the new work system focus is to be on customers, product quality and development of individuals to support quality and customer satisfaction. Safety as in

"your safety" as a team member is thrown in more as a "yea and a safe work environment too" after thought rather than having the focus to achieve the highest level of safety being part of our mission. Companies with recognized world class safety programs and sustained results to back it up their claim, all have things in common. One of which is a safety vision that is stated in their mission statement that is several paragraphs long. Then everyone throughout the organization is continually measured against that vision several times a year, all the way to the CEO!

Every time a team member takes a risk and does a task different than what is expected in the work instruction, team agreement or design that results in more or better product, it is reinforced by management, team and even the ASP. Our work culture encourages and rewards risk taking. The problem is when the results are not what the team member expected and results in a line stop, customer reject or injury. Management then wants to discuss the team member's behavior. Even though their push for increased production and quality encouraged the very risky behavior, they want corrected. Management is not going to tell you to do something blatantly unsafe. It's what they don't say when you put yourself at risk that has determined our culture.

I/N has a production culture consistent with its' mission. I'm not saying that is a bad thing. What I'm saying is that I/N work culture is not capable of producing the safety program management says it wants. Your behavior is a product of what is accepted and encouraged by management. Blaming the team for failure related to their behavior isn't right or fair.

I/N Management did not review this article's contents before distribution and may or may not agree with it.

In Solidarity

Jim Pondo

Safety Coordinator



Sisters and Brothers,

Our TPP postcard action is drawing to a close, as we get nearer to the Rapid Response action in DC in April. Please make sure that you have gotten your cards filled out and turned in. If you still have not gotten yours, please email John Milligan or me, so that we can get one to you right away. Also, please continue to make calls to your Senators and Representatives and let them know just how strongly you are opposed to this unfair trade deal.



The Lobby Day in Indy was focused a lot on these bad trade deals and the TPP, especially with Carrier announcing only days before we arrived that they were going stop making the central air units in the US, to move to Mexico. We used this deplorable action to highlight what still too many politicians don't get, these unfair trade laws are just allowing good paying American jobs to be shipped out of this Country, due to corporate greed. Carrier came right out and said that they are moving their operation to Mexico because the can pay the Mexican workers \$6 an hour instead of the \$20 an hour the American workers are making. Everybody knows they're not going to cut the cost of the units by two-thirds, so that money is ALL profit for the company. While the 1400 workers at the plant, the 300 support workers at the nearby warehouse, and the multitude of local businesses in the area are dealing with the fall out.

In Solidarity,

Rapid Response