

WHAT'S THE STATUS OF OUR RETIREMENT PLANS?

Retirement is on the minds of many workers at Seton Medical Center and Seton Coastside. There are many questions about how bankruptcy and KPC's proposed purchase of our hospital will affect our retirement plans.

Background

Longtime Seton workers have two retirement plans covering two different periods of time during their employment at our hospitals:

1. The Retirement Plan for Hospital Employees (RPHE). This is a defined-benefit pension plan that was capped and frozen by SEIU-UHW in April 2012. What does "capped and frozen" mean? After 2012, vested employees could no longer accumulate additional benefits under the plan. However, these employees are still entitled to receive all of the pension benefits they earned up to 2012. You can contact the RPHE office at (415) 352-1080.

2. 401(a) and 403(b) Plans. These are defined-contribution plans set up by Daughters of Charity and SEIU-UHW in 2012 as a substitute for the RPHE. From January 1, 2013 onward, all employees (including those vested in the RPHE) began accumulating retirement benefits in the 401(a)

and 403(b) plans. These plans are administered by Transamerica Retirement Solutions, which can be reached at (800) 755-5801.

For example, a benefited employee who started working in 1990 and retires in 2020 will receive retirement benefits from both plans: RPHE benefits for 1990 to 2012, and 401(a)/403(b) benefits for 2013 to 2020.

Has Verity's bankruptcy affected our retirement benefits?

As far as our 401(a) and 403(b) plans, the bankruptcy has had no effect. Verity has continued to make contributions to the plans, including matching contributions of \$0.35 for every dollar that employees contribute.

As far as the RPHE, bankruptcy has caused Verity to stop making regular contributions to the plan except for administrative expenses. Nonetheless, the RPHE is still required to pay us all of the pension benefits we've earned.

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continued from front

But if Verity stopped making regular contributions, doesn't that weaken the RPHE?

The RPHE is a multi-employer plan, meaning it covers staff not only at Verity hospitals but also at four Sutter Health and Dignity Health facilities. Under multi-employer pension plans, if one employer has difficulty making its payments, the other ones have to step in and fill the gap. Furthermore, the RPHE is backed by federal insurance. If the RPHE were to fail, then the government would step in to guarantee a portion of our pension benefits.

What does KPC propose to do with our retirement plans?

As far as our 401(a) and 403(b) plans, KPC has not said anything so far. On July 8, we will begin bargaining a contract with KPC. This week, our bargaining committee expects to receive KPC's proposals.

As far as the RPHE, KPC said in its bid to buy our hospitals that it doesn't want to take over responsibility for the RPHE from Verity. Instead, KPC wants Verity to hold onto that financial obligation.

The California Attorney General will weigh in on this issue when his office reviews the proposed deal between KPC and Verity. That's what happened in 2015, when Verity bought our hospitals from the Daughters of Charity. After hearing testimony from NUHW members and

other employees, the Attorney General required Verity to continue funding the RPHE.

Later this summer, the Attorney General will hold a hearing at our hospital to gather input from workers, patients, and community members. Based on this feedback and other information, the Attorney General can require KPC to continue funding the retirement plans.

How can I get involved?

Your elected bargaining committee and shop stewards are committed to fighting to maintain and strengthen our retirement options. Here's how you can help:

- **Attend bargaining sessions with KPC.** Even if you can only come for a short time during your lunch or after work, it's important to attend so you can learn what's happening and show your interest in maintaining and improving our benefits and work standards. Our first bargaining sessions are scheduled for July 8 and 9 at 9 A.M. at Seton.
- **Attend the Attorney General's hearing at our hospital and share your input.** It's important for the AG's staff to see and hear directly from NUHW members.
- **Stay connected.** Look for upcoming emails, leaflets, and other information about the status of our negotiations and KPC's proposal to take over Seton and Seton Coastside.