

Fact Sheet: Kaiser Permanente’s Discriminatory Approach to Retirement Benefits

Kaiser has implemented a contradictory and discriminatory approach to its workforce’s retirement benefits that requires Southern California mental health clinicians and professionals, as well as Northern California optical staff, to receive retirement benefits that are vastly inferior to the rest of Kaiser’s 121,091 unionized staff in California.

For nearly a decade, Kaiser has attempted to justify its approach by stating it would soon implement similar retirement changes for the rest of its unionized California workforce. Nine years later, however, Kaiser has failed to do so. Instead, Kaiser has renewed its defined-benefit pension plan for its remaining workforce in not just one, but two separate rounds of collective bargaining negotiations with nearly two dozen unions.

Kaiser has singled out its mental health therapists for reduced retirement benefits despite Kaiser’s difficulty in recruiting therapists to staff its clinics, which have been hit with multimillion dollar fines for understaffing problems and excessive appointment delays. Furthermore, Kaiser’s system of unequal benefits contradicts its stated support for mental health parity. Kaiser’s **mental health** therapists receive retirement benefits that are vastly inferior to those received by the 121,091 other Kaiser caregivers who provide **medical** care, including nurses, x-ray techs, housekeepers and telephone operators.

In yet another indication that Kaiser is singling out its mental health therapists and professionals in NUHW, Kaiser today provides superior benefits—that is, it’s defined-benefit pension plan—to non-unionized caregivers in California including its Physical Therapists, Occupational Therapists and Speech Therapists.

A. Background:

Historically, Kaiser has provided all of its unionized California workforce with a defined-benefit pension plan that delivers a modest retirement benefit.

Kaiser’s California Workforce with a Defined-Benefit Pension Plan

Union	No. of Represented Employees
California Nurses Association	20,579
IUOE Local 39	684
UNAC	20,945
IBT Local 166	603
IUOE Local 501	483
KPNAA	402
UFCW CLS & Pharm Non-Prof.	3,113
UFCW Locals 135, 324, 770, 1167, 1428, 1442	615
USW Local 7600	7,300
IFPTE Local 20	1,507
OPEIU Local 29	2,604
OPEIU Local 30	4,979
SEIU-UHW	56,936
SEIU Local 121 RNs	341
TOTAL	121,091

In 2011, Kaiser proposed eliminating NUHW members' defined-benefit pension plan during negotiations. NUHW opposed the proposal. Kaiser said it would make similar changes to all of its unionized workforce in California.

In January of 2015, Kaiser unilaterally implemented a two-tiered system of retirement benefits that requires all newly hired mental health clinicians and professionals in Southern California to receive an inferior 401(k) plan rather than Kaiser's defined-benefit pension plan. Kaiser unilaterally implemented a similar system on 400 Optical staff in Northern California, who also are represented by NUHW. Kaiser implemented these changes despite NUHW's legal objections.

In late 2015, Kaiser agreed to retain the defined-benefit benefit pension plan for all of its Northern California mental health therapists, who also are represented by NUHW. Kaiser took this action in the face of an open-ended strike by therapists over multiple issues, including understaffing, excessive appointment wait times, labor violations, and benefits.

After reversing its position on retirement benefits for Northern California therapists, Kaiser refused to do the same for Southern California therapists and professionals as well as NUHW optical staff in the Northern California. Kaiser's Group President Greg Adams said Kaiser was not singling out mental health therapists and other NUHW members due to the fact that Kaiser would soon implement similar changes with the rest of its unionized workforce. However, Kaiser has failed to make such changes to any of its other 121,091 caregivers in California.

B. Chronology of Events:

- **January 1, 2015:** Kaiser unilaterally implements reductions in retirement benefits for newly hired mental health therapists and professionals in Southern California as well as optical workers in Northern California.
- **January 26, 2015:** Kaiser approves a three-year contract with the **California Nurses Association** that maintains the defined-benefit pension plan for 19,000 Registered Nurses.
- **October 2015:** Kaiser approves a four-year contract with the **Coalition of Kaiser Permanente Unions** that maintains the defined-benefit pension plan for 99,728 California caregivers in more than one dozen local unions. (Source: [CKPU](#))
- **March 2018:** Kaiser approves a five-year contract with the **California Nurses Association** that maintains the defined-benefit pension plan for 20,579 Registered Nurses. (Source: [California Nurses Association](#))

- **October 2018:** Kaiser approves a three-year contract with the **Alliance of Health Care Unions** that maintains the defined-benefit pension plan for 33,361 California caregivers in seven local unions.
- **2018-19:** Kaiser approves a three-year contract with the Stationary Engineers Local 39 that maintains the defined-benefit pension plan covering 684 employees and increases Kaiser's monetary contribution to the pension plan on behalf of workers.
- **Today:** During contract negotiations, NUHW proposes that Kaiser restore its defined-benefit pension plan for approximately 1,000 NUHW members who currently receive Kaiser's inferior 401(k) plan. Kaiser insists on continuing to single out its California mental health therapists, Southern California professionals and optical workers for inferior retirement benefits.

C. Kaiser Executives' Retirement Benefits:

How do mental health therapists' retirement benefits compare to those of Kaiser's executives?

Kaiser's top executives receive no fewer than eight defined-benefit pension and other retirement plans on top of multi-million-dollar salaries (Kaiser's CEO earned \$16 million in 2017, according to IRS records).

Kaiser Executives' Pension & Retirement Plans:

- Kaiser Permanente Salaried Retirement Plan (Plan A)
- Kaiser Permanente Supplemental Savings & Retirement Plan (Plan B)
- Kaiser Permanente Target Income Executive Retirement Plan (TIER)
- Kaiser Permanente Capital Accumulation Plan (CAP)
- Kaiser Permanente Tax Sheltered Annuity Plan (TSA)
- Kaiser Permanente Moveable Vesting Plan
- Kaiser Permanente 401(k) Retirement Plan
- Kaiser Permanente 457(f) Plan