

AHCU / KP National Bargaining Tentative Agreements

November 10, 2021

b. Defined-Benefit Retirement Plan (pg. 60)

1. Employees represented by Alliance unions are covered by the defined-benefit retirement plans listed in Exhibit 2.B.2.b. The benefits will be governed by the plan documents in effect for each plan, as well as the Letter of Agreement between the parties regarding pension multipliers made effective January 7, 2002, and modified by a subsequent agreement between the parties dated May 22, 2003, as well as the Letter of Agreement regarding early reduction factors made effective August 19, 2002 (all attached as Exhibit 2.B.2.b.).
2. Those bargaining units with higher multipliers currently provided under local collective bargaining agreements will maintain the higher multipliers in accordance with those agreements.
3. The parties remain committed to working on a joint vision and consistent strategy for retirement programs. To that end, a joint committee will be established in the first year of this agreement to review the pension benefits provided in Section 2.B.2.b. and reflected in Exhibit 2.B.2.b. The purpose of the review will be to explore retirement income programs for the purposes of recruiting and retaining employees, controlling costs and liabilities, and ensuring meaningful and predictable income to KP retirees. The joint committee will provide annual reports on its progress and will make consensus pension recommendations at the next round of national bargaining.

4. SCAL UFCW Pharmacy Pension Trust Funding. For employees who are represented by the UFCW in SCAL and participants in the Taft Hartley trusts, pension contributions may be increased as follows:

In the event that (1) the actuary certifies that the Plan is in an endangered status or seriously endangered status under section 432(b)(1) of the Internal Revenue Code, or (2) the actuary certifies that the Plan is projected to be in critical status within five years, but the Trustees do not elect for the Plan to be in critical status under section 432(b)(4) of such Code, or (3) the actuary certifies that the Plan is not in endangered status by reason of section 432(b)(5) of such Code, then, in addition to the contribution rate, the Employer shall make a supplemental contribution of \$0.085 per employee per hour, beginning with the hours worked in the month of June during the year in which such actuarial certification is made. In the event that the actuary certifies that the Plan is in critical status with respect to any year following a year in which supplemental contributions are due under this paragraph, the Employer will no longer owe such supplemental contributions for hours worked beginning 30 days after the Employer has been notified by the Trustees that the Plan is in critical status, and the automatic Employer surcharge under section 432(e)(7) will be determined on the basis of the hourly contribution rate of \$1.696.

~~Employees who are represented by the UFCW and participants in the Taft Hartley trusts will have an Employer contribution of 7.9 cents per hour in each year of the agreement to address Pension Protection Act "red zone" issues.~~

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5. Effective October 1, 2021, the Employer agrees to increase its contribution to the Central Pension Fund of the International Union of Operating Engineers and Participating Employers from five dollars and fifteen cents to five dollars and thirty cents (\$5.30) for all hours paid and/or worked for each Bargaining Unit employee. The Employer contribution will increase to five dollars and 40 cents (\$5.40) on October 1, 2022, to five dollars and 50 cents (\$5.50) on October 1, 2023 and to five dollars and sixty cents (\$5.60) on October 1, 2024.

6. Effective January 1, 2020, the Georgia, Hawaii, and Mid-Atlantic States regions will increase the pension multiplier from 1.40% to 1.45%.

For the Alliance:

 11/13/2021

Hal Ruddick Date
Executive Director
Alliance of Health Care Unions

For the Employer:

 11/13/2021

Steve Shields Date
Senior VP National Labor Relations
Kaiser Permanente