

## The Strike Is On!

by Jim Pehler, President

As you already know, the Department of Employee Relations for the State of Minnesota and the Minnesota Association of State, County and Municipal Employees (AFSCME) as well as the Minnesota Association of Professional Employees (MAPE) declared a non-resolution late Saturday, September 29, causing the members of the above mentioned unions to begin a strike at 6:00 am on Monday, October 1.

As we all know, to make such a decision to strike, is a move that is not taken lightly but is done as a last resort. Our friends, neighbors and colleagues are now ending the first week and we simply need to remind ourselves of their dedication and commitment to our universities. The strike is not one against our campuses but rather is a strike against the State of Minnesota. We, as faculty, have been inconvenienced in many ways by the lack of the strong supportive services that these members provide. We must also remember that by their actions, they are assisting us in resolving our contract needs particularly in the area of affordable health care.

The major striking point is the draconian proposal for health insurance coverage, requiring out-of-pocket costs for medical care up to \$3,800 per family. I can only state my admiration for their courage in taking this action. It is my hope that all faculty members understand and support our colleagues.

As I stated earlier in my messages to you, we are required to continue our work as faculty members and therefore must continue our regularly assigned faculty duties. We can, however, show our support and appreciation in permissible ways such as: joining the picketers in marching (during times you are not required to perform any regular duties), we cannot carry signs that say, "on strike," but it is appropriate for us to carry the placards that say, "I support striking state co-workers." Some departments or campuses are taking up collections from the faculty and contributing this money directly to the AFSCME/MAPE unit on each campus. In addition, others are buying several dozens of rolls from their local bakeries, pop, coffee and other treats and distributing them to the picketing members to show their support.

Because we must cross the picket lines in doing our duties, a supportive statement and encouragement is appreciated along with taking time in your class to explain the rights of members on strike to achieve an equitable contract. There are many other creative ideas that are occurring at the different campuses on how support can be shown. If you are doing something unique, send your suggestion to [webber@ifo.org](mailto:webber@ifo.org) and we will post them on our website.

Disruptions in smoothness of operation are bound to occur. Be patient, take responsibility and remember that our colleagues who are striking, we as faculty members and the students attending our state universities are all united to make sure that our university is the best. The strike is against the State of Minnesota, not against our institutions. Thank striking members for their commitment and support to our institutions. For more information, and links to other sites, see our website at [www.ifo.org](http://www.ifo.org).

## State Insists Employees Accept Health Lottery Plan For 2002

by Wil Harri, Office Administrator

Seeking to shift health insurance cost to its employees, the Department of Employee Relations (DOER) continues to insist all state employees accept the Advantage Health Plan for 2002. The Advantage plan, while offering generally lower premiums for both single and family coverage, shifts potentially catastrophic medical co-pays to state workers. The plan provides three levels of service from the "Wal-Mart" clinics with a \$5 co-pay for office visits and a \$100 annual deductible to the "Marshall Field's" clinics with \$20 co-pays and a \$300 annual deductible.

Staying just within the statutory standards to qualify as an "insurance" plan, DOER has proposed an annual maximum of \$350 for drug co-pays (\$700 per family) and an annual maximum on non-drug out-of-pocket health costs of \$1,250 (\$2,500 for the family). We have characterized this plan as a lottery because any "winner" who has the misfortune of being hospitalized for one day with any medical procedure will win the "prize" of a \$1,600 debt. Of course, the amounts rise in 2003 to \$400 for drug co-pays and \$1,500 for non-drug out-of-pocket costs or an improved prize for hospitalization of \$1,900.

Two years ago state unions accepted roughly one per cent less each year in wage increases to maintain our current health plan. AFSCME and MAPE have rejected the State's proposed health plan and now walk the picket line to preserve economic progress for all State employees.

## Salary Study News

by Patrice Arseneault, Equity Advocate

The joint MnSCU/IFO Salary Review Committee has completed its task of collecting data needed to verify and correct our salary database for the review of faculty salaries for the academic year 1996-97, as required by our collective bargaining agreement (Article 11, Section I). All state university system faculty who were employed during 1996-97 in the IFO bargaining unit (except adjunct and community faculty) are in this salary review.

Data collection and verification for purposes of the salary study proved to be a grueling, and at times, overwhelming task. Your salary committee representatives traveled to the Twin Cities for many, many meetings and reviewed hundreds of pages of documentation before all was said and done.

The committee also collected the necessary information for the annual salary reviews for those newly hired or those returning faculty who received a terminal degree during academic years 1997-98 and 1998-99.

For those faculty who appealed errors in their data, the committee reviewed your appeal and changes were noted in our database. Unfortunately, the letters advising you of the status of your data did not go out in July as indicated in an earlier edition of this newsletter. The letters to faculty who appealed their data will be mailed to your home address very shortly.

The MnSCU system office is in the process of contracting with Dr. Lois Haignere, the outside consultant who was recommended by the committee for the salary review. Dr. Haignere will be asked to begin the analysis as soon as possible.

Meanwhile, the committee is continuing to collect data for the next annual review for academic years 1999-2000 and 2000-01 for faculty who were awarded a terminal degree and for newly hired faculty (excluding adjunct and community faculty). In order to be considered as having a terminal degree for purposes of the annual review for 1999-2000, you must have your degree in hand at the beginning of the school year (cut off date of October 1, 1999). Likewise, in order to be considered as having a terminal degree for purposes of the annual review for 2000-01, you must have completed your degree by October 1, 2000.

**Akita (Japan) • Bemidji • Mankato • Metropolitan • Moorhead • St. Cloud • Southwest • Winona**

## Retirement News

by Russ Stanton, Director of Government Relations

### **Tax-Free Post-Retirement Healthcare Savings Plan Set Up**

Last session the legislature passed the IFO proposal to set up tax-free health care savings trusts through which public employees can save for their post-retirement healthcare costs. The Minnesota State Retirement System (MSRS) is the agency designated to operate the program. MSRS is ready to accept money as soon as the unions negotiate contributions to the plans. Participants in the program will be able to invest their money in the State Board of Investment (SBI) investment funds—the same SBI investment funds that faculty can invest in under the IRAP and Supplemental Retirement programs.

Participation in the VEBA plan will be determined through collective bargaining contracts, or in the case of unorganized employee groups, personnel policies. Each employee group can negotiate its own type and level of contribution. Recently the state judges voted to contribute 3% of their salary into the plan. The employees of the legislature, AFSCME, and the Minneapolis school teachers are also working on contribution proposals.

The issue of whether IFO members will participate in the VEBA program is now before the IFO Negotiations Committee. In the coming months, IFO President Jim Pehler and I will be conducting informational meetings on each campus and surveying attendees regarding their interest in having IFO negotiate the contribution of severance pay to the tax-free savings accounts.

### **Federal Legislation on Tax Sheltered Annuities-Deferred Compensation Passes**

For several years, the IFO has had federal legislative goals to raise the contribution limits to both tax sheltered annuity and deferred compensation plans as well as to make it possible to transfer money between various types of tax sheltered savings plans (IRAs, tax sheltered annuities, deferred compensation plans, etc.). Earlier this summer Congress finally did enact the legislation.

Under the new legislation the limit on contributions to tax sheltered annuities (TSAs) was raised from \$10,500 to \$11,000 per year, and the limit will rise by \$1,000 each year until it reaches \$15,000 per year. The limit on contributions to the state deferred compensation (457) plans, currently at \$8,500 per year, will be raised to \$11,000 next year and gradually to \$15,000 (the same as the TSAs). Most importantly, contributions to deferred compensation (457) plans will no longer be counted against the limits on contributions to TSAs. This means faculty members can now contribute up to \$11,000 to a tax sheltered annuity, plus another \$11,000 to the state deferred compensation program, for a combined annual tax deferred contribution of \$22,000 per year. In addition, there are special additional contributions allowed for employees over 50 years of age.

### **Retirement Workshops Well Attended**

This year the IFO conducted two types of retirement workshops on each of the state university campuses: one for faculty nearing retirement, and another for faculty members that are new to the state universities.

For faculty nearing retirement, I conducted workshops on the benefits available under the IFO/MnSCU Contract, TRA, Supplemental Retirement, and IRAP. The purpose of the workshops and the individual sessions that followed was to familiarize faculty members with the benefits available to them and to provide information on how to maximize benefits under the programs. Statewide, at least 140 faculty who are nearing retirement attended the workshops and 153 attended individual sessions.

*...continued on back page*

## Negotiations Scheduled

The MnSCU and IFO Negotiating Teams have scheduled joint bargaining sessions in St. Paul (see dates below). Although MnSCU presented its initial economic proposal at the joint negotiation sessions of August 6<sup>th</sup> and 7<sup>th</sup> no further sessions took place in August and September as a result of the impasse in state negotiations with AFSCME and MAPE employees. MnSCU employs one-third of all Minnesota state employees. Nearly 4,000 MnSCU employees are represented by AFSCME and over 600 MnSCU employees are represented by MAPE. For comparison, the IFO represents over 2,000 full-time faculty and also 1,000 adjunct and community faculty employed in our state universities. For negotiation updates please go to our website at [www.ifo.org](http://www.ifo.org).

Scheduled Negotiation Dates:      October 25-26  
   November 2-3  
   November 15-17

## Retirement Workshops continued...

The workshops for new faculty were designed to assist new faculty members in deciding whether to choose TRA or IRAP as their basic pension coverage. All new faculty have 90 days from the time they are hired to select a plan. The decision is quite complex and can have a profound effect on both pension portability and benefits at the time of retirement. In addition, the workshops covered basic concepts regarding retirement investments, such as asset allocation. In all, 73 new faculty members attended the workshops and/or individual sessions. This is more than the number that attended in past years, but it still fell far short of the total number of new faculty members. Next year I plan to explore incorporating the workshops into the orientation sessions for new faculty members.

## IFO Schedule of Meetings

Board Meetings:	October 18-19 December 6-7 January 31-February 1 March 21 April 25-26	Executive Committee Meetings:	November 15-16 December 13-14* January 24-25 February 21-22 February 28-March 1* May 2-3* May 16-17
Delegate Assembly:	March 21-23		

\*Includes a Statewide Meet and Confer meeting with MnSCU.

# Inter Faculty OrganIzat IOn

Blair Arcade, Suite 8  
165 Western Avenue North  
St. Paul, MN 55102-4613

The *IFO Update* is published and distributed by the Inter Faculty Organization (IFO).

Akita (Japan) • Bemidji • Mankato • Metropolitan • Moorhead • St. Cloud • Southwest • Winona