RN Negotiations: Update #6

Mercy Hospital and the Communications Workers of America (CWA) held their 26th bargaining session for the Registered Nurse contract on July 12.

Additional Bargaining Dates

As of July 12, there are four additional bargaining sessions currently scheduled for the month of July.

Tentative Agreements

Since the previous session, we have not reached any additional tentative agreements. However, we believe we are close to reaching agreement on the Memorandum of Understanding regarding pension funding.

Proposals Exchanged

Retirement
The Union made proposals on Article 44 - Retirement and the Memorandum of Understanding (MOU) regarding pension plan funding. With regard to pension funding, the parties agree that the Hospital will contribute $155.3 million in additional pension funding over the next four years. The Union’s proposed changes to the Retirement article include changes in the interest rate applied to employee accounts, and applying pay credits on a daily basis. The Hospital clarified that interest credits are already added on a daily basis, but that pay credits get applied annually. The Hospital explained that at the end of the session, that the Union’s revisions to the MOU on pension funding are acceptable, but that the Hospital is not agreeable to the Union’s proposed changes to Article 44 - Retirement. The parties discussed that many employers have done away with defined benefit pension plans and the Hospital is doing its best not to go that route. Even the CWA’s own pension plans are in critical status due to low funding levels, and the plans that are not in critical status had to reduce benefits recently in order to maintain the funding levels of the plan. The Hospital is not proposing to eliminate the defined benefit plans or reduce benefits—instead, the Hospital is proposing to invest more than $155 million over the next four years to maintain and improve the funding of the plan.

Filling of Vacant Positions
The Union gave a counterproposal on this article with small changes to the language. One change proposed by the Union was that until the 8th day of job bidding, the job would go to the most senior qualified internal bidder. If there are no qualified internal bidders, the Hospital will then have the ability to give the job to an external bidder unless there are late internal bidders. The Hospital is assessing the implications of this proposal.
Salaries
The Hospital gave a counterproposal on wages that included an increase to the prior wage proposal for the RN contract. The Hospital is now proposing a 2% general wage increase on top of existing step increases for each of the first two years of the contract, and 1.75% on top of the existing step increases for each of the next two years. Since the Union also proposed a 2% increase for the second year of the contract, the Hospital noted to the Union that it appears both parties agree on the second annual wage increase, although we are still apart on the first year increase. The Hospital hopes that this additional wage proposal will bring us closer to an overall tentative agreement. The current wages being proposed by the Hospital are as follows:

- Upon Ratification of the contract: 2% increase on top of the step scale. This results in increases of 2.49 to 8.83% annual increase in the first year of the contract for every nurse who receives a step increase.
- An additional 2% increase on top of the step scale in July of 2017.
- An additional 1.75% increase on top of the step scale in July of 2018.
- An additional 1.75% increase on top of the step scale in July of 2019.

These increases result in total wage increases of 7.71% over the four year contract for nurses who no longer receive step increases (those past year 16), and increases up to 21.8% for nurses who receive both a step increase and the general wage increase.

The Hospital bargaining committee will continue to negotiate in good faith, with the goal of reaching a tentative agreement as soon as possible. We will continue to keep you informed about the progress of negotiations. Associates, managers, physicians and others also can stay informed by visiting our negotiations website at www.chsbuffalo.org/MercyRN and www.chsbuffalo.org/MercySTC and by following our Twitter feed @MercyUpdate.