

# SEIU Local 517M E-Former – February 2012

*New Solutions for Michigan!*



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## School Employees Retirement Lawsuit Still Unresolved

The Michigan Court of Appeals has not rendered a decision in the case of the 3 percent retirement contribution for school employees. A separate lawsuit was filed on behalf of school employees due to school employees being in a different retirement system, and having different constitutional arguments than in the state employee case. Until the final disposition of this case is determined, the 3% contribution will continue to be placed in an escrow account as per a lower court ruling.

We will keep you updated when final resolution of the matter has been determined.

## Your Action is Needed to Help Stop Bad Legislation

There are several bills now before the Michigan House that would greatly curtail what members, through their union, can do to voice their Free Speech rights and efficiently operate. Your legislator needs to hear from you. Tell them to concentrate on fixing the economy and putting people back to work and not attacking unions and your constitutional rights. The bills are:

- **HB 5023** fines striking public employees one day's pay and their union \$5,000 for each day of the strike, expanding the penalties beyond the current rules that only apply to public school employees.
- **HB 5024** sets fines and restrictions on members and their unions for mass picketing.
- **HB 5025** requires an employee's annual written authorization to have their union dues deducted from their paycheck by employers.
- **HB 5026** eliminates the prohibition against employers advertising for strike breakers.

Sign a petition in opposition of these bills with SEIU and the We Are The People partners at:

[http://action.wearethepeoplemichigan.com/p/salsa/web/common/public/signup?signup\\_page\\_KEY=6431](http://action.wearethepeoplemichigan.com/p/salsa/web/common/public/signup?signup_page_KEY=6431)

Send a letter to your legislator in opposition to these bills at:

<http://seiu517m.seiu.org/page/speakout/opposition-to-anti-union-bills>

## New Solutions Training

New Solutions training was held in Mt. Pleasant on Sunday, January 29<sup>th</sup> and Monday January 30<sup>th</sup>. Over 70 SEIU Local 517M leaders were in attendance to learn about the New Solutions concept and how it can be implemented into their respective units.

The Sunday program started with an overview on the New Solutions program from SEIU International Campaign Director **Megan Sweeney**. A panel discussion was also held to discuss



expanding coalitions with our joint Advisory Committee with the Michigan Corrections Organization. Topics included: the management to staff ratios and the contracting out of services, the unemployment bank card fees, the New Solutions program being run in Saginaw and holding elected officials accountable. The

panel members (pictured left to right) were SEIU 517M Member Leadership and Action Director **Marianne Woods**, SEIU 517M Technical Unit President **George Heath**, SEIU 517M Human Services Support Unit President **Phil Patrick**, **Jeremy Tripp** from the Michigan Corrections Organization, Government and Community Affairs, and SEIU 517M Secretary/Treasurer **Andy Johnson**. The participants also had a chance to work on developing and implementing their own New Solutions plans in their respective units.

The topics on Monday were very diverse. **Yolanda Langston** City of Detroit Unit President discussed community involvement and how units can be more involved in the community which helps with the public perception of unions.

**Sue Browne** from the Blue Green Alliance discussed what the Alliance does and who the participating labor organizations and environmental groups are. SEIU is one of the labor organizations that make up the alliance and helps promote "green job" creation.

The school and local government units met with Michigan Employee Benefit Service representative **Tim Spink** to discuss Healthcare Advocates and the state employees met with SEIU 517M Staff Attorney **Howard Gordon** to discuss the recent retirement changes.

A presentation on Ethics was given by SEIU 517M Ethics Liaison **Chuck Bonar** with the assistance of legal intern **Paul Henry**.

A legislative update was presented by Staff Attorney **Howard Gordon** and Labor Relations Representative **Dan Renner**. It covered the "Dirty Dozen" pieces of legislation that impact public employees.

**Luke Canfora**, senior field director for the national AFL-CIO spoke on Right to Work (for less). He went through a presentation that University of Oregon Professor **Gordon Lafer** put together based on his research in the concept of "Right to Work" and what it really does. View the study at: <http://www.epi.org/publication/right-to-work-michigan-economy/>

The program ended with a presentation and interactive exercises about member lobbying and what a difference an individual member can make. This program was presented by two members who have completed the SEIU Member Lobbying program, **Joey Combs** and **Amy Davis-Comstock**.

Thanks to all who participated. This was a great conference and a great way to start off member engagement in this critical election year. If you interested in the individual PowerPoint presentations used by the presenters, please click to view them on our website at:

<http://www.seiu517m.org/2012/02/01/new-solutions-presentations/> . Pictures of the conference can be found at: <http://www.flickr.com/photos/54989632@N05/sets/72157629132296459/>

## **Changes to State Employee Retirement**

There are a lot of questions about the choices employees must make regarding their retirement. The Office of Retirement Services is holding informational meetings throughout the State. Click

<https://dmbinternet.state.mi.us/dmb/ors/Seminars/prim/SeminarDates.asp?Cmd=date&Region=9&System=1> to find a meeting near you. There are questions regarding whether or not employees should make their irrevocable choice or wait to see if litigation is pursued against the 4% contribution. YOU MUST MAKE A CHOICE. Even if a lawsuit is filed, the Unions may not prevail so whichever option you choose is the plan you will be placed in. There are also questions regarding the letter that ORS sent out to Defined Contribution employees that stated the maximum healthcare premium benefit to be earned would be 80%. The current law states that an employee in the DC plan can work 30 years and earn up to 90% of their healthcare premium. This has not changed. There is speculation that ORS is looking into the future and assuming that the change in premium split for active employees moving to 80/20 for the State Health Plan will also be applied to retiree healthcare. The Retirement Act does state that the premium for retirees will be at the same proportion as active employees but this change has not occurred. It may occur in the future and if so, it would apply to all retirees, not just employees in the DC plan.

## **Legal Action Being Reviewed on State Employee 4% Retirement Contribution**

Last summer, the Michigan Legislature passed a law which would have required all state employees to begin contributing 3% in to a "health care" fund for retirement. The Coalition of State Employees filed a lawsuit against this action claiming that it violated the Michigan Constitution because of the explicit authority vested in the Michigan Civil Service Commission over conditions of employment for state employees. After legal battles in the courts, the Michigan Supreme Court agreed, and the "escrowed" funds were returned to state employees in January.

Now, the Michigan Legislature has passed another law which, in effect, gives state employees the option of either contributing 4% if they wish to remain in their Defined Benefit Retirement Plan or automatically being converted in to the Defined Contribution (basically, a 401K) Plan.

Apparently, the Michigan Legislature believes that by offering this "option" provision, they have addressed the Constitutional issue as it relates to the Michigan Civil Service Commission. However, legal opinions seem to vary on this subject.

The SEIU Local 517M Executive Board, and other unions representing state employees, is currently reviewing this issue with our respective legal counsels. It is expected that a decision will be made in the very near future as to any additional legal challenges to the legislature's most recent action.

In the meantime, we encourage all state employee members to fill out the appropriate forms as required under the current law.

### **Scientific and Engineering Unit Vacancy**

The SEIU Local 517M Scientific and Engineering Unit Board is still looking to fill a vacancy for the board seat representing the "all other departments combined." According to the Unit Bylaws, Departments are allowed 3 representatives on the Board if there are over 450 members, 2 representatives on the Board if between 150 and 450 members and 1 representative on the Board if between 60 and 149 members. For those departments with less than 60 members, one representative can be elected to the Board to represent all those Departments combined. These departments are Corrections, Military and Veterans Affairs, Human Services, Technology, Management and Budget, and Treasury. If you are in one of these Departments and you are interested in being appointed to the Scientific and Engineering Unit Board, please contact **Cindy Mason** at [cmason@seiu517m.org](mailto:cmason@seiu517m.org).

### **Steve Reck Retirement**



SEIU Local 517M Political Coordinator **Steve Reck** retired on January 20, 2012. At the SEIU Local 517M Executive Board meeting that day he was presented with a Resolution from the Board acknowledging his 16 years of service to the Local as a staff member. He was also presented with a Resolution from the Michigan Senate honoring his service to Michigan citizens. Steve was previously a member and has held many leadership positions at the Local including President from 1988-90. Steve will be missed but it is not goodbye. He will stay connected with the SEIU Retirees program and through various political activities. We wish Steve a long and happy retirement!