



Defined Contribution Plan starts this Spring

In addition to our pension, the UHW contract now provides for a defined contribution plan – another way to plan and save for our retirement.

In October 2005, UHW and Kaiser Permanente ratified our National Agreement, which for the first time provides for a defined contribution plan for UHW members. The plan will be implemented this spring.

What is a Defined Contribution Plan?

A Defined Contribution Plan, often referred to as a 401(k), is what it says: a plan in which the amount of the contribution to the account is defined, but the payout at retirement depends on the performance of financial markets.

By contrast, our Pension is a Defined Benefit Plan, where the retirement benefit is fixed and based on employment variables such as the worker's wages and number of years of service.

So, what is our new Defined Contribution Plan?

Our new plan provides an Employer contribution based on Kaiser's financial performance. Each year, Kaiser must exceed its regional annual budgeted margin by at least 0.25 percent. When that happens, Kaiser will make a contribution of 1 percent of eligible annual payroll earnings.

Thanks to our hard work in 2006, we met this financial goal and eligible employees will see the 1 percent contribution on our March 23rd pay stubs.

Am I eligible?

To be eligible, the employee must have at least one year of employment and be a member of UHW – or other Partnering Unions – as of the last pay period in 2006. Eligible employees should receive a letter from the Plan Administrator in early April.

**If you have additional questions,
please contact your UHW Shop Steward or Union Organizer.**

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