

Proposed Pension Benefit Changes

For Nurses Represented by the Massachusetts Nurses Association at UMass Memorial Medical Center



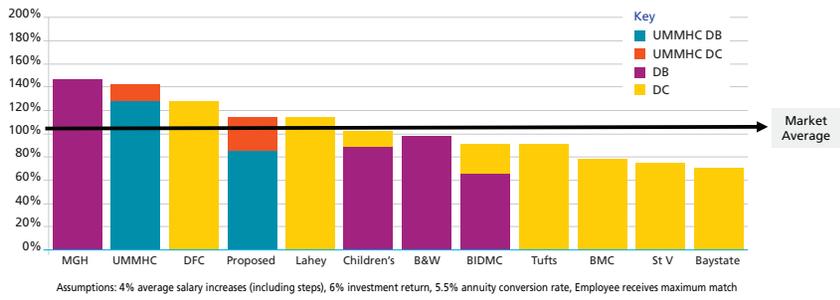
BEST PEOPLE. BEST CARE. Together, we make all the difference.

How We Compare

The proposed changes to our pension plan regarding the definition of pay is consistent with the definition used by the leading health care providers in the metro Boston area. Changes to the career pay approach have already been adopted by all other health care providers in our market.

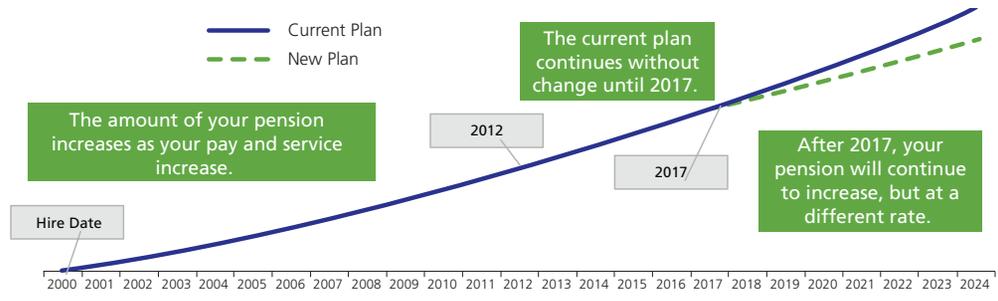
Benchmark Data – Career Employee

Retirement at Age 65; 30 Years of Service
 Total Pay of \$135,000; Base Pay plus Shift Differential equals \$122,000
 Value of benefit as a % of the market average



Proposed Changes to Your Retirement Program in 2017

Our proposal would change the formula used to calculate your pension benefit beginning January 1, 2017. The graph at right illustrates the proposed change from the current plan to the new plan.



What Are the Proposed Changes on January 1, 2017?

Benefit	Current Benefit for Service before January 1, 2017	Starting January 1, 2017
Pension	<ul style="list-style-type: none"> A lifetime benefit payable at age 65 based on your years of eligible service (up to 30) times your highest five-year average pay. Pay recognized by the pension plan is defined as your total wages. 	The sum of the pension you earned as of January 1, 2017, PLUS: <ul style="list-style-type: none"> You earn a benefit for each year of eligible service; your benefit is based on your pay during each year. Pay recognized by the pension plan will be defined as base pay plus shift differentials, times hours paid up to 40 hours per week.
401(k)	UMass Memorial matches 25 percent of the first 4 percent of pay that you contribute (1 percent of pay opportunity)	UMass Memorial matches 50 percent of the first 4 percent of pay that you contribute (2 percent of pay opportunity)

Pension Calculation for Evelyn and Edgar

	Evelyn		Edgar	
Pension for Service before 2017				
Years of pensionable service (@12/31/2016)		30		15
Highest average monthly pay (@12/31/2016)		\$11,000		\$11,000
Monthly pension for service before 2017 ¹		\$4,027		\$2,013
Pension for Service after 2016²	Eligible Pay	Monthly Pension	Eligible Pay	Monthly Pension
	2017	\$127,680	\$133	\$127,680
	2018	\$130,560	\$136	\$130,560
	2019	\$133,440	\$139	\$133,440
		\$408		\$408
Total monthly pension payable at age 65		\$4,435		\$2,421

Instead of a monthly lifetime benefit, Evelyn and Edgar can elect to receive a single lump sum payment of equal value

Total payment under lump sum option ³	\$669,071	\$365,313
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¹ 1.25% X (highest average monthly pay less \$550) + \$3.60, all times pensionable service up to 30 years
² 1.25% of eligible pay for year, divided by 12
³ Based upon interest rates applicable to 2012. Actual amount will depend upon rates in effect at time of payment



Information Sessions for MNA Nurses on the Medical Center's Pension Proposal

UMass Memorial Medical Center invites you to attend an information session about its proposal to preserve the UMass Memorial pension plan. This is the same proposal that we made to your University and Memorial/Hahnemann bargaining teams during negotiations. These sessions are completely voluntary and are open to any and all MNA University and Memorial/Hahnemann bargaining unit members who wish to attend.

Information Sessions Schedule

University Campus

Monday, January 14, 2013

7:30 – 8:45 am

Lazare Auditorium, S1-607

Tuesday, January 15, 2013

2 – 3:30 pm

Hiatt Auditorium, S1-608

3:30 – 5 pm

Faculty Conference Room, S1-342

Tuesday, January 22, 2013

7:30 – 9 am

Amphitheater II, S4-102

2 – 3:30 pm

Lazare Auditorium, S1-607

3:30 – 5 pm

Amphitheater II, S4-102

Memorial Campus

Thursday, January 17, 2013

7:30 – 9 am

Knowles Hall

2 – 3:30 pm

Amphitheater

Wednesday, January 23, 2013

7:30 – 9 am

Knowles Hall

2 – 3:30 pm

Amphitheater

3:30 – 5 pm

Amphitheater

Learn more at: www.umassmemorialchange.org

Or scan the QR code



Dear UMass Memorial Nurses:

First and foremost, we want to thank you for providing excellent care to our patients every day.

We know that each of you is an important member of our team of caring, compassionate professionals that does the very best for our patients and for our Medical Center community.

The other side of this page speaks to changes to your pension benefits that we have proposed during the MNA-University and MNA-Memorial/Hahnemann negotiations. The changes we are suggesting will not impact you until **January 1, 2017**.

We want you to know that our primary reason for proposing these changes is to preserve the defined benefit plan that we know is extremely important to you. **Without the changes we are proposing, the plan would not be sustainable for very much longer. In fact, the cost of the pension plan has increased by more than 500 percent over the past 10 years because of the economic environment and changes in the law governing pension plans.**

Many health care employers facing similar financial hardships have chosen to eliminate the defined benefit pension plan altogether. **Because we are committed to providing our employees with a retirement plan, we decided to make changes to our pension plan instead of freezing it entirely. Even with our proposed changes — our plan remains more generous than most.**

We also want you to know that all of our Worcester-based management and non-union staff, our State Health Care and Research Employees, United Food and Commercial Workers (UFCW and UFCW-Skilled), National Association of Governmental Employees and New England Coalition of Public Safety union members have already agreed to changes to their pension benefits in an effort to ensure that all of our employees have a secure pension plan in the future.

We hope that your University, Memorial and Hahnemann bargaining committees will consider our proposals seriously. Please recognize that to become more affordable for our patients and to preserve jobs, while maintaining wages and benefits that are competitive in the marketplace, we simply must make these changes. We also recognize that our Medical Center has undergone many changes this past year. Through it all, we appreciate your ongoing commitment to providing safe, quality and patient-centered care.

Sincerely,

The UMass Memorial Medical Center Bargaining Teams for our University and Memorial/Hahnemann Campuses