



Solidarity Today!

The proposed USW/RockTenn Master Agreement as tentatively agreed to on 8/28/2014.

September 6, 2014

This is the 2nd newsletter in regards to the recently negotiated Master Agreement between the USW and RockTenn. As previously noted, at this time the Tacoma Mill is being excluded from this agreement. Further negotiations will take place in October of 2014 to see if there is a way to meld Tacoma into the agreement.

The proposed medical plan to be instituted through the negotiated Master Agreement is based on the Consumer Choice Plan (CCP) that RockTenn implemented in their salaried and non-union ranks. It was modified in negotiations as the CCP-U (for union) plan. The basic provisions are:

- A 4-Tier plan consisting of Single Employees, Employee and Spouse, Employee with Child, and Employee Family.
- RockTenn will seed a Health Savings Account (HSA) in the first year of the agreement with \$500 for a single employee, and \$1000 for the other tiers. RockTenn will then give the same \$500/\$1000 each year of the agreement in early January. Note, with the “seeding”, you will start out with \$1000/\$2000 of tax-free money in your HSA that can be spent on medical/prescription (and dental) expenses to offset the higher deductibles.
- Deductibles will go up substantially, to \$1300 for a single employee, to \$2600 for all other tiers (currently \$350/\$1050). The Out of Pocket Maximum will increase to \$2500/\$5000 (currently \$1000/\$3000).
- Premiums will be split with the company at the following levels (our current split is 80/20):
 - 82.5%/17.5% for 2015
 - 81.5%/18.5% in 2016
 - 80.5%/19.5% in 2017
 - 80%/20% in 2018 and 2019
- For 2015, approximate employee contributions will be as follows (we currently pay \$285.30 per month):
 - \$79.46 for single
 - \$190.69 for employee/spouse
 - \$143.02 for employee/child
 - \$266.18 for a family
- The CCP-U plan will pay 90% and waive the deductible for generic drugs that are preventative in nature (cholesterol, blood pressure, etc., type medications). All other medications will be paid at 90% after the deductible is met. The employee contribution counts toward the deductible.
- Office visits will be paid at 90% after the deductible is met, in fact, with the exception of preventative care (paid at 100% with no deductible), everything else in the plan will be paid at 90% after the deductible.
- In addition to the above premium charge, if your spouse can get medical coverage through his/her employer, you will be charged a monthly surcharge of \$90 effective, increasing to \$100 in the following year.

This new plan is meant to deal with the increasing cost of medical care in this country and the implications that high priced medical plans will have to deal with as their premiums increase (the “Cadillac Tax” that is part of the Affordable Care Act). Should our medical premiums reach the level of the ACA excise tax (\$10,200/year for individuals, \$27,500/year for family coverage) a 40% tax will be assessed on the amount above the limit. RockTenn will then reserve the right to lower their contribution to keep them at the 80/20 split in premiums (meaning we will essentially pay the tax).

Some will save money under this plan, some won't. It is important that you assess your family's medical situation, your likelihood of running up to the deductible and/or out of pocket maximum, and your prescription costs. From there, you can make an informed decision on whether this plan helps or harms you. There are opportunities here, but, unfortunately, not for everyone.

Your negotiating committee needs to hear from you. Please plan on attending one of your local meetings and sharing your thoughts on how we as a union should proceed.