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## 21 NEWS

Editor: Gerald Kell [WWW.USW2-21.COM](http://WWW.USW2-21.COM) July, 2017  
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21 News is a periodic publication of USW (United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union) Local 2-21, 1201 Sheridan Road, Escanaba, Michigan 49829. The views and opinions expressed in this publication are not necessarily that of the International Union, the Local 2-21 membership, or the officers of these bodies. The editor reserves the right to refuse any article that is detrimental to the Local Union or the USW. Article accuracy and content is the responsibility of the author.

### Important Information & Events

Employee Assistance Program (EAP)

[www.freckmanandassociates.com](http://www.freckmanandassociates.com) (800) 331-3226

**Retiree Get Together** 1st Wed 10am - Union Hall

**Union Meeting:** 2nd Wednesday - 7 pm – Dinner 6 pm

**Steward's Meeting:** 4<sup>th</sup> Wednesday – 3 pm

**Welfare Club Meeting:** 1st Monday - 7 pm at the Mead Rod & Gun Club

**Total Benefit Solutions:** Union Hall hours on the first two Wednesdays of each month from 9:30 to 3:30. Call 1.877.265.2212 to schedule an appointment.



### Committee Members

	Work	Personal
President Steve Benoit	233-2529	399-4195
1st Vice Jeff Skorupski	233-2556	399-5472
2nd Vice Bob Larson		420-2256
Insurance Gerald Kell	233-3135	869-7943
Comp Ross Strand	233-2531	280-1494
Secretary Brandon Stromberg	233-2556	284-1604
Treasurer Guy Trudell	233-2534	399-9143
Hall Rental Steve Kennedy		789-1933

### Negotiations

**Steve Benoit, President**

The dates for local contract negotiations here in Escanaba have been determined and will begin **July 13<sup>th</sup>, 14<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup>**. As we begin this process please remember that you are the lifeline of this union and without each of you, this local would not be what it is today. We must remain united throughout negotiations and not allow anyone or anything to break our solidarity. This Company has tried to break us down since they came to Escanaba and we have only become increasingly stronger. Their divisive efforts range from a regional HR Manager's personal attack on a committee member's character to the wrongful termination of union brothers and sisters to intimidate. We will not stand for this treatment and we will not allow a company to come into our community and take what has kept it sustainable for years.

Our history shows that we have fought for what is important to our families, community, workers, and union members. We will stand strong, we will stand united and we will expect the company to bargain in good faith and answer all our questions.

In the past, this company has been able to obtain financing through an institution where a huge return was expected. What will your return be if you provide them financing out of your pocket? Will you receive a 16% return on your investment? Is Verso going to make you a guarantee that the money you provide will keep this mill open for the next generation of workers? Can they guarantee that your investment will be returned? There are many questions and when a company cannot seem to make ends meet in a market that others are, I am not sure that I would be willing to invest. I cannot



invest into management that cannot see the experts are the workforce and that they can provide answers to problems that plague this mill; a workforce which can keep this mill alive and thriving without taking from their families that have helped make it successful.

Going into negotiations we must treat management as a customer coming to a financial institution for a loan. We need to ask questions like:

- What are the guarantees to show us the commitment you have and will show us that you personally believe in the company?
- What do you have for collateral if you do not follow through with your promises?
- What is your business plan to sustain Escanaba into the future?
- What are your financial details and how will this change with the new business plan?
- How will accounts receivable change with the new business plan? What is the customer outlook with the new plan?
- Who are you paying and where is the money going? Detailed account payable.
- A balance sheet with all assets, liabilities and capital should be provided along with profit and loss statements.

You should not give up your money just so this company can continue to mismanage the assets they have. You need to make a decision that will provide you comfort into the future. I can tell you that as of right now, giving any money to this company would be a big "NO" from me based on what I see and hear daily, not only from our members but those on the salaried side as well. Are we investing into a management group that will lead us into the future? Is there a guarantee that things will change? Right now, with the management group that is in place in Escanaba and with the decisions that have been made my decision would be to fight for my future and to keep all the benefits that I have in place. This company is not showing me anything for the future. This company's best decision would be to extend all local contracts until they can come to the table with a plan that does not undermine one of its greatest resources, the workers.

## **Double and Triple Check**

**Jeff Skorupski, 1<sup>st</sup> Vice President**

We recently experienced a situation in the RMP Mill that everybody needs to be aware of. A truckload of product was delivered to the RMP mill and through a set of circumstances beyond our control the wrong product was delivered. After clearing the Back Gate, the truck driver pulled into RMP where an employee signed paperwork and proceeded to unload the truck into a holding tank. The truck was emptied and when the employee discovered the mistake on the paperwork stating took all the right steps to address the situation. The RMP employee who signed the paperwork was disciplined and took ownership of his mistake. While I don't believe discipline is a path to being a safer mill the contract was followed which is what we ask for as a union. I have done some research on our process as a mill for unloading chemicals and a common answer has been that "we just pencil-whip the paperwork." Along with this is a lack of a uniformed and consistent SOP for unloading product anywhere in the mill. We cannot let that happen anymore. There were significant failures which had to occur for this situation to even arise, including the truck driver going to the completely wrong mill and gate guard who missed it on the paperwork, but we are the last line of defense in what gets unloaded here. Please understand that if the wrong chemicals get mixed by mistake the consequences could be **DEADLY**. If you are involved in any situation similar to this, please take the extra time, double and triple check to make sure we don't have a recurrence of this situation.

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## **By-Law Change**

In May we began the process of eliminating a Chief Steward/Vice President position by changing our by-laws. The first reading of the by-law change was during the May meeting and continued this month at the June meeting. The last reading will take place at the July meeting followed by a vote. The change will leave the committee with a President, two Vice Presidents, Secretary, Treasurer, Insurance Advocate, and Workers Comp Advocate.

Please feel free to voice your opinion to the committee and be sure that you are at the July meeting to cast your vote on the Union Hall floor during the meeting. If the Hall would vote down the elimination of a Chief Steward/Vice President position we would immediately begin the process of naming a replacement.


## **Hiring Thaw?**

### **Ross Strand, Comp Advocate**

Recently, Verso announced a salary hiring freeze. I guess I don't know what that means because they have hired quite a few salary folks in the last month or so and are looking for more. I guess I was expecting them to roll up their sleeves as much as we have. I don't understand it, maybe it's just me? Recently we had a tour by Verso lead team with possible plans for the future here in Escanaba, maybe a market change or something for future grades, we'll have to wait and see.

I know there have been a lot of retirements this year with more yet to come, to all I wish you the best, and I am more than a little jealous, but want to give a shout out to Chuck way, thanks for all your efforts through the years, this mill is a better and safer place thanks to you.

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**Jerry's Body Shop**  
#1 Collision Experts

1000 1st Ave S  
Escanaba, MI 49829

Phone: 906-786-6425  
Fax: 906-789-6026  
jerrysbodyshop01@sbcglobal.net

**Jamie Sebeck**  
Owner/Operator

## **Independence Day**

### **Bob Larson, 2<sup>nd</sup> Vice President**

The month of June is behind us and the Independence Day Holiday is upon us. The rainy weather has ruined many people's plans lately, but has enabled the Wood yard to get a handle on its inventory. The down side is that the wood stacked in lot #4 by outside truckers is falling and causing safety issues for the wood handlers. Wood that tips over takes 3 to 4 times longer to pick up than stacked wood. The likelihood of this falling wood was brought to management's attention in December and presumably dismissed.

The Company says we are always putting up road blocks. That is far from the case as we usually possess the knowledge having gained it through years of experience which can help but is often times ignored. Verso has its own management style and it's definitely not what we are used to in Escanaba.



## **Strike for Hunger**

**Brandon Stromberg, Secretary**

The 2017 USW Strike for Hunger has once again come and gone. And a successful one it was as we raised nearly 3,000 pounds of canned, boxed, and packaged goods and more than \$5,200 for local food pantries which, in turn, will help nearly 500 families a month! Thank you to everyone who volunteered their time. This event continues to be successful because of all the support our membership and community give. We owe a big "Thank You" to Rod and the entire staff at Elmer's County Market who we have partnered with all four years. Thank you to Scott Murray of Sick Air who volunteered much of his time and resources to put on an awesome live stunt show with his incredible X-Games style dirt bike skills! Thank you to Sheila from the Chamber of Commerce for allowing us to use the fairgrounds snow fencing. Thank you to the entire staff at Pat's Foods in Gladstone, our newest partner in the Strike for Hunger. It was a pleasure to work with you this year. Also, to our drop off locations: Kuchenberg's Korner Market, White's Grocery, and the North Bluff Grocery. Thank you to all the local businesses who supported us, especially Kevin Puszczewicz, Territory Sales Manager for Sara Lee, Luft Insurance, Garceau Insurance, and Escanaba Holiday Gas station.

It is inspiring to see the generosity and solidarity behind supporting a common goal in our community. As we begin contract negotiations, think of your family and friends in the community. Some might have their own business while others may work for them. Just know that every one of them will be affected by the outcome of our contract. We are all in this together. Solidarity!



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Call **1.877.265.2212** for an appointment. A qualified representative will come directly to your home and help qualify your options. As a service to our Members, a TBS Representative is available at the Union Hall two days each month. Stop in or call for a specific appointment time.



## **Retiring?? (Reprint)**

*Gerald Kell, Insurance Advocate*

Over the past few years, we've watched a couple hundred members make their last walk across the bridge via retirement. It appears the pace of departure will not slow in 2017 as we already have several dozen employees who have left or are slated to retire. While retirement is certainly something we all aspire to, the months leading up to it can be as equally confusing as they are important. There's a seemingly endless amount of variables to consider including market conditions, financial stability, income structure, healthcare, cost of living, etc. Many of these decisions are made easier with professional help and guidance. But, so often we rely on what we've heard through the grapevine as opposed to what is factually accurate. With that being said, there are a few subjects that seem to come up most often and I'd like to offer up some information on those for anyone contemplating retirement.

### **Healthcare**

With the impending sunset to retiree healthcare eligibility, potential retirees may experience what's colloquially referred to as "sticker shock" when they begin shopping for a healthcare plan. But first, what is retiree healthcare and when does it terminate? Retiree healthcare benefits allow eligible retirees to remain on our group healthcare plan until they turn 65 (Medicare eligible). This coverage is provided at a much higher premium than an active employee.

#### **Retiree medical coverage is offered to:**

- employees hired before January 1, 2005 who are age 62 to 65 when they retire and have at least 12 years of service with the Company. (Service under the Plan includes past service with MeadWestvaco, Westvaco Corporation and The Mead Corporation); and
- disabled retirees.

As I stated earlier, eligibility for retiree coverage will be over at the end of this year, 2017. If you retire before then and are eligible, you will not lose coverage at that point, you will be grandfathered. However, if you opt out at any point, you will not be permitted to rejoin the plan. As it stands now, there is a program called the Premium Reimbursement Option (PRO)

which offers financial incentive for a qualified individual to seek a private plan rather than staying on the mill's group insurance plan. The PRO will reimburse an individual for their monthly premiums from a qualifying plan depending on the type of coverage (single, joint, or family).

Premium Reimbursement Option	Retiree only (monthly)	Retiree + One (monthly)	Retiree + Family (monthly)
Maximum Reimbursement Amount	\$ 544.32	\$ 1,088.66	\$ 1,197.52

The PRO or Retiree Coverage is often confused with the Consolidated Omnibus Budget Reconciliation Act, or COBRA. COBRA is a legislative program that allows certain individuals having lost employment to remain on a group plan for up to 18 months. Please be sure to understand the difference. The rates for COBRA are similar to the cost of retiree healthcare coverage.

Employee Monthly Rate	Employee + Spouse Monthly Rate	Employee + Child(ren) Monthly Rate	Family Monthly Rate
\$636.19	\$1,304.19	\$1,145.14	\$1,806.79

In addition to these considerations, there is also the Retirement Insurance Fund (RIF). The RIF is a fund that was setup by the local unions to offset healthcare costs for retirees back in the late 1980's. Employees participate by contributing to the fund during their first 7 years of employment (\$15 a quarter) and are able to draw up to \$110/month in reimbursement for premiums paid after you retire for up to 7 years.

### **Pension**

Many employees who are retiring are doing so with their defined benefit pension plan. Earlier in this newsletter we addressed grandfathered vs. non-grandfathered members in regards to the 401(k) automatic contributions (defined contribution plan). Some of the most common questions are about the Rule of 92 which addresses the penalties (or lack thereof) for retiring prior to the normal retirement age (65) as defined by the plan known as "early retirement." Some are unaware there are actually multiple rules, including the rule of 90 and rule of 88. See the following page for explanation and some examples of different situations.

If you retire on or after your 62<sup>nd</sup> birthday and have earned at least 30 years of Vesting Service, your Early Retirement Pension will equal the amount calculated using the Normal Retirement Pension formula, unreduced.

If you retire on or after your 55<sup>th</sup> birthday (but before your 65<sup>th</sup> birthday), your Early Retirement Pension will equal a reduced Normal Retirement Pension calculated using age plus Vesting Service. The reduction is pro-rated for each month you start your pension before your Normal Retirement Date. If your age plus service is equal to or greater than 92, your Normal Retirement Pension will be reduced by 2 percent per year of early retirement.

- If your age plus service is less than 92 but equal to or greater than 90, your Normal Retirement Pension will be reduced by 3 percent per year of early retirement.
- If your age plus service is less than 90 but equal to or greater than 88, your Normal Retirement Pension will be reduced by 4 percent per year of early retirement.

If your age plus service is less than 88, your Normal Retirement Pension will be reduced by 5 percent per year of early retirement.

#### Example: Early Retirement Pension

David retired from NewPage July 24, 2012, his 57<sup>th</sup> birthday, with exactly 25 years of service. He chose to begin receiving his pension immediately on August 1, 2012. He receives \$675 per month, calculated as follows:

- David's Normal Retirement Pension is  $(25 \text{ yrs}) \times (\$45/\text{mo}) = \$1,125$
- David's benefit commencement date (August 1, 2012) preceded his 65<sup>th</sup> birthday. His age (57) plus service (25) equals 82.
- Reduction =  $40\%(5\% \text{ if less than } 88) \times (8 \text{ yrs})$

David's early retirement results in a reduction of 40%, resulting in an amount equal to \$675.

- $100\% - 40\% = 60\%$
- $60\% \text{ of } \$1,125 = \$675$

#### Example: Calculating your Normal Retirement Benefit for a Grandfathered Employee

Kurt is a grandfathered employee and began accruing Benefit Service in the Plan on June 1, 2005, and retired on February 21, 2015, his 65<sup>th</sup> birthday. If Kurt receives his pension as a Single-life Annuity, he receives \$458.25 per month for the rest of his life, beginning March 1, 2015

- Assuming Kurt worked continuously since becoming a participant, his Benefit Service as of his last day at NewPage was nine years, nine months (9.75 years).
- Applying the Benefit Rate for retirements on or after January 1, 2014 (\$47), Kurt's monthly Normal Retirement Pension, expressed as a Single-life Annuity, is \$458.25:

$$\text{Normal Retirement Pension} = (9.75 \text{ yrs}) \times (\$47/\text{mo}) = \$458.25$$

#### Example: Calculating your Normal Retirement Benefit for a Non-Grandfathered Employee

Joe is a non-grandfathered employee and began accruing Benefit Service in the Plan on June 1, 2005. Because he is nongrandfathered, Joe stopped accruing Benefit Service in the Plan on March 31, 2013. He retired on February 21, 2033, his 65<sup>th</sup> birthday. If Joe receives his pension as a Single-life Annuity, he receives \$368.01 per month for the rest of his life, beginning March 1, 2033

- Assuming Joe worked continuously since becoming a participant, his Benefit Service as of March 31, 2013, was seven years, 10 months (7.83 years).
- Applying the Benefit Rate for retirements on or after January 1, 2014 (\$47), Joe's monthly Normal Retirement Pension, expressed as a Single-life Annuity, is \$368.01:

$$\text{Normal Retirement Pension} = (7.83 \text{ yrs}) \times (\$47/\text{mo}) = \$368.01$$