



INFORMATION UPDATE 2010 #28

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MOTION TO SUPPORT 8300 PENSIONERS AT STELCO TO BE PRESENTED ON SEPTEMBER 15 AT HAMILTON CITY COUNCIL

It was recently announced that Ward 4 Councillor Sam Merulla will be presenting a motion at City Hall on September 15, 2010 at 7 p.m. in the Council Chambers. The motion states **“Whereas, the families of the Pensioners are affected by US Steel’s decision on indexing; and whereas, this impact is felt city wide; and whereas, Hamilton City Council wishes to call on US Steel to live up to their commitments to the people of the city of Hamilton; Therefore be it resolved: The Hamilton City Council express its concern to US Steel and request a reversal of their decision to not pay the indexing for the 8300 pensioner families.”**

One of US Steel’s demands from Local 1005 during this round of bargaining is they want the union to agree that the pensions for 8300 pensioners no longer be indexed. With indexing, a pensioner receiving \$1000 a month in 1991 when indexing began is now receiving \$1366 a month. To eliminate indexing would result in financial difficulty for pensioners, especially with daily surprises, such as the HST, the increases in hydro rates, etc. Rather than deal with this issue seriously, US Steel unilaterally stopped indexing pensions as of August 1, 2010, when the contract expired.

WHAT INDEXING MEANS FOR THE ACTIVE WORKERS

Another issue in dispute in the current set of negotiations between Local 1005 and US Steel is the question of indexing for the active workers. US Steel has a demand that they want to change the base of the COLA calculations from 1971=100 to 2002=100. What this means in real terms is that a worker working in the plant would only receive about 20% of what he/she would receive if the base stayed at 1971=100.

We did an investigation of what the cost of living allowance (COLA) has meant for workers at Stelco. In 1980 the base rate for Job Class 7 was \$10.18 an hour. In the various contracts and after two strikes the workers received a total of \$3.00 an hour in straight raises from 1980-2005. In 2006 bargaining, the union agreed to go from 28 job classes to eight levels, so job class 7 went to Level 2, and this transition along with increasing the increments between job classes, resulted in a wage increase of about \$1.15 for job class 7(now Level 2). The total in wage increases for 30 years, 1980 to 2010 is \$4.15 for job class 7. The base rate for this job class would be about \$14.33.

The rate for Level 2 at this time is \$26.388 an hour. In those thirty years the COLA provided over \$12.00 an hour in increases. **Without COLA. The Stelco worker would be making \$14 an hour instead of over \$26.00 an hour for this job level.**

And the final point to make here is that if the workers give up their COLA either for pensions or for active workers, their standard of living will seriously worsen, while this value that they create will go directly into the pockets of the rich and won’t even be spent here in Hamilton or even in Canada. So not only will it hurt the workers and pensioners, it actually is a drain on the country.