

## What Rauner's Demands Would Mean for an Office Associate (Pay Grade 8):

The Administration's proposal would freeze wages and steps for four years and includes **huge hikes in health care costs**—resulting in a very significant loss in real income for state employees. When additional elements of Management's proposal like reductions in overtime and holiday pay and the elimination of longevity for employees not yet eligible are taken into account, the loss is even greater.

Rauner's proposal would **double** employees' monthly premium contributions to maintain their current health plan in FY 17, and would allow the state to impose up to a 10% increase in contributions in both FY 18 and FY 19. While the Administration would also provide plans with lower employee premiums, they have acknowledged that those plans would have much higher co-pays and deductibles. The health care proposal alone would cost employees, on average, **\$3,100 more in FY 17 and more than \$10,000 during the term of the contract**. Employees with multiple dependents or serious health conditions could see cost increases of over \$5,000 in FY17, and \$17,000 or more of additional health care costs during the term of the contract depending on salary and health plan:

| FY 17 EMPLOYEE + 2 DEPENDENTS ANNUAL EMPLOYEE PREMIUM CONTRIBUTION |                    |                 |                 |                   |                 |                 |
|--|--------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| Salary Band  | MANAGED CARE PLANS |                 |                 | QUALITY CARE PLAN |                 |                 |
|  | Current            | Rauner Proposal | Increase        | Current           | Rauner Proposal | Increase        |
| \$30,201-\$45,600  | \$2,940            | \$5,952         | <b>+\$3,012</b> | \$4,776           | \$9,672         | <b>+\$4,896</b> |
| \$45,601 -\$60,700   | \$3,144            | \$6,360         | <b>+\$3,216</b> | \$4,968           | \$10,056        | <b>+\$5,088</b> |

### Office Associate (Step 4 in FY 15)

As the table below shows, Rauner's proposed hikes in health care contributions would cost an office associate at Step 4 enrolled in a managed care insurance plan covering 2 dependents **\$12,000 in additional health care costs** over the last three years of the contract. This would be in addition to the more than \$9,500 in premium contributions the employee would also pay under the current plan.

Under Management's proposal, take home pay in FY 19 would be **\$4,750** less than today.

| Office Associate<br>Step 4 in FY 15 (base year)              | Base<br>FY 15   | FY 16    | FY 17    | FY 18    | FY 19           | Total            |
|--|-----------------|----------|----------|----------|-----------------|------------------|
| Yearly Earnings: Step Freeze                                 | \$42,384        | \$42,384 | \$42,384 | \$42,384 | \$42,384        |                  |
| Current Health/Dental Annual<br>Premium Contribution         | -\$3,174        | -\$3,174 | -\$3,174 | -\$3,174 | -\$3,174        |                  |
| Additional Health/Dental<br>Contributions- Rauner's Proposal |                 |          | -\$3,378 | -\$4,033 | -\$4,754        | <b>-\$12,165</b> |
| Take Home Pay  | <b>\$39,210</b> | \$39,210 | \$35,832 | \$35,177 | <b>\$34,456</b> |                  |

Moreover, the office associate's take home pay of \$34,456 in FY 19, under management's proposal, would be \$10,950 LESS than if the current pay plan and health insurance contributions remained in place.

In addition, the Employer’s proposals to reduce overtime and holiday pay would reduce the employee’s take home pay depending on how much overtime and holidays he or she works.

- The elimination of overtime for the 2.5 hours between 37.5 and 40 hours worked per week would cost the office associate \$27/week; and
- The reduction in holiday pay would cost \$81.50/holiday

Assuming the office associate works 2 holidays and ten 40 hour work weeks per year, the Administration’s proposal **could cost this office associate \$13,500 in increased premium contributions and lost earnings over the term of the contract—and this doesn’t even include lost step increases which would amount to a loss of \$6,400 in FY 19 alone.**

| <b>Rauner’s Proposal</b>   | <b>Cost/Lost Earnings Over Term of Contract</b> |
|--|---|
| Increased Health Insurance Contributions   | -\$12,165                                       |
| Eliminate Overtime between 37.5 and 40<br><i>(assumes 10 weeks/year when the office associate works at least 40 hours)</i> | -\$810  |
| Reduce Holiday Pay<br><i>(assumes 2 holidays/year)</i>   | -\$489  |
| <b>Total Loss/Cut</b>  | <b>-\$13,464</b>                                |

Office Associate (Step 8 in FY 15)

Rauner’s proposed hikes in health care contributions would cost an office associate on Step 8 enrolled in a managed care insurance plan covering 2 dependents **\$13,000 in additional health care costs** during the last 3 years of the contract. This would be in addition to the more than \$10,000 in premium contributions the employee would also pay under the current plan.

Under Management’s proposal, take home pay in FY 19 would be **\$5,000** less than today.

| Office Associate<br>Step 8 in FY 15 (base year)           | Base<br>FY 15   | FY 16    | FY 17    | FY 18    | FY 19           | Total            |
|---|-----------------|----------|----------|----------|-----------------|------------------|
| Yearly Earnings: Wage Freeze                              | \$48,780        | \$48,780 | \$48,780 | \$48,780 | \$48,780        |                  |
| Current Health/Dental Premium Contribution                | -\$3,378        | -\$3,378 | -\$3,378 | -\$3,378 | -\$3,378        |                  |
| Additional Health/Dental Contributions- Rauner’s Proposal |                 |          | -\$3,582 | -\$4,278 | -\$5,044        | <b>-\$12,904</b> |
| Net Pay   | <b>\$45,402</b> | \$45,402 | \$41,820 | \$41,124 | <b>\$40,358</b> |                  |

In addition, the Employer’s proposals to reduce overtime and holiday pay and eliminate longevity for those not yet eligible would reduce the employee’s take home pay depending on how much overtime and holidays he or she works and their longevity eligibility.

- \$75/month longevity payment is eliminated except for employees eligible prior to the term of the contract;
- The elimination of overtime for the 2.5 hours between 37.5 and 40 hours worked/week would cost \$31.25/week; and
- The reduction in holiday pay would cost \$93.80/holiday

Assuming the office associate works 2 holidays and ten 40 hour work weeks per year and would have been eligible for longevity shortly after the start of the new contract; the Administration’s proposal **could cost this office associate \$18,000 in increased premium contributions and lost earnings:**

| <b>Rauner’s Proposal</b>   | <b>Cost/Lost Earnings Over Term of Contract</b> |
|--|---|
| Increased Health Insurance Contributions   | -\$12,904                                       |
| Eliminate Longevity<br><i>(assumes employee is eligible for longevity in FY16)</i>   | -\$3,600  |
| Eliminate Overtime between 37.5 and 40<br><i>(assumes 10 weeks/year when the office associate works at least 40 hours)</i> | -\$938  |
| Reduce Holiday Pay<br><i>(assumes 2 holidays/year)</i>   | -\$563  |
| <b>Total Loss/Cut</b>  | <b>-\$18,005</b>                                |