

**HOLD THE LINE FOR AMERICA'S HEALTH CARE: The Fight Between Corporate Greed and Human Need— the Southern California Supermarket Strike/Lockout**

**PRESS BACKGROUNDER: ISSUE ONE-HEALTH CARE (11/10/03)**

**SAFEWAY AND THE OTHER SUPERMARKET GIANTS WANT TO EFFECTIVELY ELIMINATE WORKER HEALTH CARE BENEFITS!**

Here's how they propose to do it.

**First, understand how worker benefits are funded.**

The employer pays a **specified dollar amount multiplied by the total number of hours worked** by the employees covered under the benefit plan. Employers now pay about \$4 multiplied by the total number of hours worked for all employees.

**Second, look at what the employers propose to do to new hires.**

The funding for **new hire benefits would be cut and capped— no increases— at \$1.35** multiplied by the hours that new hires— and only new hires— work. This funding is not adequate to provide any meaningful benefits. **Over 70,000 jobs in Southern California that now come with health benefits would be without any real benefits as new hires replace the current workforce.**

**Third, look at what the employers propose to do to funding for current employees.**

The total number of hours worked—the second part of the equation for **benefit funding—is constantly being reduced** because the hours worked by new hires don't count in the funding base for current employees. As new hires replace existing employees, funding will not be adequate to cover current benefits, even if the specified dollar amount is increased under the employers' proposal.

Within three years, according to actuarial analysis, current employees would face massive benefit cuts or unbearable co-pays—up to about \$95 a week. **Most importantly, as is obvious, the funding base for current employees is being strangled as no new hours are being added, and within very few years there will not be adequate funding for any real benefits at all.**

Employers can throw numbers around— but, their proposals equal the end of meaningful health care benefits for Southern California supermarket workers. They say all they want is a \$5 to \$15 a week premium co-pay. They say that they are going to increase the contribution for current employees. Look at their proposal on new hires in the context of how benefits are funded and you can see their real agenda. [<http://negotiations.safeway.com/vons/>]

This is not about cost sharing or premium co-pays— it is about eliminating health benefits.

For more information, contact Greg Denier, 202-466-1591, Jill Cashen, 202-728-4797 or email [press@ufcw.org](mailto:press@ufcw.org)

United Food and Commercial Workers International Union: A Voice for Working America -

