

While bargaining late last year, NCFO Chapter 266 negotiators succeeded in undoing a serious injustice, winning restoration of affordable health insurance coverage for pre-Medicare retirees that had been abruptly taken away by their employer in 2005.

The victory at Monofrax—the upstate New York manufacturer of fused cast refractories used for linings in blast furnaces, primarily in the glassmaking industry—is particularly noteworthy given the continuing decline in employer-based retiree health coverage.

According to the Kaiser Foundation, in 1988, 66 percent of U.S. retirees had company health benefits. By 2003, the percentage dropped to 38 percent, and it plunged further to just 33 percent by 2007.

“What the former owners did in 2005 was break a promise they had made to hourly employees and retirees,” explains one of the two chief stewards at Monofrax, Curt Olson. “The company spiked the cost from around \$400 a month to over \$900. It caused a lot of hardship. Retirees were dropping out left and right and active employees were delaying retirement indefinitely.”

Henry Zofehak had no choice: he had to keep the insurance when he retired after 40 years with the company because his wife Donna has Multiple Sclerosis. “The cost hurt us pretty well. We cut our food budget and took no vacations,” he says.

Bad Years

Relations between NCFO and the company had been souring for years—a two-week strike in 2000 and the concessionary contract that followed being the flashpoint. “The company came in wanting a two dollar per hour cut,” recalls Chief Steward Art Jaroszynski. “The contract we reluctantly signed cut wages 75 cents per hour. This led to years



Bucking National Trend, New York Chapter Wins Back Affordable Retiree Health Coverage

Susan Gurdak, who began working at Monofrax in 1977, unloads wood used to make patterns for the furnace linings. Getting the price of retiree health insurance slashed “was wonderful news,” she says. “It has been a big concern of mine.”

of horrible relations with the company,” he continues.

“And three months later management was given a raise,” adds Olson. “That was a dagger in the heart.”

Incredibly, things got even worse in 2004.

After the 2003 contract—better in many ways than the 2000 contract—was ratified, the company unilaterally implemented an extremely harsh attendance program. Some 43 workers were written up under the policy and 18 lost time, one, his job.

When the union finally won an arbitration on the issue early in 2005 (one of six arbitration victories in a row against the company), Monofrax unloaded a bomb: accept the attendance policy it wanted or lose the “gain sharing” traditionally given to employees by the company.

At stake was up to \$3,000 per employee. In an impressive show of solidarity and unity, the union committee—backed up by the membership—voted unanimously against taking the money.

“I think this was a defining moment for our members at Monofrax,” says Chapter 266 President Tom Dickerson (who himself works at Carriage House). “The company even sent letters home telling families that ‘the union had just cost them \$3,000.’”

But that backfired, Jaroszynski and Olson—who each have 33 years at Monofrax—explain. “It brought the families and the union together and further strained relations with the company,” says Olson.

Positive Change

The negative relations with the company and the strong unity—not only among the 200 NCFO members at Monofrax, but also between Chapter 266 and the small group of Machinists—did not go unnoticed by the Austrian-based RHI corporation, which purchased Monofrax early in 2007.

Labor relations took a positive turn with the firing of the extremely unpopular plant manager, and the three-year contract ratified late last year should help, too.

“Both us and the IAM made it clear we were ready to strike over the retiree health care,” says Olson, but, as noted above, that was not necessary. Management agreed to slash the cost of the coverage.

The new contract includes across-the-board raises of 9.5% over three years—with an additional 3% for those hired into a second wage tier (created in the 2003 contract). There’s also increased bereavement leave, strengthened overtime provisions, a \$30 cap on family health insurance increases and expanded rights to use vacation one day at a time.

The company also pledged to restore the gain sharing program for the next three years.

But it is the restoration of affordable retiree health care that stands out, even more so because only about 80 of the 200 Chapter 266 members at Monofrax (those age 40 and over in 1997) remain eligible for it.

“We were really excited when we got the news,” says retiree Henry Zofehak. He now has an additional \$450 per month and it makes a big difference. “We still can’t be extravagant, but we

can enjoy our retirement more,” he adds.

Negotiating committee member Troy Stimson is one of the many Chapter 266 members at Monofrax who saw it as crucial to get the company to fulfill the previously broken promise to older workers.

“This was huge,” he argues. “You can’t promise benefits to someone who gives you 35 years of his life and then put him where he can’t afford health care,” he continues.

Stimson is well aware that other battles need to be won on health care, and not at the bargaining table.

“We have to work together to get something done about this on the national level, for everyone,” he says. ✨



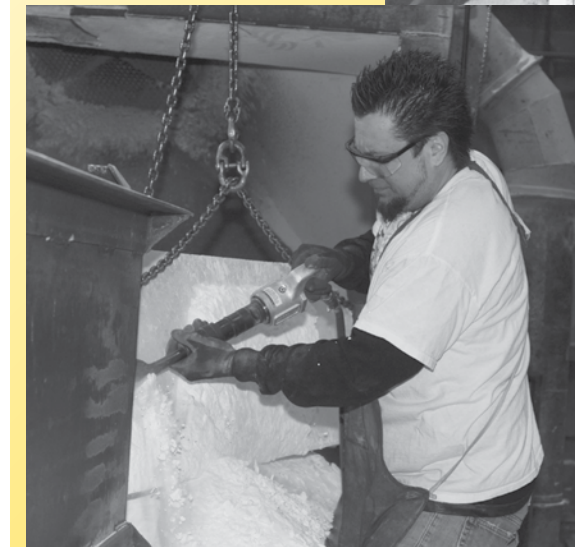
▲ Chapter 266 Chief Stewards and pattern makers Art Jaroszynski (right) and Curt Olson helped negotiate many improvements for employees—and retirees—at Monofrax late last year. Among the changes: the restoration of affordable retiree health insurance. “It was an issue we were prepared to strike over,” Olson says.



► Negotiating Committee Member Troy Stimson fought hard for the 80 older employees who would benefit from the health insurance change, even though he won’t. “This was huge,” he says, adding that “something has to be done on the national level” to make sure that everyone has health insurance.”



▲ Al Swanson scrapes excess sand off a pattern before it is sent to the furnace. Past scrapes with the company—including the concessionary contract that followed a two-week strike in 2000—are not forgotten. But the new contract sets a pattern for improved labor relations.



◀ Dave Nelson cleans off a block which soon will be shipped to a glass factory. The new NCFO contract helped clean up some past problems. It includes an extra 3% in raises for employees hired into a second tier.