



Frequently Asked Questions

What are current UAW dues?

The UAW's current dues structure was established by the delegates to the 1967 Special Convention. UAW members pay monthly dues equal to two hours pay or, for salaried workers, 1.15% of their monthly salary. Public employees who are prohibited by law from striking are not required to pay into the International Strike Assistance Fund, so they could pay proportionally lower dues. For members working part-time, dues are 1.15% of straight time gross monthly wages and .805% if the member is prohibited by statute from striking.

What are my dues used for?

Currently, 5% of dues are allocated to the strike fund. Of the remaining 95%, 53% of member dues go to the local union to support members at the work site in negotiating and servicing. The portion going to the International (47%) covers a broad array of support services for local unions including but not limited to:

- Health and safety experts to investigate accidents and train members to fix health and safety issues in their workplaces
- Legal staff to help locals win fights in court; for example, UAW attorneys have won major cases preserving retiree health insurance
- Health care and pension experts to take on the employer's consultants
- Website, magazine and other resources to keep members informed
- Financial analysts to help local committees understand their employer's finances and business strategies, so that we can take them on and win
- Auditors to help local unions keep their books in good order, so they can stay accountable to members
- Assistance for locals and members who are facing hard times or natural disasters
- Organizers to build our density so we can win better agreements

Note that depending on the level of strike activity during a month, some or all of the 5% to the Strike Fund may be rebated to locals and the International.

Where does the strike fund stand today?

As of year-end 2013, the UAW International Strike Assistance Fund balance was \$626.9 million, down significantly from \$930.5 million going into the 2006 convention. In accordance with the UAW Constitution, the UAW International Strike Assistance Fund has a minimum floor, below which the extra allocation of dues to local unions and the International stops. This is known as the “trigger.” In the event that point is reached, then all rebates will cease until the strike fund is again over \$550 million. Once this trigger is reached, fewer resources will be available to support the membership.

How did the strike fund shrink so much?

The allocation of dues changed in 2006, when the UAW was facing significant challenges: General Motors and Ford had both announced plant closings, the Daimler-Chrysler merger was beginning to unravel, Delphi was in bankruptcy, UAW ranks were being depleted by tens of thousands of members taking buy-outs and early retirement and employer opposition to union organizing had reached unprecedented levels. Recognizing the significance of the times, the UAW delegates to the 34th Constitutional Convention changed the allocation of dues to increase rebates to local unions and the International so that our union could address these challenges and continue to give members the resources they need to bargain strong contracts.

At the time, the Strike Fund was well-funded at over \$930 million. The changes provided additional resources to both local unions and the International, as long as the International Strike Assistance Fund remained above the trigger.

At the same time, the International UAW and locals also began extensive internal reviews to cut costs and gain efficiencies in operations. This process continues today (see more, below).

The reallocation of dues to give more resources to local unions and the International to serve the membership would generally have kept the strike fund in a steady state. However, with membership shrinking and challenges to our union mounting, delegates to recent conventions also voted to transfer strike fund assets to other purposes. In 2002, looking ahead to tough negotiations in 2003, delegates voted to use \$75 million in strike fund assets to create an emergency operations fund to sustain operations in the event of a prolonged strike or other financial emergency. In 2006, in addition to changing the allocation of dues, delegates made a one-time transfer of \$50 million from the strike fund to the union’s general fund and authorized up to \$60 million from strike fund assets to support organizing over each four-year convention cycle.

The reallocation of dues from building up the International Strike Assistance Fund to covering operating costs was a prudent decision at the time, as were the transfers to allow the union to continue to serve the membership in perilous times while growing to build our bargaining power for the future. But several things occurred which negatively affected this plan:

- First, the 2008 recession quickly and permanently changed course for locals and the International, undermining much of the plans put in place in 2006. Operating losses swelled as membership fell nearly 25% in less than two years and investment income suffered due to the near collapse of financial markets. In 2010, delegates responded by authorizing four additional

- transfers of up to \$25 million each from the strike fund to the union's general fund. These transfers allowed the union to survive the crisis, but further depleted the strike fund.
- Likewise, International Strike Assistance Fund assets incurred significant investment losses from the global financial crisis, further eroding investment income as the pool of investable assets shrank.
 - Beginning in 2011, unprecedented attacks on the bargaining rights of union members across the U.S. required significant expenditures to protect those rights. States such as Wisconsin, Ohio, Indiana and Michigan with a high number of UAW members were priority targets for these anti-union right-wing attacks. UAW and other unions have had to spend millions to fight back against the extreme attacks from wealthy corporate interests funded by billionaires such as the Koch brothers.

Why do we need a well-funded International Strike Assistance Fund?

A well-funded strike fund is a strong deterrent to employers who doubt the resolve of UAW members. When employers know that we have the resources to support long struggles, it is a compelling incentive for them to bargain fair and equitable contracts for our members without forcing a strike or lockout. To the extent that our strike fund continues to decline, employers who monitor our finances will be emboldened to test our mettle at the bargaining table. Employers' respect for our financial strength has been one major reason why we have not had to take on long, national strikes in recent years.

While the deterrent value of the strike fund has been very effective, it is important to understand the cost of potential strikes. For all UAW members, strike benefits are decided by the IEB and are currently approximately \$1,610 per member per month (\$860 per month in strike assistance payments and \$750 for health care costs). In addition, members on strike do not pay dues. In 2012, only 522 UAW members were on strike or locked out, and they received over \$4.6 million from the union's Strike Assistance Fund.

Is there a proposal to increase dues?

The UAW International Executive Board (IEB) believes a half-hour dues increase to go directly and only to an expanded Strike and Defense Fund is an important investment for all members to make to strengthen our hand at bargaining. But any change to our Constitution, including a dues increase, will follow the democratic procedures outlined in the UAW Constitution to make sure it meets with membership approval. Any proposed changes must start with dialogue within our membership not just about dues, but about how to strengthen our union to take on future fights.

What is the "UAW Strike and Defense Fund?"

The UAW International Executive Board (IEB) recommends that the “International Strike Assistance Fund” be changed to the “International Strike and Defense Fund.” The “Strike and Defense Fund” broadens the Strike Assistance Fund to reflect changing times.

As an initial matter, members who are currently exempt from contributing to the Strike Assistance Fund because the nature of their employment bars strikes (i.e., most public sector workers) would contribute to the new Strike and Defense Fund. Public sector workers are facing increasingly aggressive attacks on their basic right to collective bargaining. Defending the right of public sector workers to bargain has become a commonplace (and costly) endeavor.

Moreover, the reality of bargaining today is that the battles all UAW members face have changed. Employers today use a variety of aggressive tactics to try to defeat strikes: hiring permanent replacement workers, filing lawsuits, shifting work to nonunion locations or sending it overseas. We still need to have the ability to pay benefits during a prolonged national strike, but we also need to have the ability to carry out multi-pronged strategic campaigns in addition to, or even instead of, a traditional strike.

All of these campaigns require resources, just as a strike does. Amending the UAW Constitution to update the name and the purpose of the International Strike Assistance Fund will ensure that we have the resources to take on future contract fights and the flexibility to use the most effective tactics to win those fights. The core purpose of the Strike and Defense Fund is exactly the same as the core purpose of the Strike Assistance Fund: to provide direct material support to our fellow members who are fighting for a fair contract, including defending their right to collective bargaining. It cannot be used for regular operating expenses.

Other unions, including the Steelworkers and Communications Workers, have either broadened the purpose of their strike funds to include support for other tactics, or created new funds to take on strategic campaigns.

All disbursements from the renamed Strike and Defense Fund would be subject to approval of the IEB, just as strike assistance payments are. The IEB considers multiple factors, including but not limited to: cost, likelihood of success, ramifications for all UAW membership and need to build the Strike and Defense Fund.

Are there other proposals affecting UAW's financial future?

In addition to recommending a half-hour dues increase, the International Executive Board is proposing several key cost-reduction initiatives:

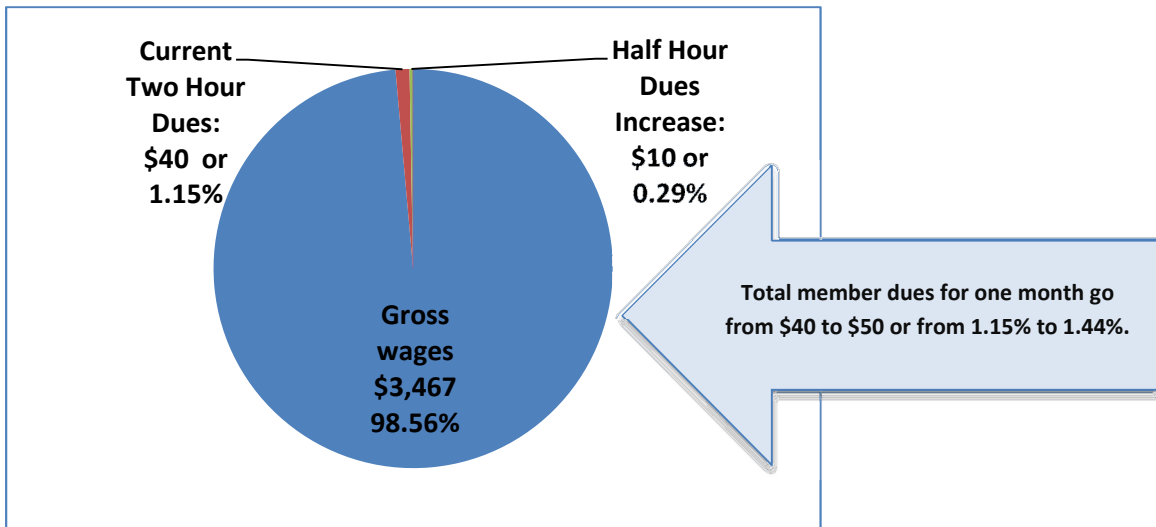
1. **Not renew annual \$25 million transfer from Strike Fund:** by action of the delegates to the 2010 UAW Constitutional Convention, an annual transfer of up to \$25 million was permitted from the Strike Fund to the General Fund. The UAW IEB recommends that this provision not be renewed.
2. **Merger of Regions 1C and 1D:** reflecting the realities of membership demographics, the merger of these two Michigan Regions will result in significant cost savings as offices and staff are consolidated.

3. **Elimination of a fourth Vice President:** similarly, reducing this position and transferring assignments to remaining Vice Presidents will also save significant overhead.

How much will the dues increase mean to me?

The exact amount depends on your earnings – it would be half your hourly rate of pay. For a member earning \$20 an hour, the increase would be \$10 a month. That works out to a little over \$2.30 a week, or roughly 33 cents a day. An online calculator is available to help you figure out the impact on your own situation.

Another way of looking at the increase is as the investment of 6 hours of pay each year in your union’s ability to take on contract fights in the future.



Example: monthly pay and dues for member working full time, \$20/hour

Don't UAW dues go up every time we negotiate pay increases? Why not just bargain higher wages or get rid of second tier to increase dues revenues?

It's true that when wages go up, the value of two hours dues also increases. The reason why the formula needs to be changed is that, in the wake of severe membership declines and increased employer aggression, the formula that worked in 1967 does not work in 2014. We need to dedicate a funding stream to our strike fund to rebuild it (the purpose of the half-hour increase), while continuing to provide essential services to members and organize to build our power.

We all want wages to increase and to eliminate a tiered workforce. Addressing this and other concerns starts with having a strong hand at the bargaining table – and that requires a robust strike fund and increased density in our sectors.

Why not replenish the strike fund without a dues increase by ending the rebates and putting the full 30% of dues into the fund; isn't that what will happen automatically when the strike fund hits the trigger?

The IEB thought long and hard about the consequences of hitting the trigger for our locals and the International. Many of our local unions are already struggling financially. Losing the current rebate would be a cut of 25-30% in local union revenue, and this would lead to a significant impairment in our ability to serve their members.

Similarly, the loss of rebates would jeopardize the ability of the International to provide the services that members have a right to expect: bargaining assistance, health and safety expertise, pension calculations and research on employers' finances and business plans. It would also threaten our ability to mount large-scale organizing drives to build bargaining power in our sectors.

Why doesn't the International just cut costs instead of increasing dues?

As stewards of members' dues dollars, the International carefully considers expenditures. In recent years, millions have been saved through cost cutting and efficiencies; but more work needs to be done. In fact, in recent years, reductions in operating costs have included:

- \$15 million in annual spending cuts by the International
- Merger of Region 3 into Regions 2B and 8
- Reduced staff and OPEIU headcount
- Closing of 15 Sub-Regional offices and one of two headquarters buildings (the Dave Miller Building) in Detroit since 2004

Additional planned or proposed reductions include:

- Proposed benefit changes to staff and retired staff
- Additional savings from merging departments, better utilizing resources and making better use of technology to reduce costs and improve communications with members
- Proposed merger of Region 1C and 1D
- Proposed elimination of a vice president position

Although the 2010 Convention permitted four annual transfers of \$25 million from the Strike Fund for operating expenses, the International Executive Board proposes that this practice should **not** continue.

There are some areas where we can't cut back, however. The purpose of our union is to win improvements for our members and a better life for all working people; we absolutely must have critical resources to take on fights with employers and win them. Above all, we must strengthen our

membership in our core industries so we are not bargaining our way to the bottom. As long as employers are able pit UAW members and nonunion workers against one another, we're not going to be able to win the kinds of gains we deserve. Cutting back on spending without a bigger plan to organize, build power and improve our members' lives would be self-defeating.

Why doesn't the UAW just lower the trigger?

Allowing the strike fund to shrink further is irresponsible and puts off questions that we should address today. When strike funds become too small, they cease to be effective. Employers calculate that members do not have the resources to strike and so their demands become bolder.

How much are UAW officers and staff paid?

Pay for staff and officers is spelled out in the UAW Constitution; the president currently receives a salary of \$153,248, and the salary of a typical staff person is \$105,077. UAW staff members are represented by their union, the UAW Staff Council. It is the policy of the UAW to base bargaining with staff upon what is negotiated in our UAW GM, Ford and Chrysler contracts. Because negotiations with staff happen as much as a year after Big 3 bargaining, staff do not get their increases, if any, until after members. The last pay increase received by staff and officers was in March 2007; the last COLA adjustment was in September 2009. Delegates to the 2010 convention updated the Constitution to reflect these changes that had already taken place. Staff and officers did not receive an increase at the convention, and their pay has been frozen since then. In addition, a two-tier retirement system exists for all entry level staff.

How many staff does the UAW have?

Since 2003, staff has been reduced from 817 to 506 – a 38% reduction. Similarly, clerical has gone from 366 to 181 – a 51% reduction.

What are other unions' dues?

Though the dues structures of unions vary (some are by percentage, some are by hour; yet others have a staggered schedule based upon classification), many other international unions including the Teamsters, Steelworkers, Communication Workers, AFSCME and others have overall higher average dues structures than we do in the UAW.

All unions have faced the same pressures at the bargaining table and from third parties pushing legislation to undermine member rights. Many unions have already increased their dues in recent years to achieve financial stability and build strength at the bargaining table. Because of investments, a well-funded strike fund and cost cutting measures, the UAW has been able to maintain services to members without a dues increase for much longer than other unions.

How can we be sure what the dues increase will be used for?

The UAW International Executive Board is recommending that any dues increase be earmarked solely to the Strike and Defense Fund, where it will be used to pay strike benefits, support contract fights and defend members' collective bargaining rights. The fund cannot be used for ongoing operations or for partisan political activity.

Any use of the Strike and Defense Fund will require approval by the International Executive Board.

What are the upcoming challenges/fights that UAW members face?

Over the next few years, agreements covering nearly half of our members will be expiring. This year, we have bargaining at Navistar. In 2015, we will be entering into negotiations with Chrysler, Ford and General Motors as well as John Deere and Mitsubishi. The following year, we will be bargaining with CNH (Fiat) and Caterpillar. Negotiations with any of these employers are always difficult, but in the current environment they will be especially so: we know the companies will fiercely resist our efforts to raise up the second tier, protect health care, win overdue raises and address other pressing concerns.

Strengthening our Strike and Defense Fund heading into these negotiations will put employers on notice that we are serious about winning fairness in our workplaces.

I haven't gotten a raise/my health care has gone up/two-tier is unfair: why should I support a dues increase?

Members who are concerned that many recent contracts haven't provided the kinds of gains we deserve are absolutely right. Across all of our industries, working people aren't sharing fully in the success of their employers; economy-wide, 95% of income growth in recent years has gone to just 1% of the population.

Building our power through organizing, and making sure we have a strong Strike and Defense Fund to take on and win fights with employers, is our best opportunity to make real, concrete gains in our pay, benefits and working conditions.

I'm a government worker and can't strike. Why should I pay for a dues increase?

Even though UAW members in the public sector who don't have the right to strike have historically paid slightly lower dues, they have still benefited from the strong strike fund that gives our union the ability to take on big fights. UAW members from across all sectors have shown their support for fellow members who are under attack by states and municipalities. Moreover, the Strike and Defense Fund is about far more than paying strike support – it's about having resources to engage in other actions, like fighting costly but important legal battles in defense of our contracts. Finally, supporting one another

as part of a bigger union makes us all stronger – it is who we are. Many of the gains won by UAW members in auto, agricultural implement and other private sector manufacturing industries came about as the result of past strikes. Those gains give our union the resources to organize in the public sector, and set a pattern for other employers, including state and local government employers, in communities where our union is strong.

Why not stop transferring money out of the strike fund to support organizing?

UAW members know that unorganized workers in their sector are a serious downward pressure when we are at the bargaining table. When we don't represent all or most of the workers in a sector, we are in a race to compete with unrepresented workers who are at the economic mercy of their employers. Unless we organize the nonunion competition, wages, benefits and working conditions for all workers – union and nonunion alike – will be dragged down.

Committing resources to grow our members' power through organizing builds our ability to win better contracts at the bargaining table. Supporting members' effort to win better contracts is exactly the goal of our strike fund.

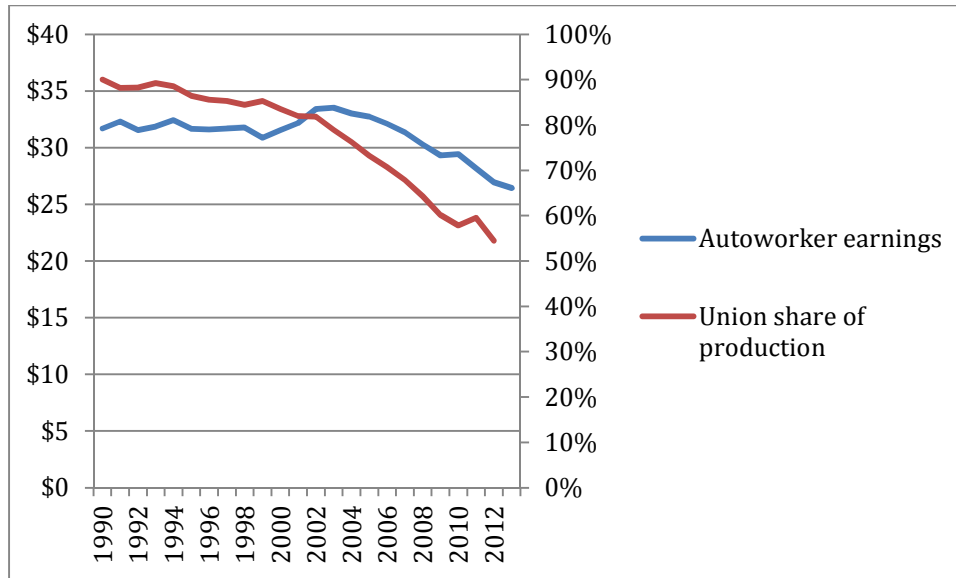
Finally, we have both our own self-interest and a moral responsibility to move working families out of poverty and into the middle class. It was strong unions including the UAW who fought long collective bargaining struggles to win excellent contracts that took our members from the edge of poverty to the middle class. Our contract gains set new standards in communities across America that increased wages and benefits for all workers, not just our members. When we rebuild the middle class, we will grow tax revenues that provide for better schools, lower college tuitions, better roads, bridges, and other infrastructure and a stronger economy.

Nonunion workers in my industry are my competitors; why should we organize them?

From the 1950s through the early 1980s, the U.S. auto industry was virtually 100% union. But the nonunion sector of the industry has been growing steadily since the mid-1980s, and this trend has accelerated since the year 2000. In 2003, roughly 79% of the vehicles assembled in the U.S. came from unionized plants. By last year, that had fallen to roughly 55%.

The resulting loss of bargaining power has had a devastating impact on autoworkers – union and nonunion alike. Average hourly pay for autoworkers in this country peaked in 2003 (once inflation is factored in). Since then, purchasing power of an average hour's pay has fallen more than 20%.

By organizing the competition, we can set standards for the entire industry. If we fail to organize them, our competitors will be setting standards for us.



Why should I support a dues increase when the UAW gives money to politicians I don't like?

UAW participates in political action because elections have consequences, and our experience of recent years has driven this point home again and again. In state after state, anti-union legislators are proposing and passing laws designed to strip away the very right to collectively bargain. Whether it is taking away the right to have dues check-off for public workers or a wholesale change such as Michigan's Right-to-Work law – legislators and their corporate benefactors have been busy eroding the very right of workers to stand together and have a voice in their wages and working conditions.

It is vital that we continue to advocate for candidates who will fairly represent their communities and the rights of workers. To that end, our union makes contributions to candidates at the local, state and federal level. Federal laws prohibit the use of dues dollars for campaign contributions, and this is true of most states as well. In these elections, the union's spending on partisan political activity comes out of separate funds that are contributed for that purpose through our voluntary V-CAP program. We also use resources to educate membership and the general public on important matters that affect working families. When members have solid, factual information about issues, we can be more effective in our advocacy for fair trade, fair taxes and an economy that works for working people.

In any event, as proposed, any dues increase will be dedicated strictly to the Strike and Defense Fund. While it may be used to support member mobilization against specific threats to bargaining rights and other attacks on UAW members, it cannot and will not be used for partisan political activity.

Doesn't the vote at Volkswagen show that we're never going to organize the transplants? Why keep trying?

There's no doubt that the narrow loss at VW was a huge disappointment. The lesson it really hammers home, though, is the point we've been making all along: our wages and benefits and workplace rights are under unprecedented attack, and the only way to turn things around is to fight back. Even though the employer in this case was neutral, shadowy outside groups poured hundreds of thousands of dollars into an anti-union misinformation campaign. Anti-worker politicians blatantly threatened VW workers with the loss of their jobs, including an unprecedented threat to cut off economic development incentives for the plant if workers organized. While we've all seen employers fight unionization with threats and intimidation, no one can remember a time when civic leaders stepped into the fray in such a threatening and hostile manner.

Our opponents threw so much money into the campaign because they know the stakes go beyond one plant in Tennessee. As Forbes Magazine has pointed out, organizing VW "would also likely lead to higher wages at VW and potentially other nonunion plants . . . a loss, however, would likely suppress wages across the industry, even at unionized plants . . . "

Organizing VW and the other transplants will take persistence, a strategy to challenge these stepped-up attacks and the resources to stick it out for the long haul. But with the future of our jobs and our union at stake, this is a fight we have to take on. That's why it's so important to restructure our finances so that we have the resources to win.

Where can I read the UAW Constitution?

Members (and the general public) can find the UAW Constitution in its entirety on our union's web page, using the following link: <http://uaw.org/page/uaw-constitution>

Where can I find out more?

We invite you to visit our website at www.uaw.org to take a closer look at PRO-member, and we invite you to email us at feedback@uaw.org. While you're there, sign up for the UAWire, if you haven't already, to ensure you receive regular updates on the plan.