

# The IAM District 190 Sparkplug



VOL. 6, NO. 5

AUGUST/SEPTEMBER 2004

Serving the Active and Retired Members of IAM District Lodge 190

## SPECIAL HEALTH CARE ISSUE

### Health Care Facts

#### The uninsured

- Nearly 44 million Americans are uninsured.
- 7 million Californians are uninsured.
- Eight out of 10 people who are uninsured are in working families.
- Almost 29 million of the uninsured in 2002 had household incomes of \$25,000 or more.
- Up to 20% of our premiums cover someone else who's uninsured.
- About 18,000 Americans die each year of treatable diseases because they don't have health coverage.

#### Rising costs

- Between 1990 and 2002, the annual cost of health care doubled (from \$2,738 to \$5,440).
- With rates increasing by 10-15% per year, the average cost today will double again by 2009.
- In 2003, the cost of insurance premiums rose 13.9%; overall inflation rose only 3.1% and average worker's earnings rose only 2.2%.

#### Prescription drug dilemma

- Spending for prescription drugs in the U.S. tripled between 1990 and 2001.
- In 2000, 22% of drug industry staff were employed in research. 39% were employed in product marketing.

#### Retiree health coverage

- In 1988, 66% of large firms (over 200 employees) offered retiree health coverage, compared to only 34% in 2002. Only 5% of small firms offer it



### Open letter to the members of District Lodge 190

I'm pleased to announce that the trustees of the Automotive Industries Welfare Fund and the Machinists' Health Plan have reached agreement to merge, as of January 1, 2005. We'll begin aligning benefits as of September 1, 2004. The merger is good news for several reasons, but most importantly because of the increased purchasing power we will gain. Merging the trusts tips our population past the 10,000 primary-member mark; this is a key "price-break" number that comes into play when we're trying to negotiate with HMOs, pharmacy benefit managers and others.

Most mergers take place when one of the funds is in trouble and needs to be saved by the other; however, that's not true in this case. Both AI and the Machinists trust funds are in good financial health. Merging current funding and reserves provides us with even greater stability as we head into the future.

The trustees of both funds—on both the union and the employer sides—worked very hard for many months to make this merger as seamless as possible. I can honestly say that all of the trustees truly had our members' and participants' interests as their number one priority. I want to thank all of the trustees for their diligence and effort to keep costs down and, in almost every case, to maintain or improve the benefits members in both plans were receiving.

I believe that this merger keeps us strongly positioned to continue meeting our commitment to provide you and your dependents with excellent benefits. I hope you agree. Please read pages 4-7 carefully to see how the new Trust Fund will impact you and your family. More detailed information will be coming in the mail in the next few months.

Sincerely and fraternally,

*Jim Beno*

Directing Business Representative and  
Chairman of the Board of Trustees

### Voting YES on Prop 72 in November will require large employers to insure their workers

## Big business takes aim at health care law

Last year, California's unions sponsored the Health Insurance Act that requires large businesses to provide health insurance for their workers and protects workers from steep increases in premiums and out-of-pocket costs.

Campaign finance reports reveal that corporations, including McDonalds, Macy's, and Wal-Mart, have contributed millions of dollars to a November referendum, Prop 72, that aims to overturn the law.

"If big business kills this law, our health insurance costs will continue to go through the roof," said IAM District 190 Directing Business Representative Jim Beno, "and

management will use rising costs as a hammer at the negotiating table."

The referendum comes at a time when more than 500,000 California union members are negotiating their contracts. "In every one of those contracts, CEOs try to shift the costs of health care onto us," said Beno. "Why should we subsidize Wal-Mart?"

Beno says that a YES vote on Prop 72 in November will help protect union coverage. Under Prop 72, employers must pay a minimum of 80% of monthly premiums for every worker, leveling the playing field between union and non union employers.

### What does it mean to vote YES on Prop 72?

**YES on 72** will provide new health coverage to more than one million working people—without creating a new bureaucracy.

**YES on 72** will allow you to keep your doctor and your current insurance plan.

**YES on 72** will keep uninsured workers out of the emergency room, saving taxpayers \$4 billion a year.

**YES on 72** will save taxpayers \$800 million every year by keeping uninsured workers off state programs.

**YES on 72** protects small businesses. Only corporations with 50 or more employees will have to provide health insurance.



## AROUND THE LOCALS

### We want a union

▼ About 30 employees and 20 temps work at U-Haul in Fremont, and all of them want to be part of the union. "We want to include the temps in the union because they do the same work but for less money," says Organizer Jesse Juarez.

The organizing campaign started on a June Monday; on Wednesday the company fired one of the temp workers. "We filed charges and took everyone out on a half-day strike," Juarez says. "The company fired everyone on Friday, but had to take them back the following week." Juarez says that the company is trying to discourage the workers, but they're holding strong. The NLRB has not yet set a date for the election.

▼ The organizing campaign at Hayward Nissan has begun and the six service techs at this Auto Nation store are all wearing union buttons. According to Organizer Jesse Juarez, the company is trying to add the service writers to the unit. "When the NLRB makes its decision and sets a date, we'll be ready," Juarez said.

▼ Local 1546 filed a petition to represent the four mechanics at Coca Cola in Union City. "This is the

only non-union group at this facility," says Area Director Don Crosatto, "and the company is fighting it tooth and nail."

▼ By a vote of 6-4, the techs at Hoblit Haynes Dodge Chrysler in Woodland voted for IAM representation in May, but the vote was challenged. The NLRB decision is due in August.

### Power Ford techs vote for union

In April, with an 89% margin, the 32 techs and service writers at Power Ford in Torrance voted to join the IAM. While they'll be part of District 725, our staff at Local 1484 helped with the organizing drive.

"Never before have I seen such a disciplined group of workers," said Business Rep Kevin Kucera. "They had weekly meetings and maintained almost 100% participation through the election. Something sparked here, I'm confident there will be a large domino effect."

Negotiations are going on now between the IAM and Auto Nation.

### Settlement with CF?

When Consolidated Freight suddenly closed its doors on Labor Day 2002, the Teamsters and IAM took the company to court. The unions wanted a settlement because the company

### Beating back a de-cert at Wesgo

"The management at Wesgo clearly had enough of working with the union," says Local 1414 Business Rep Manny Francis. First, in early 2003, they got someone to file a de-certification petition and got 70 of the 128 union members to sign it.

"We believed that the petition process itself was flawed," Francis says. "We think that the petition was initiated by a supervisor, and that the signatures were obtained by threat." The union brought these charges to the NLRB but did not prevail. The labor board ruled that the de-cert election should be held.

But in the midst of this process, the company advised the employees that their pension would be cut in half as of January 2004 and other health benefits changes would be instituted. The union filed charges again, this time saying that the company made unilateral changes without going through negotiations. Now, because of this new issue the labor board barred the election from going forward.

For the next year, Shop Steward Bob Hisel put out weekly flyers comparing company handbooks to the union contract. He made everybody aware of what the company was doing. "We were able to educate our members while the company was barred from doing anti-

union stuff," Francis adds. "And by doing what a union does—challenging classifications and getting people raises, the employees could see that there is tangible value to the union." By May of this year, the union agreed to go ahead with the election even though the pension issue wasn't yet decided.

The de-cert election was held on June 30. Out of 138 possible votes, 124 members voted. The final tally was 106 for the union, 18 for the de-cert. The employer thought they had 70 people backing the de-cert, but it turns out that many who signed the petition were really for the union. According to Hisel, they signed so they wouldn't be harassed by the company.

With the election behind them, the NLRB referred the pension issue to an arbitrator.

### Poised for negotiations

"We're looking forward to these negotiations. The tone of our first labor-management meeting was very different from what it used to be. I'm not going to say that having 108 people vote for the union made a difference, but something's happening. It's good to be part of a revolution," Francis says.

"The company is learning that they have to deal with us, can't do stuff in an arbitrary and capricious manner," Francis adds.



violated the WARN Act. Rumor has it that a settlement is near and the CF's former employees will be getting some money. At the time of the closing, the IAM represented 130 mechanics in Sacramento, Mira Loma and Portland.

### Sonic pays up

Local 1101 won a nearly \$100,000 arbitration with Sonic Automotive about CSI bonus payments at Stevens Creek BMW. "We got the check in July, and it got disbursed out to about 35 members ranging from \$300 to \$3,000," said Business Rep Glenn Gandolfo.

### Report from 1101

Contract negotiations are being held across the South Bay with Babbitt Bearing, Pearson Oldsmobile, Sunnyvale Toyota and South Bay Honda, says Gandolfo. The last two shops recently changed hands.

The members at Specialty Truck Parts in San Jose ratified their new contract; it included increases in health and welfare coverage but they had to take a one-year freeze in wages and pension.

### Shops change hands

Business Rep Tom Brandon reports that two North Bay shops are being sold. 101 International in Petaluma is being bought by Bayshore International. Bayshore has a union contract at its shop in Hayward and San Mateo so Brandon doesn't expect a problem with maintaining union status.

The sale of Bob Noble Chevrolet in Sonoma was supposed to be completed by mid-July and is pending GM's approval. Brandon doesn't know whether the new owner will accept the union agreement or not.

### Two's a charm at AMAC

Local 1596 members at AMAC Plastics rejected the company's first contract offer, but when AMAC sweetened the pot, they accepted the new 3-year agreement.

"The company can do the work in China, and in fact they're doing some of it there now," says Business Rep Tom Brandon, "but they want to keep a manufacturing plant in the U.S. Fortunately, they're not threatening to shut down."

Brandon says that people don't make a lot of money at AMAC, but they make more than at many other small plastics plants that offer minimum wage and no benefits.

### Best contract yet

Local 1173 members at Barber Chrysler-Plymouth-Dodge-Lincoln-Mercury in Vallejo ratified the best contract they've ever had on May 26.

"This five year deal gives them excellent wage and pension increases," says Business Rep Mark Holibush. "It mirrors our best contracts in Solano County."

### Moving?

Send the mailing label on this newspaper to your Local Union office. (Addresses are on page 8.)

The IAM District 190

## Sparkplug

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Beagle & Bleiweiss Communications  
Debra Chaplan, Managing Editor



# MERGING OUR HEALTH & WELFARE TRUSTS

After nearly a year of merger discussions, the trusts for the Automotive Industries Welfare Fund and the Machinists' Health Plan are excited to report that an agreement has been reached.

The official merger will not take place until January 1, 2005. We're already paving the way, however, by bringing the two groups' benefits into alignment. The benefit changes you'll read about in this newsletter will go into effect September 1, 2004.

## Blending Our Strengths

Here are just a few of the reasons we're so excited about the merger:

- **Increased purchasing power:** Merging our trusts tips our population past the 10,000 primary-member mark. When we're trying to negotiate favorable terms of coverage with the HMOs, pharmacy benefit managers, and other organizations through which we provide benefits, 10,000 is an important threshold.
- **Complementary demographics:** When we look at projected family-size and age trends, merging

Who are the Trustees?	
UNION TRUSTEES	<b>AI Trust</b> Jim Beno • Don Crosatto • Craig Andrews • Steve Mack • Chris Christophersen
	<b>Machinists Trust</b> Jim Beno • Herman Howell • Tom Brandon
EMPLOYER TRUSTEES	<b>AI Trust</b> Bill Brunelli • George Hall • Ron Nelson • Charles Di Bari • Jim Canterbury
	<b>Machinists Trust</b> Tom Dillon • Bob Dathe • Warren Bird

the trusts will create the right long-term balance important to the health of the trusts.

- **A financial booster shot:** Both groups are in good financial health now, but merging current funding and reserves will give us even greater stability as we head into the future and its likely financial challenges.

In other words, we're not merging just because we're in like industries. The merged trusts will be strongly positioned to keep meeting our commitment to provide you and your dependents with excellent benefits.

## Merged "Trusts"

Currently, the Automotive Industries Welfare Fund includes both

active employees and retirees, while active-employee machinists are in the Machinists' Health Plan and retired machinists are in the Retired Machinists' Health Plan.

Under the new arrangement, we will have two trusts, one serving active employees from both groups and one serving retirees from both groups.

## Aligned Benefits

As mentioned above, benefits will be aligned starting September 1 of this year. By "aligned," we mean we are adjusting benefits to eliminate differences.

The adjustments also offer the opportunity to distribute current cost increases (ranging as high as 19.8%) in a way that minimizes their impact and will reduce the effects of medical inflation in coming years.

The adjustments are shown in the charts scattered through this article.

For the most part, the plan choices available to collective bargaining parties will remain the same. You'll see some differences in dental plans, where the Machinists' DeltaCare PMI will be replaced by the Automotive Industries' SafeGuard and the Automotive Industries' direct pay dental plan will be replaced by the Machinists' Delta Dental basic plan.

Some important adjustments are also being made to prescription drug coverage. Machinists in PacifiCare will cease to have their prescription drug coverage through PacifiCare and instead will have it through the direct pay/indemnity drug plan (new ID cards will be issued). Automotive Industries participants in the direct pay/indemnity drug plan will have a new payment arrangement for drugs purchased at retail pharmacies. See "Corralling Rising Drug Costs" for more information.

## Stay Tuned

We'll be providing more information as the merger draws nearer.

## If You're a Retiree . . .

Retiree medical and prescription drug benefits under the merged trust were still being determined as this newsletter was being prepared. Details on your coverage will be provided as they become available.

## Answers to a few likely questions

**Q** Will I need to do anything to enroll in the newly merged trust?

**A** Where plans are not changing, your enrollment in your current plans will continue.

If you're in one of the dental plans that is being eliminated, you will be automatically enrolled in another plan. If you are currently enrolled in the Automotive Industries direct pay dental plan, you will be enrolled in the Delta Dental plan. If you are currently enrolled in the DeltaCare PMI plan, you will be enrolled in the SafeGuard plan. If you would prefer a plan other than the one you are being defaulted to, please contact the Trust Fund Office. We will make a one-time exception to the requirement that you be enrolled in a plan for at least 12 months before you can make a change.

**Q** Will I have to change doctors?

**A** No, the provider networks for the medical plans are not changing.

You may have to (or want to) change dentists if you're in one of the dental plans that is being eliminated. If you will be changing to the Delta Dental plan and you want to receive the maximum benefits available, you will need to use a Delta dentist (you can use a non-Delta dentist, but coverage levels will be lower). If you are currently in the Machinists' DeltaCare PMI plan and will be changing to SafeGuard or one of the other prepaid

plans, you will need to choose a dentist that participates in that prepaid plan.

If you want to find out which plan(s) your current dentist belongs to, check the following websites:

- Delta: [www.deltadentalca.org](http://www.deltadentalca.org)
- SafeGuard: [www.safeguard.net](http://www.safeguard.net)
- Bright Now: [www.brightnow.com](http://www.brightnow.com)
- United Concordia: [www.ucci.com](http://www.ucci.com)

You can also contact the Trust Fund Office for provider directories.

**Q** Why is the payment arrangement for Automotive Industries participants in the direct pay drug plan changing?

**A** The change to the Machinists' payment arrangement for retail purchases (20% of the cost plus \$5) is intended to help our cost-sharing arrangement keep pace with increases or decreases in drug prices. With a flat-dollar copayment structure, the only way to do that is to keep changing the copayments.

"Corralling Rising Drug Costs" has some suggestions for how you can keep your out-of-pocket prescription drug costs down.

**Q** What fund name should I use if I call the Trust Fund Office?

**A** For now, continue using the name you are currently using. After January 1, simply identify yourself as "an active Automotive Industries participant," a "retired Automotive Industries participant," an "active Machinist," or a "retired Machin-



## 20th Annual Michael J. Day Memorial Guide Dogs of America Charity Golf Tournament

Friday, August 20, 2004

Alameda Municipal Golf Course

1 Club House Memorial

Includes: Shotgun Start (9:00 a.m. - 11:00 a.m. course)

Includes: Shotgun Start (9:00 a.m. - 11:00 a.m. course) • \$1,200 foursome • Golf cart, special gift, golf balls, tee prizes, awards dinner

No host Cocktail Party: 4:30-5:30 p.m. • Dinner: 5:30 p.m.

Francesco's Restaurant

Pardee & Hegenberger, Oakland

For more information: 510-635-2060

Local 1546 Members and Spouses

## PRE-RETIREMENT SEMINAR

Are you thinking about retiring in the next few years? If so, this seminar will answer all your questions about pension and retiree medical coverage.

Saturday, August 14, 2004 • 9:00 a.m.

Local 1546 • 10260 MacArthur Blvd., Oakland

- Spouses welcome
- Includes continental breakfast
- Space is limited
- First come—first served

**Note:** if you feel you have an unusual or complicated question, please get it to your Business Rep ahead of time so our advisors have time to research the answer.

Please RSVP to Tanya or Yolanda at 510-638-6705 by August 12.



# SPECIFIC CHANGES

## SEPTEMBER 1, 2004 CHANGES TO MEDICAL AND PRESCRIPTION DRUG BENEFITS FOR ACTIVE EMPLOYEES

### Automotive Industries

### Machinists

"Direct Pay" or "Indemnity" Medical Plan

- ◆ Benefit payments will be newly limited to \$2 million per person per lifetime.
- ◆ Plan coverage when you use non-PPO providers will be reduced from 70% to 65%.

- ◆ Your benefits-per-lifetime maximum will increase from \$750,000 to \$2 million (Prescription drugs will have a separate maximum, as shown in the next row).
- ◆ Your family deductible will be reduced from \$600 per calendar year to \$400 per calendar year.
- ◆ Your annual coinsurance limits (the level of PPO covered expenses at which plan coverage when you use PPO providers changes to 100%) will be raised from \$3,000 per individual and \$7,500 per family to \$30,000 per individual or family.
- ◆ Plan coverage will be standardized for most benefits at 85% if you use PPO providers (until you reach the coinsurance limit) and 65% if you use non-PPO providers.

"Direct Pay" or "Indemnity" Drug Plan (Applicable for direct pay/indemnity medical plan and PacifiCare enrollees)

- ◆ Network retail pharmacy: You will pay 20% of the charge plus \$5 for either a generic or brand-name drug (rather than the current \$5 for a generic, \$20 for a brand-name drug on the formulary, or \$35 for a brand-name drug not on the formulary).
- ◆ Mail order: You will pay \$40 for a generic or \$60 for a brand-name drug (rather than the current \$5 for a generic, \$20 for a brand-name drug on the formulary, or \$35 for a brand-name drug not on the formulary).

- ◆ Network retail pharmacy: No change
- ◆ Mail order: Your copayment will remain at \$40 for a generic drug but increase to \$60 for a brand-name drug.
- ◆ The limit on benefit payments for prescription drugs will be separated from the limit on payments for medical services and supplies. The new limit on benefit payments for prescription drugs will be \$1 million per person per lifetime.

Kaiser (Medical and drug)

- ◆ Your \$35 copayment for a visit to the emergency room will change to \$50 (if not admitted to the hospital).
- ◆ Your \$5 copayment for a brand-name drug will change to \$10.

No changes

PacifiCare (For drug benefits, see the direct pay/indemnity drug plan row)

- ◆ Your \$15 office visit copayment will change to \$10 for a regular office visit and \$20 for a visit to a specialist.
- ◆ If you use a non-Select hospital, you will pay a new copayment of \$100 per day of your stay (there will be no such copayment at Select hospitals).
- ◆ If you use a non-Select hospital for surgery, you will pay a new copayment of \$50 (there will be no such copayment at Select hospitals).
- ◆ Your \$50 copayment for a visit to the emergency room will change to \$100 (if not admitted to the hospital).

*Note: In the San Francisco Bay Area, about 85% of PacifiCare's hospitals are Select hospitals.*

- ◆ Your \$15 office visit copayment will change to \$10 for a regular office visit and \$20 for a visit to a specialist.
- ◆ Your copayment for a hospital stay will change from \$250 per day for a stay in any hospital to \$100 per day for a stay in a non-Select hospital (there will be no such copayment at Select hospitals).
- ◆ If you use a non-Select hospital for surgery, you will pay a new copayment of \$50 (there will be no such copayment at Select hospitals).
- ◆ Your \$50 copayment for a visit to the emergency room will change to \$100.
- ◆ You will have prescription drug coverage through the direct

## SEPTEMBER 1, 2004, CHANGES TO VISION BENEFITS FOR ACTIVE EMPLOYEES

### Automotive Industries

### Machinists

Basic Benefits (Through VSP)

No changes  
An additional VSP plan will available to be bargained January 1.

No changes  
Any negotiated benefits beyond the basic benefits will be eliminated.

*The information provided in this newsletter is only a summary of benefit changes. If there are any conflicts between the information in this newsletter and the legal documents and contracts governing the benefit plans, the legal documents and contracts will prevail.*

## SHOP TALK: How would you rate the health care system in America today, and



**Richard Schrijn**  
Concord Mitsubishi  
Local 1173

"80% of the people in this country have no medical; the only ones who do are in a union. The solution is social-ized medicine, like Europe or Canada. The care may be a little bit less, but everybody would be covered."



**Jeff Mah**  
Concord Toyota  
Local 1173

"There's no more free health care—it's all moving to co-pays. It really hurts. My wife has had medical problems; every time she goes to the hospital it's \$500, and the ER is \$150. We'd be better off with the union plan."



**Sam Sayed**  
Concord Toyota  
Local 1173

"I don't like our health care plan. I have kids and it costs a lot of money—especially the dental plan. The union plan would have been better. Health care is a problem, but I don't have the solution."



**Joe Szeto**  
Concord Mitsubishi  
Local 1173

"For some, it's working well; for others, it's not. Costs are too high, probably because of politics—there's a lot of waste in the system. We're spending billions in Iraq instead of spending it here on our families."



**Steve Phan**  
Concord Toyota  
Local 1173

"Health care is a problem. Workers pay too much and don't get much in return. The union plan is a lot better than the company plan which only pays \$1,000 for dental. That's not nearly enough."

# ES AS OF 9/1/04



## SEPTEMBER 1, 2004 CHANGES TO MEDICAL AND PRESCRIPTION DRUG BENEFITS FOR ACTIVE EMPLOYEES

### Automotive Industries

### Machinists

Basic Dental Plan	<ul style="list-style-type: none"> <li>You will change from benefits paid directly by the trust to benefits insured by Delta Dental.</li> <li>You will change from the First Dental Health network to the Delta Dental network.</li> <li>You will no longer need to submit claim forms when you use a network dentist.</li> <li>Your maximum benefit per calendar year will increase from \$2,500 per person to \$3,000 per person.</li> <li>You will change from benefits based on scheduled allowances to payment of 80% of covered expenses at Delta dentists or 70% at non-Delta dentists.</li> </ul>	<ul style="list-style-type: none"> <li>Your maximum benefit per calendar year will increase from \$2,000 per person to \$3,000 per person.</li> <li>Your annual deductible when you use non-Delta dentists will be eliminated.</li> <li>Benefit payments when you use a non-Delta dentist will change from 50% of covered expenses to 70% of covered expenses.</li> <li>Benefits for orthodontia (see the "Direct Pay Orthodontia" row below) will be a stand-alone program.</li> </ul>
Buy-Up Dental Plans	<ul style="list-style-type: none"> <li>Plan 9 will be available to be bargained after January 1.</li> </ul>	<ul style="list-style-type: none"> <li>Plan 9 will remain unchanged.</li> <li>Plan 13 will remain unchanged but will not accept any new members.</li> <li>All other buy-up plans will be eliminated.</li> </ul>
Prepaid Plans	No changes	<ul style="list-style-type: none"> <li>If you are in the DeltaCare PMI plan, you will be transferred to SafeGuard (you may choose another plan instead).</li> <li>Benefits for orthodontia (see the row below) will be a stand-alone program. If you are not entitled to indemnity orthodontia benefits, you may be entitled to discounted rates under your prepaid plan.</li> </ul>
Direct Pay Orthodontia (If Negotiated)	No changes	<ul style="list-style-type: none"> <li>Your orthodontia benefit will be separate from your other dental benefits.</li> <li>The orthodontia benefit will be newly available to adults (this will not be a change for United Concordia enrollees)</li> <li>The maximum benefit (currently \$625-\$1,500) will increase to \$2,500 per person per lifetime.</li> </ul>

## SEPTEMBER 1, 2004, CHANGES TO LIFE INSURANCE AND AD&D BENEFITS FOR ACTIVE EMPLOYEES

### Automotive Industries

### Machinists

Life Insurance	No changes	<ul style="list-style-type: none"> <li>Your coverage level will change to \$50,000.</li> <li>Hartford will replace Union Labor Life Insurance as your insurance company (if it has not already done so).</li> <li>Dependent life insurance (\$1,000 for your spouse, \$750 for eligible dependent children over 6 months old) will be included.</li> </ul>
AD&D Benefits	No changes	<ul style="list-style-type: none"> <li>The maximum benefit level will change to match your life insurance coverage level.</li> </ul>
Burial Expense Benefits	No changes	<p>You will have new burial expense benefits:</p> <ul style="list-style-type: none"> <li>Your beneficiary will receive \$2,500 toward the cost of burial in the event of your death.</li> <li>You will receive \$500 toward the cost of burial if your spouse dies or \$100 or \$250 (depending on age) if your eligible dependent child dies.</li> </ul>

## SEPTEMBER 1, 2004, CHANGES TO DISABILITY (INCOME REPLACEMENT) BENEFITS FOR ACTIVE EMPLOYEES

### Automotive Industries

### Machinists

Disability Benefits (If negotiated)	No changes	Not applicable
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## how's your personal coverage?



**Guy Weirich**  
Concord Toyota  
Local 1173  
"Our health care plan is a free membership—but if you want any services, you've got to pay. We'll be paying the whole bill in 5-10 years. We can fight for better health care but there's always a trade-off."



**Annie Thompson**  
Concord Toyota  
Local 1173  
"Our plan works for me because I'm never sick. The health care issue is a big mess for most people though. It's gone up a lot. Somebody's got to pay for it."



**Paul Tonningsen**  
Concord Toyota  
Local 1173  
"I'm single with no family. My co-pay is low. But seeing what guys with families have to had to go through makes me question my future."



**Eddie Anicete**  
Concord Toyota  
Local 1173  
"Canada has one of the best health care systems. They pay a lot in taxes, but you don't need to have a job to have health care. If everybody can get health care, that's the best solution."



**Jerry Hall**  
Concord Mitsubishi  
Local 1173  
"Health care costs are out of control. A huge percentage of what we pay covers drug company profits. We're lucky this year that we don't have increases in our co-pay, due to a well-negotiated contract."

## Tips for being a smart benefits consumer

It's important that we all use our benefits wisely and make decisions that support the long-term objectives of the trusts. Here are a few tips:

- Make use of your wellness benefits. Are your children up to date on recommended exams and immunizations? Are you up to date on the preventive care exams recommended for your age group? Have you had your dental and vision check-ups?
- Use the emergency room only in true emergencies. If you need medical attention, don't put off going to the doctor until your only choice is the emergency room.

- Follow your doctor's directions. If you've been prescribed an antibiotic, for example, make sure you take it as prescribed.
- If you're in the direct pay/indemnity medical plan, use PPO providers whenever possible.
- Review your bills and explanations of benefits to make sure all of the charges are correct.
- Most important, do what you can to stay as healthy as possible. Physically active people have fewer hospital stays and physician visits and use less medication than physically inactive people.

If you have questions about how to use your benefits, please do not hesitate to call the Trust Fund Office.

### Take charge of your health!

You've no doubt heard the recent reports on the health risks posed by America's eating and exercise habits. We're spending more and more time in front of computers or TVs and eating oversized portions of processed foods. These lifestyle habits have been linked to the growing incidence of diabetes, heart disease, stroke, osteoporosis, even some cancers.

You owe it to yourself and your family to avoid being one of the

frightening statistics. Here are some things you can do:

- Make regular physical activity a priority. Aim to get at least 30 minutes of moderate activity at least five times a week or 20 minutes of vigorous physical activity at least three times a week.
- If you don't want to engage in conventional "exercising," take up a sport or physically-active hobby.
- Find a fitness buddy. Having an appointment for physical activity decreases the likelihood you'll pass it up when you're feeling tired.
- Embrace the "10,000 steps" movement—that means walking at least 10,000 steps (between 4 and 5 miles) a day. Strap on a pedometer to see how many steps you currently take a day and how much you need to add.
- Be mindful of what you're eating, why you're eating it, and how much you're eating. Use your day's calorie quota on healthful foods that are rich in nutrients (five to nine servings a day of colorful fruits and vegetables are recommended).
- Watch out for portion inflation. Restaurant meals are especially dangerous in this respect. A restaurant's pasta dish, for example, may be two or three times the recommended serving size. A pasta serving should be about the size of a tennis ball. A piece of meat, fish, or chicken should be about the size of a deck of cards.
- Watch the ingredients in the foods you eat. Read labels. Look out for high levels of sodium, saturated fats, hydrogenated oils (trans fats) and empty calories like those in corn syrup.

Only you can take responsibility for your own health. With the attention fitness and nutrition are getting these days, you have abundant resources at your disposal. For example, try "The Interactive Healthy Eating Index and Physical Activity Tool" at [www.usda.gov](http://www.usda.gov).

## Corralling rising drug costs

The AARP recently reported that drug manufacturers raised the prices of the top 200 brand-name drugs by 3.4 percent in the first 3 months of 2004. That's nearly triple the inflation rate.

Rising drug costs hurt you two ways. First, you have higher out-of-pocket costs each time you have a prescription filled or refilled. Second, the trust, whose financial soundness is critical to continuing benefits coverage, takes a bigger hit—either through the amounts it pays out under the direct pay/indemnity plan or the cost increases it faces when it's time to renew contracts with the organizations through which we provide benefits.

What can you do to help keep prescription drug costs under control?

First, you can request that your doctor prescribe generics whenever an appropriate generic is available. Generic drugs must have the same active ingredients and meet the same FDA standards for effectiveness as their brand-name counterparts. They're produced and sold after the patent has expired on a brand-name drug and are usually much less expensive (about \$14 vs. about \$80 for the aver-

age prescription cost). See the accompanying chart for some specific examples.

Second, ask your doctor if there are changes you can make in your lifestyle that would help eliminate the need for medication.

Finally, use the mail-order service for medications you take on a long-term basis. You can get a larger supply at a favorable price—and your prescriptions can be mailed to your home!

Under the new merged benefits, participants in the direct pay/indemnity drug plan will pay 20% of the cost plus \$5 for each prescription filled or refilled at a retail pharmacy. This will be a change if you are an Automotive Industries participant, used to paying flat-dollar copayments for prescription drugs.

Some aspects of the direct pay/indemnity drug plan will remain the same. We'll continue to use the Prescription Solutions pharmacy network, and Prescription Solutions will continue to handle the mail-order program. The mail-order program will still use flat-dollar copayments, with the amounts adjusted to \$40 for a generic drug and \$60 for a brand-name drug.

### Comparing Costs: Brand-Name Drugs vs. Generics

#### High cholesterol

**Cost difference:** Mevacor 20mg #30 \$78.99  
**Generic:** Lovastatin 20mg #30 \$48.69  
**Cost difference:** \$30.30

#### Diabetes

**Brand-name:** Glucotrol 10mg #30 \$40.69  
**Generic:** Glipizide 10mg #30 \$18.69  
**Cost difference:** \$22.00

#### Depression

**Brand-name:** Prozac 20mg #30 \$138.69  
**Generic:** Fluoxetine 20mg #30 \$26.99  
**Cost difference:** \$111.70

#### Acid reflux disease

**Brand-name:** Prilosec 20mg #30 \$140.69  
**Generic:** Omeprazole 20mg #30 \$90.99  
**Cost difference:** \$49.70

#### Pain

**Brand-name:** Vicodin 5/500mg #30 \$39.69  
**Generic:** Hydrocodone Bitartrate/  
Acetaminophen 5/500mg #30 \$14.99

## SHOP TALK: How to you rate the health care system?



**Drew Barney**  
Concord Toyota  
Local 1173

"There's not enough preventive or rehabilitative medicine. People wait until they're very sick to go to the doctor, and there's not enough information on how to get well afterwards. The high cost of doctor visits makes me re-think when I'll go to the doctor."



**Ray Wong**  
Concord Mitsubishi  
Local 1173

"Everyone should be covered—if you're highly paid or low-wage. We're doing better than a lot of shops but rates are going up and drug prices are ridiculous. If you need a drug, shop around. One friend was paying \$275/month at Kaiser for a drug he got on-line for \$65."



**Rick McElwain**  
Concord Mitsubishi  
Local 1173

"The health care system is terrible especially for lower income people who work at places like Wal-Mart and don't have coverage. The solution: elect a president who cares about the people instead of padding his own wallet."



**Todd Nankivell**  
Concord Toyota  
Local 1173

"Health care has gotten out of hand; it's way more expensive than it needs to be. As long as everybody's healthy, I don't have to deal with it. My wife had cancer; if it had to happen, I'm just glad it was when we had the union plan."



**Awan Sagheer**  
Concord Toyota  
Local 1173

"The health care is good in the U.S., but coverage is hard. I had to come up with \$4,000 for my daughter's dental expenses; they only covered \$1,000. The union plan would have been better. God knows what's coming."

## UNION PEOPLE

### A guy can only be so greedy



Charles Netherby had too much fun working for his members

That's how Charles Netherby sees it, as he makes his plans to retire from the District 190 staff after close to 20 years. "You can only have so much fun," Netherby says. "I am overwhelmed by the trust given to me by the membership to try to improve things for them. I hope I earned it."

Netherby's career in the Machin-

ists began in 1969 when he worked for Eng's Motor Truck Company and was a member of Local 1305. He went on to work as an auto mechanic for Mike Harvey Oldsmobile. In 1985 he took a full-time position at Local 1414 as Secretary-Treasurer, and was later named Business Representative. He became Area Director for Local 1414 in 2000.

"It's a mixed emotion. I love what I do. But there comes a time when I realize that I know that I cannot continue to do this for years and years more and survive. The job offers an opportunity to make somebody's life better every single day."

Netherby doesn't want a retirement party because he doesn't plan to leave the organization. "I'll stay active with the union, especially the Senior Club. We have a wealth of information and fantastic people. I hope we can coordinate senior clubs throughout California. Maybe District 190 can lead the way."

### 10 good years with the members



Vern Dutton's favorite part was working with the people.

"My favorite part of working in the union was the people," says Vern Dutton, who retires in August.

Dutton joined Local 1173 in 1973, when he started his career at Lucky Stores. He became Business Rep in 1994 and was named Area Director in 2000. "I've been a truck driver and a diesel mechanic. And then for 10 years, I worked for the members."

Dutton says that when he started on staff, his first job was to save the Local. "We were close to collapse in Vallejo. There was no support for the union. Seeing that we were weak, every single employer took us on. It was a huge challenge to turn that around and be strong."

When he retires, Dutton says he'll miss the people he works with most closely. "Our office staff, Rhonda and Joanne, were perfect during the strike. They're great. And I developed tight bonds with Mark and Jesse. We depended on each other in the midst of battles and on the picket line."

Vern plans to work with his son, a house remodeling contractor in Vacaville. He'll keep up his garden, babysit the grandkids, try to golf once a week and do some fishing. "It'll be different, but change is good."

The Local will host a BBQ picnic for Dutton on August 29 at Concord Community Park. RSVP to 925-687-6421 by August 27.

### Little-known disease can impact your child

Sudden Arrhythmia Death Syndromes (SADS), also known as Long QT Syndrome (LQTS), is the little known cause of death of up to 3,000 children and young adults in the U.S. each year. IAM Local 1414 member Jorge Villareal learned about this when his 5-year old daughter was diagnosed with the disease and suddenly needed a pacemaker.

"We're lucky that they figured out that this was the problem so they could treat her," Villareal says. "At age 3, she had fainting spells. We took her in for neurological tests, but they couldn't find anything. A year later, she had a heart attack."

Villareal, who works at Shamrock Materials in Petaluma, says he just wants to make sure everyone knows about this disease, because if it is

properly diagnosed, it can be treated and will not be a death sentence."

LQTS is a disturbance of the heart's electrical system, causing an abnormality of the heartbeat. People with LQTS are vulnerable to sudden fainting and even death. Unfortunately, the causes of the fainting is often overlooked and the events are thought to be simple fainting spells or seizures.

Fortunately, most deaths from LQTS are preventable if the condition is recognized and treated. Treatment includes beta-blockers, which are effective in 90% of patients. For the rest, a pacemaker or automatic defibrillator is needed.

For more info about SADS/LQTS:  
[www.SADS.org](http://www.SADS.org)  
 1-800-STOP-SAD

## Fighting Machinists 2nd Annual Poker Run

### SUNDAY • AUGUST 15 10 A.M.

**Sponsored by Local 1173 & District 190**

Meet at Local 1173:  
 1900 Bates Ave., Concord

All motorcycles (not just Harleys)  
 60-mile run (up the Delta and back)  
 Includes food, music, door prizes, and more

**\$20 contribution**  
 (Proceeds benefit MNPL and Guide Dogs of America)

For more information: 925-687-6421

## SHOP TALK: How to you rate the health care system?



**Ken Lesley**  
 Concord Toyota  
 Local 1173

"I think the insurance companies are running away with the bank. I haven't had any problems, personally, but I see how the coverage is not adequate for the older guys and their families."



**Ed Clark**  
 Concord Toyota  
 Local 1173

"We're one of the only countries without socialized medicine. That may or may not be the answer. Our health care was better when we had the union plan. Another Sonic store got AI, so maybe we can get it back with our next contract."



**Bryant Busse**  
 Concord Mitsubishi  
 Local 1173

"It's got ups and downs. Prices for the elderly are crazy—it's terrible. They don't take care of patients they way they used to. It's very hard even to see a doctor."



**Jim Schiller**  
 Concord Toyota  
 Local 1173

"The system is a problem. I had a bad medical year and had to come up with major money. Right now, I'm \$16,000 in the hole this year. The solution: vote. And stick together in negotiations to get a better health plan."



**Ryan Olson**  
 Concord Toyota  
 Local 1173

"Since they changed us from the union plan to the company plan, the cost has tripled and the benefits went down. I don't know the solution, but I wish we could have kept our union benefits."

## Retiree health costs are higher than expected

According to the *Wall Street Journal*, spending on health care represents one of the largest expenses in retirement. Yet people drastically underestimate how much they need to save because they are counting on Medicare or their employers to pay their bills.

In fact, actual costs are usually *five times as high* as what individuals tend to estimate. The Employee Benefits Research Institute calculates that individuals will need to have saved anywhere from \$80,000 to \$700,000 to pay for their health care expenses in retirement, even with the new Medicare drug benefit.

Medicare typically covers about half of the average person's medical expenses, and companies have been slowly chipping away at the retiree benefits for their former employees.

In saving for retirement, the big gamble isn't that you'll die, but that you'll live. You can estimate your life span by using life-expectancy

calculators on the internet (such as [www.livingto100.com](http://www.livingto100.com)), which take into account family history, health, lifestyle habits, environmental circumstances and other factors.

The rate of health-care cost increases will also affect your expenses. Although these costs have increased 14% a year in recent years, forecasts say that costs probably will moderate to 10% over the long term.

Your retiree expenses can climb even higher if you need to pay for

nursing home care, home-health care or any assisted-living expenses. A year in a nursing home typically costs \$50,000 or more.

### Tips for IAM members

If your employer does not offer retiree benefits, District 190 offers the Michael J. Day Machinist Investment Trust Fund that will supplement your Medicare coverage. (Note: this plan has to be bargained into your contract.) And remember, even if your employer offers retiree

benefits now, you could easily be shouldering most of the costs by the time you retire.

Another tip is to take advantage of any tax-favored savings opportunities. The recently-passed Medicare legislation created health savings accounts (HSAs). Targeted at those with high-deductible health plans, HSAs, offered through employers, let you put aside income before taxes up to the amount of the deductible and withdraw the funds tax-free as long as the money is used for qualified health-care expenses.

Also, be sure to notify your health plan administrator (510-836-2484) when your spouse dies. One IAM retiree continued to pay for his wife's medical coverage for 18 months after she had died. Fortunately, he was able to get a full refund because he was with the Indemnity Plan. Had he been with Kaiser, they would only have provided a six month refund.



ASSOCIATED  
THIRD  
PARTY  
ADMINISTRATORS

ATPA is the administrator for the Automotive Industries Pension and Welfare Trust Funds and Machinist Health Plans (Active and Retiree).

Contact us at 510-836-2484

## UNION MEETINGS



### District Lodge 190

7717 Oakport Street  
Oakland, CA 94621

#### Executive Board Meeting

Fourth Tuesday of each month at 6:30 p.m.  
August 24 • September 28 • October 26

#### General Delegates Meeting

Fourth Tuesday of each month at 7:30 p.m.  
August 24 • September 28 • October 26

### Local 801

7717 Oakport Street,  
Oakland, CA 94621

#### Membership Meeting

Third Thursday of the month at 4:00 p.m.  
August 19 • September 16 • October 21

Meetings are held at the Carpenters' Hall, in Reno.

### Local 1101

3777 Stevens Creek  
Blvd., Suite 320  
Santa Clara, CA 95051  
408-551-2280

#### Stewards Meeting

First Thursday of each month at 6:00 p.m.  
August 5 • September 2 • October 7

#### Executive Board Meeting

Second Thursday of each month at 5:30 p.m.  
August 12 • September 9 • October 14

#### General Membership Meeting

Second Thursday of each month at 6:30 p.m.  
August 12 • September 9 • October 14

All meetings are held at the above address. Check union office for room.

**NOTE: New office hours:** Mon-Thur. 8 am-5 pm  
Friday: 8 am-4 pm.  
For Reps: Call ahead for appointment/availability

### Local 1173

1900 Bates Ave., # H  
Concord, CA 94520  
925-687-6421

#### Executive Board Meeting

Second Thursday of each month at 6:30 p.m.  
August 12 • September 9 • October 14

#### Membership/Shop Stewards Mtg.

Third Thursday of each month at 6:30 p.m.  
August 19 • September 16 • October 21

### Local 1414

150 South Blvd.  
San Mateo, CA 94402  
650-341-2689

#### Shop Stewards Meeting

First Thursday of each month at 6:00 p.m.  
August 5 • September 2 • October 7

#### Executive Board Meeting

Second Thursday of each month at 6:00 p.m.  
August 12 • September 9 • October 14

#### General Membership Meeting

Third Thursday of each month at 6:30 p.m.  
August 19 • September 16 • October 21

#### Retirees Club

First Wednesday of June, Sept., Dec., March at 11:00 a.m. All are welcome!

September 1 • December 1 • March 2, 2005 • June 1

### Local 1484

1261 Avalon Blvd.  
Wilmington, CA 90744  
310-835-6688

#### Executive Board Meeting

Third Thursday of each month at 6:00 p.m.  
August 19 • September 16 • October 21

#### General Membership Meeting

First Tuesday of each month at 6:00 p.m.  
August 3 • September 7 • October 5

#### Retiree Club

Third Wednesday of each month at 1:00 p.m.  
August 18 • September 15 • October 20

### Local 1528

713 16th Street  
Modesto, CA 95354  
209-529-9210

#### Executive Board Meeting

First Wednesday of each month at 5:30 p.m.  
August 4 • September 1 • October 6

#### General Membership Meeting

First Wednesday of each month at 7:00 p.m.  
August 4 • September 1 • October 6

### Local 1546

10260 MacArthur Blvd.,  
Oakland, CA 94605  
510-638-6705

#### General Membership Meeting

First Tuesday of each month at 7:00 p.m.  
August 3 • September 7 • October 5

#### Shop Stewards Meeting

First Tuesday of each month at 5:30 p.m.  
August 3 • September 7 • October 5

#### Executive Board Meeting

Thursday preceding membership meeting at 6:30 p.m.  
July 29 • September 2 • September 30

#### Retiree Club Pot Luck Luncheon

First Wednesday of each month at 12 noon  
August 4 • September 8 • October 6

**Alcoholics Anonymous:** Every Saturday, 9 a.m.

### Local 1584

8130 Baldwin Street  
Oakland, CA 94621  
510-635-2064

#### Membership Meeting

Third Thursday of each month at 7:00 p.m.  
August 19 • September 16 • October 21

#### Executive Board Meeting

Preceding Monday at 7:00 p.m.

August 16 • September 13 • October 18

#### Retirees Club

First Tuesday of each month at 12:30 p.m.  
August 3 • September 7 • October 5

### Local 1596

4210 Petaluma Blvd. No.  
Petaluma, CA 94952  
707-795-0085

#### Membership Meeting

Third Tuesday of each month at 7:00 p.m.  
August 17 • September 21 • October 19

#### Executive Board Meeting

Third Tuesday of each month at 6:30 p.m.  
August 17 • September 21 • October 19

### Local 2182

967 Venture Court,  
Sacramento, CA 95825  
800-458-9200

#### Executive Board Meeting

Second Tuesday of each month at 6:00 p.m.  
August 10 • September 14 • October 12

#### General Membership Meeting

Second Tuesday of each month at 7:00 p.m.  
August 10 • September 14 • October 12

#### Retirees Club - VISTA CLUB

Third Wednesday of each month at 11:00 a.m.  
August 18 • September 15 • October 20