

UAW LOCAL 592



® UAW 115-C

LAYOFF GUIDE

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INTRODUCTION

This booklet was put together not for just new Members, but for all Members of UAW Local 592, who have or have not been laid off before. This booklet is not intended to cover every detail, but is intended to answer the bulk of questions that the Officers of your Union receive when layoffs occur. In the event you have additional questions after reviewing this booklet contact your Chief Steward or call the Local Union Office at **815/962-0600**. We feel the more knowledgeable and aware our Members are of their Contractual Rights and Benefits the better off we are as a Union.

STATE UNEMPLOYMENT COMPENSATION

Benefit Amount

Single	49% of employees weekly wage \$385 max *
Non Working Spouse	49% of employees weekly wage \$458 max *
With Child	49% of employees weekly wage \$531 max *

- These amounts change depending on state average earnings.

Duration of Benefits

26 weeks plus any emergency extensions that are in effect.

Waiting Week

There is a one-week waiting period before Unemployment Compensation benefits go into effect.

Claim Denial

The UAW's Political Action Program in conjunction with several other Unions and Legislators has been able to pass legislation to provide legal service or a representative who can advise and represent you, even if you have no money to hire that representative.

SUPPLEMENTAL UNEMPLOYMENT BENEFITS (S.U.B.)

Eligibility Requirements:

1. You must be an active employee with one year of seniority at the time of layoff or have one year of seniority within 30 days from the date of layoff.
2. You must have credit units. An employee with one year of service has 26 credit units. An employee accrues credit units at a rate of ½ per week worked. The maximum credit units an employee may have is 52.
3. You must be on a qualifying layoff. Note: this does not include being on suspension or discharged for disciplinary reasons.
4. You cannot be drawing any Workmen's Compensation, Sick and Accident Insurance, or Hamilton Sundstrand Pension benefits.

Types of Benefits

Regular Benefits:

An employee with one year of seniority who is laid off is entitled to SUB. When added to the state Unemployment Compensation Benefit, it equals 95% of their after tax pay minus \$17.50 (for work related expenses). This benefit may be drawn for a maximum of 52 weeks if you are on an involuntary layoff. If you are on an inverse seniority voluntary layoff or a voluntary layoff the maximum period you can draw a benefit is 26 weeks. Employees who opt to take the Inverse Voluntary Layoff have the right to refuse recall to their job classification not in their permanent department provided they notify the Company of such refusal immediately upon receiving notification of the recall. Refusal of such recall shall terminate recall rights to the job classification in the department in question for that layoff.

Layoff Disability:

If you are on layoff and become disabled and are therefore ineligible for Unemployment Compensation, you are entitled to a layoff disability benefit equal to the rate of pay of Sick & Accident benefits in effect at the time of your layoff. This is paid from Group Insurance, but credit units are deducted from the SUB plan as though you were drawing SUB. If you exhaust your credit units and are still disabled, you may be eligible for an Extended Disability Benefit.

Leveling Week:

If you are laid off out of line of seniority you may be eligible for a leveling week benefit provided you sign up for unemployment.

Maximum Benefit:

If you are not eligible for Unemployment Compensation your benefit from the SUB Plan would be \$150 plus \$1.50 per dependent up to a maximum of \$156.

Separation Payment:

You have the right as a Member of Local 592 to file for a Separation Payment from Hamilton Sundstrand when you have been on layoff for a continuous period of at least twelve (12) months but before the end of the 24 months of layoff. This last date is very important because after 24 months of inactivity in your SUB account your credit units are automatically zeroed out.

The Separation Payment will be paid in a lump sum based on your years of seniority as of your last day of work, less any benefits received or receivable during or as a result of your layoff.

Example:

Bill had worked for Hamilton Sundstrand for 15.5 years and was earning \$14.92/hr. when he was laid off. Bill received \$34.00 a week from the SUB trust fund for 52 weeks and had not earned any hours towards vacation.

$$\begin{array}{r}
700 - \text{hours (from table)} \\
\times \$14.92 - \text{base hourly rate} \\
\hline
\$10444.00 \\
- 1768.00 - (\$34 \times 52 \text{ weeks}) \\
\hline
\$8676.00 - \text{Total Separation Payment}
\end{array}$$

SEPARATION PAYMENT TABLE

Years of Seniority on Last Day in Active Service	Number of Hours' Pay
1 but less than 2	50
2 but less than 3	70
3 but less than 4	100
4 but less than 5	135
5 but less than 6	170
6 but less than 7	210
7 but less than 8	255
8 but less than 9	300
9 but less than 10	350
10 but less than 11	400
11 but less than 12	455
12 but less than 13	510
13 but less than 14	570
14 but less than 15	630
15 but less than 16	700
16 but less than 17	770
17 but less than 18	840
18 but less than 19	920
19 but less than 20	1000
20 but less than 21	1085
21 but less than 22	1170
22 but less than 23	1260
23 but less than 24	1355
24 but less than 25	1455
25 but less than 26	1560
26 but less than 27	1665
27 but less than 28	1770
28 but less than 29	1875
29 but less than 30	1980
30 and over	2080

If you are interested in the possibility of receiving a SUB Plan Separation Payment, please contact the Labor Relations Department at 815/226-6846 or the Union Office at 815/962-0600 for further information regarding your entitlement to the benefit and what receipt of the payment means regarding your employment rights at Hamilton Sundstrand.

NOTE: If you are issued and accept the Separation Payment your employment at Hamilton Sundstrand will be terminated and your seniority broken as of the date your application is received by the Company.

Other Employment:

All wages in excess of one hundred fifty dollars (\$150) received from other employers for such week reduce your SUB benefit on a dollar for dollar basis. For example if your SUB benefit is sixty dollars (\$60) and you receive one hundred sixty dollars (\$160) from another employer, your SUB benefit will be Reduced by ten dollars (\$10) for a total benefit of fifty dollars (\$50). The maximum you can earn without affecting your Unemployment Compensation Benefit is \$192.50 (50% of the single rate benefit amount).

Taxable income:

Your SUB is taxable income and must be claimed as income when you file your State and Federal tax returns. You **will** receive a separate W-2 form for your SUB earnings.

AMOUNT OF BENEFITS

Example:

You are married and have 2 children (4 exemptions). Your weekly SUB is based on the two quarters prior to layoff, whichever of the two is higher.

Calculation:

Assume the second quarter prior to layoff was the highest quarter and your earnings were \$14.92 per hour (excluding all premiums and bonuses).

Weekly straight time pay - \$14.92 x 40 hours	\$596.80
Less: Withholding Taxes (4 exemptions)	\$ 20.00
FICA (7.65%)	\$ 45.66
State Tax	<u>\$ 17.90</u>
Subtl	\$ 83.56
Weekly after tax pay	\$513.24
95% of weekly after tax pay (95% x \$513.24)	\$487.58
Less work related expenses	<u>\$ 17.50</u>
Regular benefit level amount	\$470.08
Less State Unemployment Compensation	<u>\$456.00</u>
Total SUB Benefit payable to you from Hamilton Sundstrand	\$ 14.08

*Less all Federal and State taxes as applicable

USE THE SPACE BELOW TO FIGURE YOUR BENEFIT

HELPFUL HINTS FOR LAID OFF MEMBERS

1. During the first week of your layoff, sign up for Unemployment Compensation at the Unemployment Office at 303 N. Main St. in Rockford. Their telephone number is 815/395-6600. Office hours are 8:30 til 5:00 Monday thru Friday. You may also sign up on their website: www.ides.state.il.us

2. When you receive your first unemployment check, bring in or mail the stub and completed Employee Certification form to the Labor Relations Department in Plant 6 to apply for SUB. If your unemployment check stub is received by 4:30 pm on Friday, a SUB check will be available after 4:00 pm on the following Wednesday. The check will be mailed to you unless you give prior notification you will pick it up. This is subject to change due to holidays.
3. On page 15 of the Contract, **5.6(F)** it is stated that you must report any change of address and phone number to the Human Resources Department (and the Financial Secretary of the Union) **within ten (10) working days or you shall be terminated.**
4. When you are notified to report to work (recalled) from layoff you must answer the recall within 3 days, otherwise you will be terminated per Article 5, Section 5.6 of our Labor Agreement. This is why it's very important to keep your address and phone number current.
5. The S.U.B. Document, Article XI (33) states: "When determining the number of dependents used to calculate the federal and state withholding, the Company will rely on the number of dependents claimed on an employee's health care plan. If the employee is entitled to a greater number of dependents than claimed on their health care plan, a SUB Exemption Statement must be completed.

CONTRACTUAL RIGHTS WHILE ON LAYOFF

1. You are subject to recall from layoff for a period equal to actual service with Company, up to a maximum of twelve (12) years. Example #1: You are laid off with 13 years seniority – you have recall rights for 12 years. Example #2: You are laid off with 4 months seniority – you have recall rights for 4 months.
2. You continue to accumulate seniority while on layoff up to the time you exhaust your recall rights.
3. You are credited with up to 3 months (520) hours as time worked towards your vacation while on layoff. You need a total of 1,100 hours in the twelve month period prior to June 1st to be eligible for vacation. You are credited with up to 1530 hours towards pension credit while on layoff if you have worked at least 170 hours during the calendar year.
4. You have posting rights for job openings while on layoff. As new jobs are posted they will be mailed to your home. Phone # for postings – 226-6800.

UNION DUES

While you are laid off and drawing SUB benefits, you are still required to pay Union dues. The dues for laid off Members are one hour's pay plus \$.50. If you have signed a dues authorization card your dues should be automatically deducted from your SUB check once a month. Article 16, Section 18 of the International Constitution states in part; effective January 1, 1982, if a member receives SUB (or any equivalent type layoff benefit) equal to or greater than fifty percent (50%) of her/his gross pay for a forty (40) hour week, less statutory deductions, within any calendar month, then the member's dues shall be one (1) hour straight time pay per month.

Article 17, section 2 of the International Constitution states as follows; any Member laid off from her/his work place but regularly employed on jobs outside the jurisdiction of the International Union shall take an honorable withdrawal transfer card, or in order to maintain her/himself in good standing her/his Local Union, shall pay dues in accordance with Article 16 and Article 47.

Any member who has voluntarily separated from the jurisdiction of the UAW shall be issued a withdrawal card immediately by her/his Local Union. The above shall not apply to those members who are employed by or officially represent the UAW.

INSURANCE COVERAGE WHILE ON LAYOFF

1. Your insurance, medical and dental, will continue while on an involuntary or voluntary layoff at the same rate you would pay while actively working provided you are entitled to a SUB Benefit. You will have coverage for as long as you have SUB credits. If you take an **inverse voluntary layoff** your insurance will continue for as long as you have a SUB Benefit, including your waiting week, if applicable, or six (6) months **only**.
 - If you are not entitled to SUB, your insurance coverage while on layoff is for 3 months. At the conclusion of that period you may at your option elect to continue coverage, per Federal Law (COBRA), at the group rate plus a 2% administrative charge.

**CREDIT UNIT CANCELLATION TABLE
(FOR WEEKS BEGINNING 4-1-89)**

If the CUCB applicable
to the Week for which
a Benefit is paid is:

And as of the last day of the Week for which such Benefit is paid to the
Employee, his Seniority is:

1 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	20 to 25 Years	25 Years and Over
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The Credit Units cancelled for such Benefit shall be:

\$943.50 or more	1.00	1.00	1.00	1.00	1.00	1.00
843.00 - 943.49	1.11	1.00	1.00	1.00	1.00	1.00
743.50 - 842.99	1.25	1.11	1.00	1.00	1.00	1.00
643.50 - 743.49	1.43	1.25	1.11	1.00	1.00	1.00
544.00 - 643.49	1.67	1.43	1.25	1.11	1.00	1.00
443.50 - 543.99	2.00	1.67	1.43	1.25	1.00	1.00
344.50 - 443.49	2.50	2.00	1.67	1.43	1.00	1.00
244.00 - 344.49	3.33	2.50	2.00	1.43	1.00	1.00
144.50 - 243.99	5.00	3.33	2.00	1.43	1.00	1.00
44.50 - 144.49	10.00	5.00	2.00	1.43	1.00	1.00
Under \$44.50	No Benefit Payable		2.00	1.43	1.00	1.00

Savings Plan

All Layoffs

If you have a loan from your Savings Plan account, you must contact Fidelity (1-800-466-2900) to request a coupon book. The coupons that Fidelity provides represent a monthly payment. Payroll deductions for a loan have been weekly. Payments cannot be deducted from your SUB check. The employee has the option to pay off the outstanding loan balance. If the employee does not make payment with the coupon book or pay off the outstanding loan balance, the loan is defaulted after 90 days. This means the outstanding loan balance is treated as a taxable distribution to you.

You will not receive the Company match on your 401K while on layoff.

If you have any questions regarding the Savings Plan, loans, or any of the rules please contact Carole Krajnak at 226-6544.

Additional Information for Involuntary Layoffs

To request paperwork for a distribution of your account balance, you need to call Fidelity at 1-800-466-2900, Option 1.

If the balance in your Savings Plan account is less than \$5,000, you will receive a lump-sum payment of the entire amount of your Savings Plan account at the end of the quarter in which your layoff is effective. You can receive a distribution earlier by calling Fidelity.

MISCELLANEOUS

Unemployment Compensation: You now have the option of having 10% Federal tax and/or 3% State tax withheld from your Unemployment Compensation. Your Unemployment Compensation will be paid with direct deposit or a debit card.

Night Shift Bonus: Night Shift Bonus is **not** included when figuring your SUB benefit.

UTC Employee Scholar Program: Per a notice issued September 21, 1999, "employees who are involuntarily separated will be eligible to participate in the UTC Employee Scholar comprehensive education program for up to one year. Under the program, UTC will reimburse the cost of tuition and books for college courses for any employee of the corporation worldwide. "