

WINTER 2019

SOLIDARITY



The magazine for UAW members and their families

WHAT WE BARGAIN FOR

A VOICE

.....IN THE.....

WORKPLACE

DIGNITY

&

RESPECT

HEALTH CARE

— 2019 SPECIAL —
BARGAINING CONVENTION

**WE ARE
ONE**

EST.

UAW

1935

JOB

SECURITY

> **WAGES** <

**HEALTH
and
SAFETY**

PENSIONS

SOLIDARITY FOREVER

PROFIT

401(K)

SOCIAL

&

ECONOMIC JUSTICE

SHARING

DIVERSITY

NEW PRODUCT

COLLECTIVE BARGAINING

||| ARTICLE 19 |||

SKILLED TRADES

GROUP INSURANCE

Contracts & Negotiations

HOURLY • SALARIED

LOCAL AGREEMENTS

TENTATIVE

AGREEMENT

STRIKE

AUTHORIZATION

RATIFICATION

ECONOMIC **IMPACT**

Investing
IN THE COMMUNITY

UNION REPRESENTATION

GM Workers Won't Fight Alone

Having a Contract Means Having the Ability to Contest GM's Decisions

UAW members at General Motors plants are at a pivotal time in their lives. Faced with facility shutdowns and thousands of lost jobs — all while heading into 2019's collective bargaining process — their tomorrows bring uncertainty, questions and fear.

But what it doesn't bring is feeling alone. Because for the more than 130,000 UAW members affected by this next round of Big Three bargaining, they know the UAW has their back.

GM's devastating blow to idle four U.S. plants means the UAW will be called upon to show its might; to demonstrate our long-held purpose. We intend to enforce GM's promise not to close any UAW plant during the term of our contract.

As we move toward negotiations this fall, we will build our collective bargaining power, standing united with our brothers and sisters.

Closing the three plants — Warren Powertrain in Michigan; Lordstown Assembly in Ohio; and Baltimore Powertrain in Maryland — will depress local economies. These closings will impact thousands of UAW jobs and challenge the viability of ancillary businesses that depend on GM and put communities in peril.

Collective Bargaining is Key

The situation sets the stage for a major battle at the bargaining table to keep the plants open and save union jobs. It's a battle that can be won — and victory is possible solely because of our ability to collectively

bargain.

Without a UAW contract, the UAW members affected by potential plant closings would have little recourse. There would be no hope, little job support, and the power on plant workers' future and benefits would be solely with the employer. As a union, we have fought via collective bargaining for workers' rights since we were founded in May 1935. Since that day in Detroit, we have created a system of support and solidarity for all of our brothers and sisters impacted by GM's decision.

Collective bargaining is a fundamental human right that gives employees the ability to effect change and find solutions with their employer. Bargaining collectively is beneficial to the economy and to society as a whole,

as it helps to promote a community that empowers its citizens.

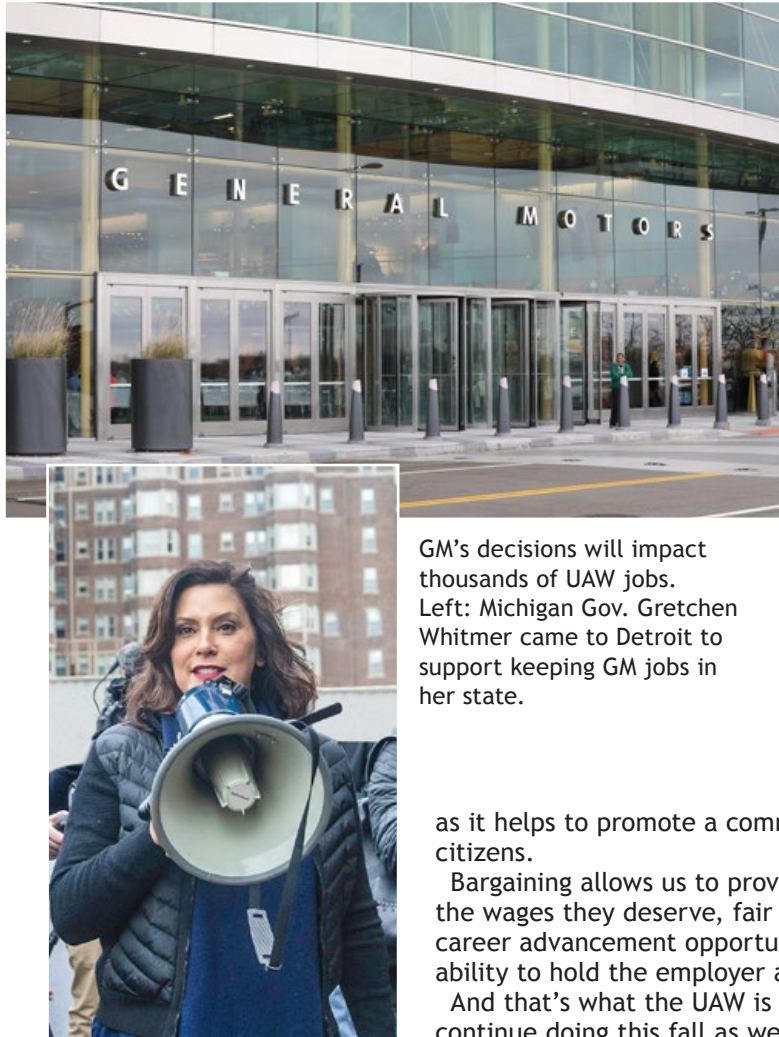
Bargaining allows us to provide our members with the wages they deserve, fair performance ratings, career advancement opportunities and the overall ability to hold the employer accountable.

And that's what the UAW is doing now and will continue doing this fall as we negotiate for our members at the GM table.

Holding GM Accountable

We will enforce our current agreement and fight to maintain the provisions in our contract that bar GM from closing or idling union-represented plants except in dire circumstances. The current GM situation is not dire. In late February, we filed a lawsuit in federal court to make GM live up to the contract it signed with the UAW in 2015.

GM says the plant closings are based on a solid



GM's decisions will impact thousands of UAW jobs.

Left: Michigan Gov. Gretchen Whitmer came to Detroit to support keeping GM jobs in her state.

Closing the three General Motors plants will depress local economies, impact thousands of UAW jobs and challenge the viability of ancillary businesses that depend on GM.

business decision to shift production to more SUVs and crossovers, but GM could obviously manufacture those vehicles in the United States. GM's callous decision to reduce or cease operations in American plants, while starting or increasing production in plants in Mexico and China for sales to American consumers, is profoundly damaging to our workforce. More important, it is unnecessary.

So, throughout 2019, we will fight proudly to ensure the plants stay open. We will call upon the power of what has made unions strong over the past 80 years. We will fight to preserve the viability of our workers, our communities and their most basic right to speak

with a collective voice.

We will fight to make sure GM invests in the United States.

Gary Jones



UAW V-CAP: Investing in Our Future

The UAW cannot use union dues to directly support federal candidates and, in an ever-increasing number of states, any candidate for public office. Our only means of monetary support for many labor-friendly candidates is voluntary political contributions from UAW members to UAW V-CAP (our union's political action fund).

Members can contribute to V-CAP in multiple ways. Many of our contracts have

"check off" which allows for direct contribution to V-CAP through payroll deduction. Members and retirees can also give to V-CAP directly with a check. Either way, a modest contribution of \$10 a month comes to about 33 cents a day and allows our union to support candidates who support our values. Send to:

**UAW National CAP
Department
8000 E. Jefferson Ave.
Detroit, MI 48214**



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COVER ILLUSTRATION BY MATTHEW WILLIAMS

Navistar Workers at 7 UAW Locals Win 6-Year Contract

When a company is sold, union workers often wonder if the new owners will honor the collective bargaining agreement they have in place. Navistar workers from seven UAW locals recently ratified a new six-year contract that eases that worry.

“The UAW negotiating team was able to successfully bargain contract language that retains the contract if the company is sold or merged,” said UAW Secretary-Treasurer and Director of the UAW Heavy Truck Department, Ray Curry. “It’s a significant improvement that provides workers with some peace of mind.”

Additionally, the bargaining team was able to secure an end to all tiered wages and made other gains, including:

- A \$2,000 signing bonus.
- Members hired before Oct. 10, 2013 will immediately go to top wages.
- A 4 percent lump-sum payment in 2018; 3 percent lump-sum payments in 2020 and 2022.
- A 3 percent Annual Improvement Factor to all wages in 2019, 2021 and 2023.
- A \$1,000 profit-sharing payout.
- No increase in weekly health

insurance premium for the life of the agreement.

“Navistar members negotiated a solid agreement under tough circumstances with clear gains,” said UAW President Gary Jones. “We’re proud of the work they’ve done and the well-deserved contract they received.”

The agreement covers Navistar Local 6 and 2293 in Melrose Park, Illinois; Local 472 in Atlanta; Local 119 in Dallas; Local 1872 in York, Pennsylvania, and Local 402 and Local 658 in Springfield, Ohio.

Get on With Bargaining! Coalition Demands Boston College Stop Stalling

Community, faith and labor leaders are demanding that Boston College stop punishing union leaders and begin bargaining with its academic workers on a first contract.

Led by State Sen. Jamie Eldridge, the supporters delivered a petition to BC President Father Leahy and the school’s board of trustees that calls on the Massachusetts university to drop all discipline against members of the Boston College Graduate Employee Union UAW (BCGEU-UAW) for union activity and enter into good-faith negotiations on a first contract. The petition, with more than 3,000 signatures, was delivered to BC President Father Leahy and the school’s board of trustees in December.

“One of the main reasons I was so motivated to attend Boston College Law School is because as a Jesuit school, Boston College has a strong commitment to social justice,” said Eldridge, a Democrat from nearby Acton, Massachusetts, and a member of the law school’s Class of 2000.

“I was fortunate enough to be educated by professors, and guided by administrators, who were strongly committed to combating inequality in America, including some teachers who were Jesuit priests. So, it’s incredibly disappointing that this administration has decided to use a technicality to discipline graduate workers for wanting fair compensation for their hard work and recognition to collectively bargain,” said Eldridge, who was President of BC Law’s Public Interest Law Foundation for two years.

“These workers won’t back down, and neither will their allies in the struggle for better working conditions and a more powerful voice in their workplace.”

Graduate student workers voted in favor of their union in September 2017. Boston College has since refused to bargain despite BCGEU’s attempts to meet with the BC administration every day for an entire semester. When the union took their message to the broader Boston College community

by leafletting Parents Weekend, BC administrators responded by disciplining 16 union members for exercising their free speech and workers’ rights.

“By choosing to punish us instead of bargaining, the BC administration is not only going against our democratic choice to have a union, they are going against Jesuit values that call for respecting the dignity of work and the rights of workers. We’d expect better from any university, but especially so for a university with the religious mission that BC has,” said Fraser Binns, a Ph.D. student and graduate worker in BC’s Mathematics Department.

Boston College’s actions are increasingly out of step with a national movement of academic workers to be in unions. There are currently 10 private universities that have agreed to recognize and bargain with graduate worker unions on their campus, including Harvard, Tufts, and Brandeis in the Boston area, and Georgetown, another Jesuit University.

Dingell a 'True Friend of the UAW and the Labor Movement'



The nation lost a legend when former Congressman John Dingell passed away on Feb. 7. The Michigan Democrat was the longest-serving member of the House of Representatives and a tireless advocate for working people, and in particular, autoworkers.

But Dingell was more than an advocate for workers. He played key roles in just about all of the major legislation of the 20th Century, including the Medicare Act, the Water Quality Act of 1965, Clean Water Act of 1972, the Endangered Species Act of 1973, the Clean Air Act of 1990, and the Affordable Care Act. Dingell, who was first elected to Congress in 1955. He was most proud of his work

on the Civil Rights Act of 1964.

"John Dingell's voice filled the halls of Congress with a message of hope for working families in a career spanning nearly 60 years. He was a legend in the halls of Congress," UAW President Gary Jones said. "But in Michigan he was that rare accessible hero that would fight for our paychecks, our health care, our labor rights and our civil and human rights. Let the words of history honor his integrity, wit and the impact he still has on our daily lives. And we give thanks to Debbie and his children for sharing such a life well lived in compassionate service to all of us. John Dingell will be missed by all working families."

Members at IC Bus of Oklahoma Win 11% Base Wage Increases

Workers at IC Bus of Oklahoma ratified a four-year agreement in February that provides 11 percent wage increases, two \$1,000 lump-sum payments, a cap on increases to health insurance premiums, and two additional personal days.

Union negotiators also won language to reduce the probationary period from 180 days to 120 days. Following the new probationary period, new hires transition to the top hourly rate and have no progression period. Improvements were also made in short-term and long-term disability benefits, insurance, bereavement leave, health

and safety, and maintained the hourly incentive plan for the 677 UAW members at IC Bus.

"Negotiators were successful in securing a contract that provides fair compensation for our members at IC Bus," said UAW Secretary-Treasurer Ray Curry, also the director of the union's Heavy Truck Department.

"Contract negotiations can be a long process, but the bargaining committee was determined in its work to win the best possible contract for our members at IC Bus," said Vance Pearson, director of UAW Region 5, which includes Oklahoma. "It would not have been possible without the support and solidarity of the membership at IC Bus."

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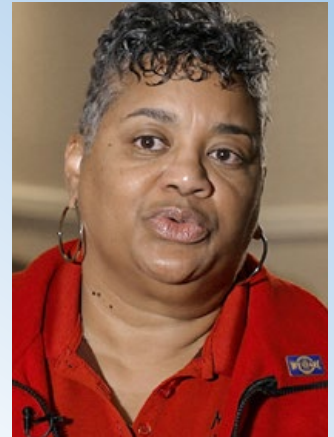
**President
UAW Local 2865
University of California
Berkeley
Region 5
Berkeley, California**



"I'm the president of a 19,000-worker local across the state of California. We range from undergraduate to graduate student workers and it makes a huge difference to have a union and a union contract to build shop floor power to make change. I'm talking to people every day. I'm talking to union leaders and making sure that we're coordinating our campaigns. I also teach. I'm teaching sessions in my free time, so I need to be at Berkeley to do my work. We have joint council meetings quarterly, so we'll have statewide meetings. We have monthly executive board meetings and those are really time-stressed to meet in person. A lot of it is talking on the phone, but mostly it's talking to people locally so we can really build that power from the ground up. What our workers are doing every day is teaching classes, performing research for the university, holding office hours, teaching sessions, tending lectures, and they're what make the university run. I like that we're one big union. We represent workers across all sectors from all walks of life and when I talk about making change, what it's going to take is all people working together and the UAW gives us a great opportunity to do that."

Kelly Barnett

*Parole/Probation Agent
UAW Local 6000
Michigan Department
of Corrections
Region 1A
Taylor, Michigan*



"I work for the public sector which represents parole and probation agents. That is where I come from at the Michigan Department of Corrections. It's never what it's scheduled to be. You may go in thinking you're going to do paperwork and you may have a person that is arrested. Depending on whether they're on parole or probation, you may have to go to the local jail to put a hold on that person if they're a parolee. If it's a high-profile case, you may find yourself doing a lot of work with the local police department in regard to apprehending a person or doing some sort of home call with local police to that person's residence. So, there's a number of different things that a parole probation agent could do on any given day. I think that we're all one because we're all human beings no matter where you come from, no matter what type of job that you do, no matter what part of the country you're from, we're all entitled to having a livable wage, we're all entitled to being treated with dignity and respect. And I think that's the beautiful thing about the UAW that it brings people together that might not otherwise interact with one another."

UAW locals from across the country celebrated Black History Month with a variety of events to mark the occasion. At Local 551 in Chicago, Jay Owens played the saxophone and the Nunu Fatima Dance Company thrilled those attending.



Martez Conner

Journeyman Machinist
UAW Local 155
American Axle
Region 1
Royal Oak, Michigan



"I currently work at American Axle in Royal Oak. It is an IPS (Independents, Parts and Suppliers) facility. We not only make parts for the Big Three, but we also make parts for Ziaf, which supplies foreign automakers such as BMW, Acura, and Honda, so we're all over the map. We also do parts for Harley-Davidson so we're a very diverse independent parts supplier. I'm a journeyman machinist. I work in the machine tooling department. I build large dies for the forging press. We're the largest forging facility in North America. We forge parts for transmissions, spindles, hubs and gears. I'm part of the UAW because it stands for equality amongst workers. And I do it because I have family, friends, and others who aren't able to voice their opinion and I feel I've been chosen among my peers to lead that fight and be able to speak on their behalf for those who don't have a voice."

Pam Smith

Legal Services Attorney
President
UAW Local 2320
Region 9A
New York City



"Our members consist of attorneys, paralegals, support staff at civil legal services programs, and not criminal defense attorneys, but represent low-income clients for free to avoid foreclosure of their house, to obtain public benefits. Our members really work with people who are most vulnerable in our community and help empower them and protect their legal rights. It's amazing. I'm so proud of all our members because they really do care about communities and work every day to make our communities better. And by being part of the union, we're able to make their lives better, which is really important, too, because it allows them to continue the amazing work that they do. There was a real deliberate choice a long time ago to be affiliated with the UAW because of the progressive history and the fact that the UAW was active in ending apartheid and (active in) the civil rights movement. That history is a real proud point for our membership and really important."



PHOTO BY RON ANCIRA / UAW LOCAL 659

Women Celebrate White Shirt Day

Members of the Region 1D Women's Council served bean soup, bread and an apple to all who attended the region's White Shirt Day celebration. The meal represented what the Women's Auxiliary Brigade served the Flint Sit Down Strikers during the strike at General Motors that ended on Feb. 11, 1937. March is Women's History Month and women played an important role in the historic victory at GM, and at many other points in UAW history.

Kohler Workers Approve New Contract

Agreement Brings Pay Scales Much Closer

It's amazing what can happen when the economy improves, a company doesn't take an adversarial approach to bargaining, and workers continue to provide the bargaining committee with the solidarity that they have in the past.

In 2010, with a sputtering economy and a company that was bent on shoving a deal down their throats, workers at Kohler Co. had no choice but to accept a contract that wasn't to their liking. In 2015, after a bitter 32-day strike that showed the resolve of the membership, they clawed back some of what they lost.

But as the latest set of negotiations, there's a different vibe among the 2,044 at the Sheboygan, Wisconsin, bath and kitchen fixtures manufacturer.

"They worked with us this time," said Local 833 President Tim Tayloe.

The contract, ratified by an 87 percent margin in December by members of Local 833, erases much of the pay disparity between long-time workers and newer hires, who



The bargaining committee at Kohler was successful in bringing the pay scales between the more senior workers and less senior workers much closer. The contract was ratified by an 87 percent margin.

received dramatic increases in their pay that can immediately improve their standard of living.

"It's going to be a liveable wage where people can buy a car or make a house payment," he said. "It's a good feeling that you can change peoples' lives by negotiating a good contract."

The local president said he pushed to open the contract a year before its expiration because he saw an opportunity to make some immediate improvements. The economy was so strong that Kohler was now having trouble filling positions. Unemployment in Sheboygan County dipped to 2.2 percent and Kohler has more than 150 open positions. Other companies were placing fliers on Kohler workers' windshields, offering better-paying jobs. That provided the bargaining committee with substantial leverage.

But that doesn't mean Kohler rolled

over and gave away the store. The bargaining committee still needed the support and solidarity of the membership behind them so they could win what they did. And what they won was impressive:

Lower-tier employees received immediate raises of \$1.25 to \$3.25 an hour. Over the life of the contract, pay for the roughly 800 lower-tier workers will rise by \$4.15 to \$7.70 an hour, taking them "pretty much up to" the pay of Kohler's longer-tenured workers, he said.

Tayloe said material handlers, one of the largest classifications, but lowest-paid workers, were at \$16.95 an hour. The new contract immediately took their pay to \$18.60 an hour and to more than \$20 by the end of the contract.

Traditional employees, those hired before 2010, received a \$1,000 bonus and get four annual raises of



Local 833 Vice President Jim Brock and President Tim Tayloe, right, were pleased that Kohler management took a less adversarial approach to bargaining in this round of negotiations.

50 to 55 cents an hour. Their wages vary from \$22 to \$24 an hour, with some at as much as \$34 an hour, depending on their classification.

Lower-tier workers also saw significant increases in the company's 401(k) contribution and will qualify for two weeks of vacation after 30 days of service, up from one week.

Taylor credited UAW Region 4 Director Ron McNroy and his staff for the preparation and assistance they provided to the bargaining committee throughout the negotiations process.

"The bargaining committee at



The strike at the end of 2015 lasted 32 days and tested the resolve of the Local 833 membership. They were able to claw back some of what they lost in previous negotiations.



Local 833 President Tim Taylor credited Ryan McCormack, below left, and Chief Steward Bob Bastasic with keeping the membership informed as negotiations moved along.

Local 833 has a lot to be proud of in this new contract," said McNroy, whose region includes Wisconsin. "Every worker benefitted by the hard work the committee put into this agreement. It positions them well for the future."

Taylor also credited the entire bargaining committee for its hard work, including Recording Secretary Julie Caldwell.

"She pulled it all together and kept me on track," he said. "She did an outstanding job."

The stewards, including Bob Bastasic, the chief steward, and Ryan McCormack, played a critical role in keeping the membership informed during negotiations.

"I think we are quite a united group of employees," said Bastasic,

who has 40 years of seniority at Kohler. "I have never felt our union being stronger than it is today."

Taylor said McCormack has only been a steward since June but has embraced being a leader. With all of the new faces at Kohler, it's important that they know their pay and benefits were won only after some hard-fought battles. McCormack gets them signed up on their first day, he said.

McCormack said closing the gap in pay definitely makes the less-senior workers feel more connected and unified. The added vacation in the workers' first year is important, too, he said.

"It's a great improvement because you can actually enjoy that first year," he added.

The new Ram 1500 was named North American Truck of the Year at the 2019 North American International Auto Show, which was held in Detroit in January. 'Ram continues to lead the way in making a big truck double as a big family pleaser with as much attention paid to interior conveniences and ride comfort as to cargo hauling and towing,' said John Davis, executive producer at Motorweek, and one of the 52 jurors for the North American Car, Utility and Truck of the Year Awards. The Ram 1500 is built by UAW Local 1700 members at FCA USA's Sterling Heights Assembly plant in Michigan.



Make No Mistake: We Will Fight!

GM Must Invest in the U.S.

Just before Christmas, General Motors announced that it will stop production at the Lordstown Assembly Plant in Ohio and will also idle powertrain plants in Warren, Michigan, and Baltimore that don't have products assigned after next year. Production at Detroit-Hamtramck Assembly plant has been extended to January 2020 with no product commitment beyond. Thousands of UAW jobs will be impacted. GM is slashing costs and jobs after returning tens of billions of dollars to shareholders over the last few years.

"GM's decision is a slap in the face to the U.S. autoworker. It's a statement that their trust, loyalty and years of dedication aren't as important as this year's profits and Wall Street shareholder gains — and that those sacrifices made during the dark days of GM's bailout are long forgotten," UAW President Gary Jones said.

The UAW has vowed to leave no stone unturned to reopen the plants, including taking GM to federal court for violating the 2015 UAW General Motors Collective Bargaining Agreement, launching a letter-writing campaign to GM executives, working with local, state, and federal elected officials, among numerous other efforts.

"This should be a tipping point for all of us," said UAW Vice President Terry Dittes, who directs the union's General Motors Department. "It's time to tell GM that they need to build product where they sell product. We need to tell them clearly we want our products made here because this is where they sell them."

The announcement hit everyone hard, said Kasey

King, a Local 1112 member who works as a team leader in the material handling department at Lordstown. GM made the announcement in a two-minute and 13 second video, King said.

"I don't think anyone took a breath after that announcement for a while," she said. "It was just like a big kick in the gut."

Regina Hill, the chaplain at Local 909, which represents workers at Warren Powertrain, participated in a prayer vigil in Detroit in January.

"We are fighting for our jobs," Hill said. "There are plants that are closing down but we believe God can make something happen."

The overwhelming majority of UAW members have been or will be offered jobs at other GM facilities. But for many, that option isn't desirable — or workable.

"The biggest impact for me is I have worked at Lordstown for 23 years. I grew up in Lordstown. I've been here my whole life, 47 years," said Tammy Hudak, a Local 1112 member. We would have to pick up and move and leave my family, my friends. We would have to leave."

And it's unnecessary.

"General Motors continues to be profitable — very profitable. They made \$10.8 billion in North America in 2018,"

Dittes said. "But they

forget the fact that our membership, the communities, the politicians all came to their rescue in their darkest days."

In late 2008, GM executives came to Washington, hat in hand, and pleaded for government-backed financing to stay afloat. Congress balked. But President George W. Bush tapped the Troubled Assets Recovery Program for initial funding to help GM and Chrysler to stay afloat during the final days of his administration. Incoming President Barack Obama knew if those automakers went



Kasey King, top left, Tammy Hudak, with her son, Chris, and James Moyers, all of Local 1112 in Lordstown, Ohio, will be affected by the idling of their plant. Workers have to choose between staying put and uprooting their families and starting over at another plant.



Lordstown Assembly in Ohio, top, produced its last Chevrolet Cruze in March. The decision to delay the idling of Detroit-Hamtramck Assembly, right, was welcome news. Losing the plant would not only mean the loss of UAW jobs, but would also devastate Hamtramck's municipal budget as it depends on the taxes generated by the plant.

down at least 1 million jobs in the auto sector would be lost, and families and whole communities would be devastated.

American taxpayers invested \$51 billion in GM during the auto crisis that was spurred by the Great Recession. They lost \$11.3 billion when the government sold its shares, according to the U.S. Treasury Department. UAW members made plenty of sacrifices as well.

It worked. But GM has apparently forgotten the sacrifices of UAW members and the American public at large. GM is choosing to close plants rather than update facilities in the United States and save jobs.

Celso Duque, president of Local 22 representing workers at Detroit-Hamtramck, also worried about the effect the closures would have on the communities where plants are located.

"These factories they are talking about closing down, they support the community," Duque said. "We pay tax

dollars. We participate. We donate money to charities."

Local 1112 member James Moyers, who works in the motor room at Lordstown, doesn't want to leave Lordstown because his son is a junior at a local high school and he has another in sixth grade. Leaving would mean uprooting them, leaving his parents, his in-laws, and starting over. But he's grateful for the option to transfer.

"If it wasn't for the UAW, we wouldn't have the option to transfer," Moyers said. "Without the UAW, I would be seeking employment immediately after layoff."

While Moyers and his family decide what their future will be, President Jones said the UAW will continue to fight for his rights and those of his coworkers.

"GM now has a choice, it can invest in America, or it can turn its back on American workers and American families," Jones said.



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2019 Special Bargaining Convention

Delegates Ready to Set Collective Bargaining Priorities

Every four years, the UAW holds a special meeting of elected delegates to debate and decide what will be the union's bargaining program. Usually held after the constitutional convention and before Big Three bargaining, it covers much more than the automakers. The program is broad in nature and is designed to give bargaining committees guidance when entering contract negotiations.

"Members will always decide what is good for them in their own workplaces, but the Special Bargaining Convention helps the committees to set priorities on a wide variety of workplace issues," UAW President Gary Jones said. "It is an ideal way to get members from a variety of workplaces and backgrounds together and discuss what is important to their fellow workers, their families and their communities."

As the union heads into critical auto and other negotiations in 2019, this bargaining convention is especially important given General Motors' decision to shutter three UAW-represented plants. The work done at this convention will help set the tone and strategy for fighting this devastating decision. More than 900 delegates from all sectors of the union — including auto, aerospace, agricultural implement, higher education, gaming, and public sector — will attend the convention. The

delegates come from all over the nation, Canada and Puerto Rico.

The UAW's bedrock bargaining philosophy, according to a resolution passed by delegates at the 2015 Special Bargaining Convention, consists of three core principles:

- It is comprehensive so that it covers all sectors of the union.
- Even though unique economic, political and social factors inform each set of negotiations, workers in all sectors want respect and a fair day's pay for a fair day's work.
- All workers have similar basic wants and needs.

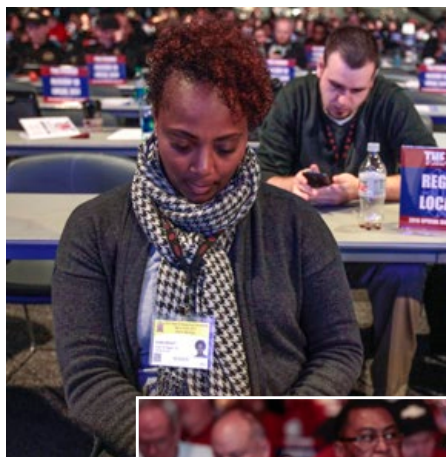
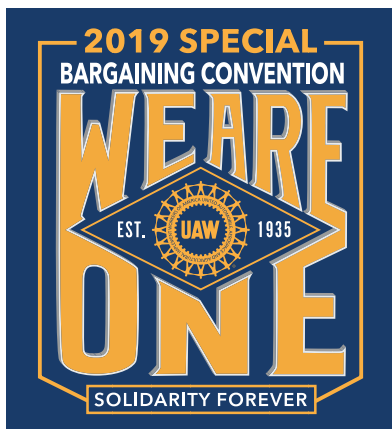
The UAW bargaining program seeks to build on

what has been won in the last set of negotiations. This building block approach is used to continuously improve the economic and non-economic gains that have been secured in prior contracts. Meaningful incremental contract improvements have allowed groundbreaking provisions to stand even in the face of enormous adverse economic, political and social pressure.

The philosophy allows for flexible wage and benefit patterns within comparable work situations. Pattern bargaining is a proven way to secure economic and non-economic benefits all while allowing for flexibility that is often

needed for individual employers who may face differing financial, cultural and historical circumstances.

"Pattern bargaining has helped the UAW keep the



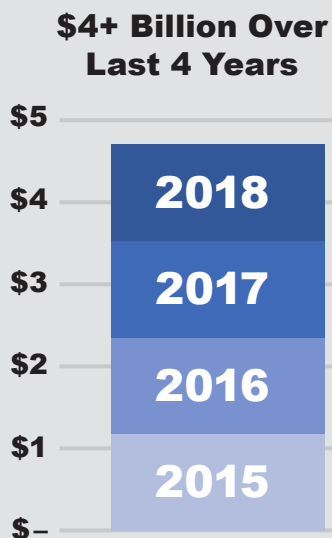
The 2015 Special Bargaining Convention set priorities that helped eliminate the two-tiered wage structure at the Big Three automakers.

UAW Profit-Sharing Plans Contributed More Than \$4 Billion to the U.S. Economy Over Past Four Years

UAW members negotiate profit-sharing plans at a wide variety of employers. Over the past 4 years, these plans have paid out well over \$4 billion.

These profit-sharing payments have provided critical economic stimulus to many communities across the United States.

To highlight just one example, UAW members at John Deere recently received an average profit-sharing payout of \$5,207 for the 2018 plan year.



wage rates and benefits relatively similar among the Big Three so automakers cannot use those issues to undercut the stability of the UAW's collective bargaining agreements," Jones said. "They prevent the race to the bottom that pits one set of workers against another."

In the last set of auto negotiations, UAW bargainers at all Big Three automakers were able to claw back some of what was lost during the Great Recession. The philosophy adopted by delegates in 2015 allowed workers to win much-deserved raises at all three automakers and to eliminate the two-tiered pay structure. Some building blocks were lost during the Great Recession, such as guaranteed wage increases and other improvements won in earlier rounds of bargaining. But the structure remained and served bargainers well in 2015 as the industry stabilized and bargainers were able to restore much of what was lost, and even add to it. Flexible pattern bargaining helped as it kept wage rates and benefits similar, while acknowledging that some changes would need to be made to address individual issues at the automakers.

As the union builds power in other sectors, such as gaming and higher education, bargainers use this philosophy, too, and aim to set the standard for wages and benefits, the use of temporary workers and other issues in their respective sectors.

"We look forward to debating the resolutions at the Special Bargaining Conference and seeing where we can advance our interests through collective bargaining," Jones said. "We know the delegates will make it a productive and inspiring conference."

The Special Bargaining Convention: How it Works

When the convention closes, delegates are expected to vote on an omnibus resolution that sets the union's overall bargaining agenda for workers in various industries and sectors of the economy during the next four years. Here's how the process works:

The UAW Special Bargaining Convention is held every four years. In December, the president issued a call letter for locals notifying them of the special convention. Delegates to the Special Bargaining Convention are the same delegates elected to the Constitutional Convention that was held the previous year. If a local did not send delegates to the Constitutional Convention, then an election must be held to elect delegates, who must be in good standing with the union.

The UAW Constitution spells out the eligibility requirements for delegates and alternate delegates. A local must also be in good standing to send delegates to the convention and to submit resolutions to the convention through the secretary-treasurer's office. Submitted resolutions, which must deal specifically with collective bargaining, also have to be adopted by the local before being sent on the International.

In the weeks before the convention, the International Executive Board selects from the elected delegates a Credentials Committee to confirm the standing of all delegates, and hears any protests related to the election of delegates. The board also selects a Resolutions Committee, which is charged with considering all resolutions that are submitted by the locals. The committee can also originate its own resolutions to be presented at the convention. A Rules Committee is also appointed to deal with issues concerning the governance of the convention, including voting procedures.

While there are always interesting and inspiring speakers at the Special Bargaining Convention, the main work is done by the delegates as they debate the pros and cons of resolutions to set the union's next collective bargaining course.

Collective Bargaining: Winning for Workers

Here are some of the gains that UAW members have made through the collective bargaining process over the last 84 years. (Note that many of the gains made in the Big Three, John Deere and other large employers were later replicated in many other UAW-represented industries and workplaces):

1936-37

UAW launches historic Flint, Michigan, sit-down strike at General Motors Dec. 30, 1936. Strike ends Feb. 11, 1937, winning union recognition as the collective bargaining agent for workers there.

1941

After striking Ford for 10 days, UAW wins union shop, dues checkoff and grievance procedure in the first contract.

1949

First employer-paid and jointly administered pension program won at Ford Motor Co.

1955

UAW wins Supplemental Unemployment Benefits at Ford — a first in the industry — as part of an effort to win a guaranteed annual wage for workers.

1964

Fully paid hospitalization, surgical and medical insurance won for Big Three retirees.

1937

Chrysler workers stage sit-downs at all nine Detroit plants and win UAW recognition.

1948

UAW wins first Annual Improvement Factor raise at GM, recognizing workers' contributions to regular productivity increases, and first union contract containing an escalator clause tied to the cost-of-living index.

1950

Following a 100-day strike, John Deere workers at Local 685 make large gains, including a fully funded pension, group life insurance, surviving spouse benefit, considerable health insurance improvements, cost-of-living, sickness and accident insurance, and improved vacations.

1961

At GM, union wins first fully paid hospitalization and sick benefits, and agreement for no discrimination on basis of race, creed, color or national origin.

1964

John Deere workers at Local 685 win bereavement pay and five "casual" days off in addition to their vacation time off.

Build an Economy that Works for Everyone

Workers Bear the Brunt of Poor Policies

It is no secret that over the past several decades, income inequality has increased, and wages have not kept up with the cost of living. Many working families are finding it harder to enter and stay in the middle class, while the wealthy are richer than ever. The wealthiest 1 percent of American households own 40 percent of the country's wealth. According to the U.S. Bureau of Labor Statistics, one fourth of manufacturing jobs make less than \$13.07 per hour. The fact is extensive damage has already been done and workers are paying the price for policy failures and neglect by our elected leaders. This has to change. Why is this happening and what can be done to build an economy that works for all?

Trade

Corporate-driven trade agreements that pit workers against one another have played a big role in eroding the middle class. The worst free trade agreement is embodied in the North American Free Trade Agreement (NAFTA) which took effect 25 years ago. Since its passage, U.S. trade deficits with Mexico have cost hundreds of thousands of manufacturing jobs. Under NAFTA, there is no place that outsourcing is a bigger problem than in the auto industry. The U.S. automotive and auto parts trade deficit with Mexico has surpassed \$45 billion annually.

Poor labor standards in foreign nations have a real economic impact on the U.S. as companies relocate to take advantage of workers who lack basic rights and are underpaid. Workers in Mexico are often put in harm's way for exercising their most basic rights. Autoworkers in Mexico often make less than \$3 an hour despite

booming profits and record growth for the industry. Mexico needs to fix its labor laws so workers can bargain for a better standard of living.

The offshoring of U.S. manufacturing jobs is only heightened when there are poor labor standards in Mexico and other low-wage countries. Revamping our broken trade model is a must for stopping outsourcing.

Bad Tax Laws

Signed into law in December 2017, the Tax Cuts and Jobs Act (TCJA) encourages the outsourcing of U.S. manufacturing jobs. Because of this law, multinational corporations pay at most only half that rate on their offshore profits as they do on their earnings here at home, creating an incentive to ship jobs overseas.

For example, a company with \$100 million worth of tangible offshore assets pays no U.S. taxes on the first \$10 million of foreign profits they report. Many companies end up paying no U.S. taxes on foreign-earned profits. The tax law created a new, unique incentive for U.S. corporations to move real investments offshore, along with the manufacturing jobs that go with them. These incentives will become greater over time if it remains in place.

The more investments offshored, the less in taxes corporations pay. In 2018, corporate tax receipts fell by over 30 percent in 2018. Big companies by and large pocketed tax breaks and broke promises to give workers raises. Instead, companies are often taking billions in windfall and putting it toward dividends or buying back their own stocks, which greatly benefits CEOs and the wealthiest shareholders. Repealing jobs-killing tax breaks is essential for ending outsourcing.

Weak U.S. Labor Law

The decline of unions has contributed to a weaker middle class. U.S. workers continue to face barriers when trying to form a union. Employers routinely hire union-busting consultants and hold captive audience meetings to intimidate workers. Employers face little consequence for refusing to negotiate contracts or delay union elections. Companies in many instances have directly and indirectly implied that they will move operations to countries like Mexico when workers organize. These are common tactics used to deny workers their legal right to collectively bargain. Companies that deny worker rights typically pay no price for their actions. Elected officials need to act to strengthen our labor laws in order to curb offshoring.

Policies to Address Offshoring

Comprehensive policies are needed to stem the tide of offshoring. Congress must address the misguided policies enacted under TCJA to encourage U.S. companies to maintain and create manufacturing jobs in the U.S. Perverse incentives to offshore jobs overseas need to be eliminated in the tax code. NAFTA is being renegotiated and UAW is advocating for trade deals that do not incentivize companies to shift jobs overseas.

Strengthening our labor laws and increasing penalties against employers that do not recognize workers' legal rights to have a voice on the job will strengthen the middle class and reduce income inequality.

UAW Legislative Department

Report to Members on the Union's Finances

At the 37th Constitutional Convention in June 2018, delegates approved a modification to the dues structure that can reduce the 2014 dues increase. The modification ties the amount of dues to the balance of the union's Strike and Defense Fund. When the fund reaches \$850 million, it will trigger a dues reduction to the pre-2014 level of two hours of pay or 1.15 percent of gross monthly pay for salaried workers. Currently, dues are an amount equivalent to 2.5 hours of straight time pay for hourly workers, or 1.44 percent of gross straight time monthly wages for salaried workers. Delegates created this triggering mechanism to allow for a dues reduction yet still maintain adequate funding in the UAW's Strike and Defense Fund.

The health of the strike fund is of utmost importance this year as the UAW heads into bargaining with General Motors, Ford Motor Co., and FCA USA, and other manufacturers and workplaces. A healthy strike fund sends a message to employers that the union has the ability to take whatever action is necessary to achieve fair, responsible contracts that reward members for their contributions, but also maintain their employers' financial viability. The fund balance as of Dec. 31, 2017 was \$721,348,323. In short, the fund is on solid financial ground as the union moves into bargaining this summer.

Last year the UAW saw significant organizing wins with the potential for more than 5,000 new members at Harvard University, 1,100

at the University of Washington, and 1,250 at MGM Casino National Harbor. Since August, the UAW has added more than 8,000 new members. This trend shows workers know unions provide a valuable service, and if given a free and fair choice, in most cases vote to join a union.

As this report indicates, the union continues to be a responsible steward of member dollars.

UAW leadership has continued to streamline processes and look for savings wherever they might be. The UAW's financial house is in order, largely because of good financial stewardship and the decisions that members, through their elected Constitutional Convention delegates, have made.

The UAW has a proud history and a legacy of integrity and winning social and economic justice. As union members you have accepted the challenge and the responsibility to carry on that remarkable legacy together. And together, we

can play a large role in that success. Please take some time to examine and understand the following financial report. Copies of this report are at all local union offices for inspection.

In solidarity,



Ray Curry
International Secretary-Treasurer



UAW Secretary-Treasurer
Ray Curry

2017 Financial Report

This financial report provides information about the union's financial position. Among the highlights:

- The Union's Operating Funds reported net income of \$11.9 million for 2017. Operating Funds include the General Fund, as well as the Citizenship, Education, Civil Rights, Recreation and FEC Funds.
- The Union's Strike and Defense Fund received \$ 56.9 million in 2017 from the ½ hour dues increase approved by the delegates to the 36th Constitutional Convention.
- As a result of the ½ hour dues increase, the Strike and Defense Fund balance continues to grow and reached \$721 million by the end of 2017.
- Overall active and retired membership stood at 947,441.

The following is a summary from UAW Secretary-Treasurer Ray Curry. The full report is available for examination at all local unions.

UAW FINANCES AT A GLANCE

OPERATING FUNDS INCOME AND EXPENDITURES FOR 2017:

Income	\$ 149,150,444.90
Expenditures	137,234,457.20
Net Income	<u>\$ 11,915,987.70</u>

TOTAL ASSETS AS OF DECEMBER 31, 2017:

Cash on Hand and in Banks	\$ 3,777,334.13
Investments - At Cost	856,557,629.04
Accounts Receivable	11,134,404.97
Mortgages Receivable	924,164.44
Notes Receivable	2,827,519.58
Inventories - Resale Items	315,636.75
Furniture, Equipment & Vehicles	2,779,879.04
Union Building Corporation	<u>121,672,719.46</u>
TOTAL ASSETS	<u>\$ 999,989,287.41</u>

TOTAL LIABILITIES AS OF DECEMBER 31, 2017:

Accounts Payable to Affiliated Organizations	\$ 2,798,531.32
Accounts Payable - Troubled Workers	1,009,243.89
General Fund Rebates	3,718,409.04
Local Union Rebates	4,193,099.56
Note Payable to VEBA	114,034,993.74
Payroll Taxes Payable	<u>141,249.54</u>
TOTAL LIABILITIES	<u>\$ 125,895,527.09</u>

TOTAL FUND BALANCE AS OF DECEMBER 31, 2017

\$ 874,093,760.32

REPORT OF SECRETARY-TREASURER RAY CURRY FOR THE YEAR ENDED DECEMBER 31, 2017

At the direction of the International Trustees, Clarence H. Johnson, P.C., Certified Public Accountants, have audited the books of the International Union, UAW for the year ended December 31, 2017.

The following report reflects the changes in the financial position of the International Union, UAW as of December 31, 2017 in comparison to our Union's financial position as of December 31, 2016.

OVERVIEW OF UAW FINANCIAL STRUCTURE

The International Union's financial structure is based on a system of individual funds. The UAW Constitution establishes this system and sets forth the source of income and objectives of each fund. The Secretary-Treasurer's office ensures compliance

with the Constitution by segregating all of the Union's financial resources into separate funds and otherwise ensuring that expenditures are made in accordance with the Constitution. The Union has a total of 11 separate funds. The combined resources of these 11 funds are set forth in the figures below.

A summary of several of the Union's larger funds is also included in this report.

TOTAL ASSETS

Total Assets were \$999,989,287.41 as of December 31, 2017, an increase of \$67,665,226.25 from the Total Assets of \$932,324,061.16 as of December 31, 2016. Total assets are primarily comprised of cash on hand and the cost of various investment securities. Total assets also include other less liquid assets such as real and personal property that are used in the day to day operations of the union.

TOTAL LIABILITIES

Total Liabilities, consisting of Rebates to Local Unions and the General Fund, Payroll Deductions Payable, Monies Due to Affiliated Organizations and amounts due to the VEBA were \$18,099,919.57 as of December 31, 2017, an increase of \$4,025,720.40 from Total Liabilities of \$14,074,199.17 as of December 31, 2016.

TOTAL FUND BALANCE

The Total Fund Balance of the International Union, represented by Total Assets less Total Liabilities, was \$874,093,760.32 as of December 31, 2017. This is an increase of \$79,787,943.24 from the Union's Fund Balance of \$794,305,817.08 as of December 31, 2016.

GENERAL FUND ASSETS

General Fund Assets totaled \$207,202,528.01 as of December 31,

2017 Financial Report

COMPARISON OF RESOURCES, LIABILITIES AND FUND BALANCE YEAR ENDED DECEMBER 31

	2017	2016	Increase (Decrease)
Cash on Hand and in Banks	\$ 3,777,334.13	\$ 2,219,636.05	\$ 1,557,698.08
Investments - At cost	856,557,629.04	795,632,770.44	60,924,858.60
Accounts Receivable	11,134,404.97	8,350,060.04	2,784,344.93
Mortgages Receivable	924,164.44	948,977.61	(24,813.17)
Notes Receivable	2,827,519.58	2,740,132.18	87,387.40
Supplies for Resale	315,636.75	310,236.99	5,399.76
Furniture, Equipment and Vehicles	2,779,879.04	2,350,382.53	429,496.51
Union Building Corporation	121,672,719.46	119,771,865.32	1,900,854.14
TOTAL ASSETS	\$ 999,989,287.41	\$ 932,324,061.16	\$ 67,665,226.25
Liabilities	125,895,527.09	138,018,244.08	(12,122,716.99)
FUND BALANCE	\$ 874,093,760.32	\$ 794,305,817.08	\$ 79,787,943.24

COMPARISON OF LIQUID FUND BALANCE BY FUND YEAR ENDED DECEMBER 31

	2017	2016	Increase (Decrease)
General Fund	\$ 67,332,989.63	\$ 55,571,540.16	\$ 11,761,449.47
Emergency Strike Fund	34,334,227.69	32,713,295.45	1,620,932.24
Strike and Defense Fund	656,615,704.16	604,339,960.29	52,275,743.87
Citizenship Fund	23,341.42	10,408.03	12,933.39
Education Fund	16,330.47	5,431.63	10,898.84
Civil Rights Fund	18,478.80	15,514.31	2,964.49
Recreation Fund	872,060.40	864,892.89	7,167.51
Family Education Center Fund	570,873.19	19,966.62	550,906.57
Retired Workers Fund	17,135,974.44	16,421,746.14	714,228.30
Regional Activities Fund	6,125,512.57	4,155,779.37	1,969,733.20
Councils Fund	4,430,128.47	3,970,669.33	459,459.14
TOTALS	\$ 787,475,621.24	\$ 718,089,204.22	\$ 69,386,417.02

2017.

Assets include portions of Cash, Investments, Accounts Receivable, Mortgage and Notes Receivable, Inventories for Resale, Furniture, Equipment, Vehicles, and the Union Building Corporation,

GENERAL FUND LIABILITIES

General Fund Liabilities amounted to \$117,984,018.49 as of December 31, 2017. These liabilities consist of a note payable to the UAW Retirees Health Care totaling \$114,034,993.74, Payroll Taxes to be forwarded in the amount of \$141,249.54, Accounts Payable to Troubled Workers totaling \$1,009,243.89, and Accounts Payable to Affiliated Organizations at \$2,798,531.32.

GENERAL FUND BALANCE

The General Fund Balance, which is represented by General Fund Assets less General Fund Liabilities, amounted to \$89,218,509.52 as of December 31, 2017. Of this amount, \$67,332,989.63 of the General Fund balance represents cash and investments, which are available to meet the day-to-day expenses of the Fund. General Fund Cash and Cash Equivalents increased by \$11,761,449.47 from December 31, 2016.

The remaining balance of the General Fund, \$21,885,519.89 represents the cost of assets that cannot be readily converted to cash such as real and personal property, inventory and mortgages due from local unions.

UNION BUILDING CORPORATION

The Union Building Corporation is the holding corporation for all properties owned by the International Union, UAW. During 2017, \$2,440,284.02 was spent on the acquisition, development and capital improvement of UAW-owned properties. UBC disposed of property with a book value of \$1,979,768.13 during 2017. Property valued at \$1,453,817.00 was transferred to UBC from closed local unions.

ORGANIZING EXPENDITURES

Organizing expenses amounted to \$21,436,750.66 during 2017. Of that amount, \$14,174,820.11 was spent from the Strike and Defense Fund, in accordance with Article 16, Section 11. At the 36th Constitutional Convention, the delegates approved Article 16, Section 11 which authorized total transfers up to \$60 million from strike fund assets to support organizing over the four-year convention cycle.

FUND TRANSFERS

Periodically, it becomes necessary to transfer funds from the General Fund to other Funds in order to eliminate deficits and establish working balances. During 2017, \$5,210,000.00 was transferred from the General Fund to the Citizenship Fund. The General Fund also transferred \$2,680,000.00 to the Education Fund, \$560,000.00 to the Civil and Human Rights Fund, \$282,884.11 to the Family Education Center and \$214,674.72 to the Regional Activities Fund.

REALLOCATION OF PER CAPITA DUES

Of the total dues that Local Unions collect each month from members, a portion is remitted to the International Secretary-Treasurer. The dues collected will be allocated between the Local Union and the International Union UAW General Fund and the Strike and Defense Fund as follows:

The remaining one half (.05) hour of dues income (or .29%) shall be allocated entirely to the International Union-UAW Strike and Defense Fund.

*Both Local Unions and the General Fund are eligible for a dues rebate from the Strike and Defense Fund. If the Strike and Defense Fund balance falls below \$500 million,

2017 Financial Report

PRIVATE SECTOR DUES ALLOCATION

The allocation of the first two hours (or 1.15%) will be allocated as set forth in the following table:

	Dues Allocation	Rebates*	Dues Allocation After Rebates
Strike & Defense Fund	30%	(25.00%)	5.00%
General Fund	32%	12.65%	44.65%
Local Unions	38%	12.35%	50.35%
Total Dues	100%	0.00%	100.00%

all rebates are suspended until the fund balance exceeds \$550 million.

PUBLIC SECTOR:

Public sector members generally do not have the right to strike. The allocation of the first two hours (or .805%) will be allocated 45.7% to the International Union, UAW General Fund and 53.3% to the Local Union.

The remaining one half (.05) hour of dues income (or .29%) shall be allocated entirely to the International Union UAW Strike and Defense Fund.

PRIVATE AND PUBLIC SECTOR:

A portion of each member's monthly dues allocated to the General Fund is distributed among several other activities/funds on a monthly basis. Each amount is expended only for the designated programs or activities. The allocation is as follows:

Communications	\$ 0.05
Civil and Human Rights Fund	0.01
Education Fund	0.03
Recreation Fund	0.01
Citizenship Fund	0.05
Retired Workers Fund	0.01

In addition, both the Local Unions and the General Fund are eligible for an additional rebate from the Strike and Defense Fund referred to as the "13th check".

Each month beginning July 1, 2006, the amount of actual strike assistance benefits (weekly benefits and medical costs) are compared to 5% of total dues. To the extent that the actual strike assistance benefits are less than 5% of dues for the month, the excess is accumulated for the 13th check rebate. In any month which the actual strike assistance benefits exceed the 5% of dues,

no additional amount will be accumulated. In April of the following calendar year, the accumulated total 13th check rebate from the preceding year is rebated to Local Unions and the General Fund in the same proportion as dues allocation after rebates.

	Dues Allocation After Rebate	13th Check Rebate Allocation
General Fund	44.65%	47%
Local Unions	50.35%	53%
Total	95.00%	100%

(a) 53% = (50.35 / 95.00), 47% = (44.65 / 95.00)

STRIKE AND DEFENSE FUND

Strike and Defense Fund Total Resources amounted to \$721,348,323.35 as of December 31, 2017.

Income to the Strike and Defense Fund amounted to \$69,522,442.83 during 2017. A breakdown of income by sources follows:

Per Capita Taxes	\$ 69,522,442.83
TOTAL	\$ 69,522,442.83

Expenditures of the Strike and Defense Fund for 2017 amounted to \$26,336,990.00. A breakdown of these expenditures by Region is contained in this report. During 2017, strike assistance was provided to 1,189 members of our Union.

Below is a comparison of the Strike and Defense Fund Net Resources as of December 31, 2017 and the preceding year-end.

EMERGENCY OPERATIONS FUND

This fund had a balance of \$34,334,227.69 as of December 31, 2017.

By actions of the 33rd Constitutional Convention in June 2002, the Emergency Operations Fund was established. The assets of the Emergency Operations Fund, including accrued interest and earnings on investments, shall be available to finance operations of the International Union in the event Operating Fund resources are insufficient to sustain operations due to the effects of a protracted or expensive strike, a series of strikes, or other events posing a serious threat to the economic viability of the International Union.

RETIRED WORKERS FUND

This Fund had a balance of \$17,135,974.44 (which includes the Regions' 25 percent share of each retiree's dues dollar) as of December 31, 2017. Local Unions received \$2,994,882.80 for their retiree chapters. There were approximately 548,987 retired members as of December 31, 2017.

FAMILY EDUCATION CENTER (FEC) FUND

When it was originally established in 1968, the FEC Fund included the Family Education Center Department, which formulates and implements programs at Family Education Centers for the education and training of UAW members and their families through participation in the Family Education Scholarship Program.

COMPARISON OF STRIKE AND DEFENSE FUND NET RESOURCES YEAR ENDED DECEMBER 31

	2017	2016	Increase (Decrease)
Cash and Investments	\$ 656,615,704.16	\$ 604,339,960.29	\$ 52,275,743.87
Mortgages Receivable	98,899.85	144,853.03	(45,953.18)
Other Investments	72,545,227.94	79,447,264.71	(6,902,036.77)
Gross Resources	\$ 729,259,831.95	\$ 683,932,078.03	\$ 45,327,753.92
*Liabilities	7,911,508.60	5,225,415.02	2,686,093.58
Net Resources	\$ 721,348,323.35	\$ 678,706,663.01	\$ 42,641,660.34

*Liabilities – 13th check due to Local Unions and the General Fund

2017 Financial Report

UAW V-CAP

BALANCE - DECEMBER 31, 2016	\$ 15,261,752.02
INCOME - 2017	<u>7,343,684.38</u>
	\$ 22,605,436.40
DISBURSEMENTS - 2017	<u>1,977,766.38</u>
BALANCE - DECEMBER 31, 2017	\$ <u><u>20,627,670.02</u></u>

2017 STRIKE AND DEFENSE FUND EXPENDITURES BY REGION

Region	Location	Amount
2B	Ohio and Indiana	\$ 1,860,966.65
4	North Central United States	22,504.50
5	West/Southwest United States	247,884.71
8	Southeastern United States	234,810.18
9	New Jersey, New York, Pennsylvania	1,771.59
9A	New England States, Long Island, & Puerto Rico	158,644.44
	Other Expenditures	<u>23,810,407.93</u>
	GRAND TOTAL	\$ <u><u>26,336,990.00</u></u>

Over the years, the structure and funding of the Family Education Center in Black Lake and the Pat Greathouse Center in Region 4 have changed. The FEC is receiving a regular source of income.

Effective January 1, 2003, the UAW established Union Building Education, Inc. (UBE), a 100 percent-owned subsidiary corporation of the International Union, UAW, for the purpose of operating the Family Education Center in Black Lake. UBE collects income and pays expenses associated with the programs at Black Lake. The International Executive Board is authorized to transfer money, as necessary, to help supplement the cost of education activities at the Family Education Center.

As of December 31, 2017, the Family Education Center Fund had a balance of \$570,873.19.

DUES

The dues structure has resulted in average monthly dues of \$53.93 for 2017, compared with \$53.17 for 2016.

MEMBERSHIP

The average dues-paying membership for calendar year 2017 was 398,454 compared to 400,415 in 2016, a decrease of 1,961 members.

Initiation fees were received on 43,094 members during 2017 compared to 43,967 in 2016, a decrease of 873.

We had approximately 548,987 retired members as of December 31, 2017.

* * * * *

I wish to thank my fellow Officers, Board Members, Staff Members and Office Employees for their cooperation and commitment to the financial stewardship of this great union.

Respectfully submitted



Ray Curry
International Secretary-Treasurer

Independent Auditors' Report

May 22, 2018

U.A.W. Board of Trustees:

We have audited the accompanying financial statements of the International Union, United Automobile, Aerospace & Agricultural Implement Workers of America-U.A.W., which comprise the statement of assets, liabilities and fund balances-modified cash basis as of December 31, 2017, and the related statement of cash receipts, disbursements and changes in fund balances-modified cash basis for the six months ended June 30, 2017, six months ended December 31, 2017, year ended December 31, 2017, and the related notes to the financial statements. We audited the financial statements of UBG, Inc., and UBE, Inc., wholly owned subsidiaries, the investment in which, as described in the notes to the financial statements, are accounted for by the equity method of accounting. The investments in UBG, Inc. and UBE, Inc. as of December 31, 2017 are \$561,167.64 and zero respectively. The equity in their net losses are included in net disbursements over receipts for the six months ended June 30, 2017, the six months ended December 31, 2017, and the year ended December 31, 2017.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in the notes; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, except for the effects of the matter discussed in the following paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the International Union, United Automobile, Aerospace & Agricultural Implement Workers of America-U.A.W. as of December 31, 2017, and its cash receipts, disbursements and the changes in fund balances for the six months ended June 30, 2017, six months ended December 31, 2017, and the year ended December 31, 2017 in accordance with the modified cash basis of accounting.

EMPHASIS OF MATTER

All property held in the Union Building Corporation is stated at cost and most have not been depreciated. In our opinion, these properties should be depreciated over their useful lives to conform with U.S. generally accepted accounting principles. The effects of this departure from U.S. generally accepted accounting principles on the accompanying financial statements are not reasonably determined.

RECONCILIATION OF CASH YEAR ENDED DEC. 31, 2017

CASH BALANCE - December 31, 2016	\$	2,219,636.05
ADD-RECEIPTS:		
General Fund	\$	140,583,416.10
Emergency Operation Fund		1,620,932.24
Strike and Defense Fund		69,522,442.83
Citizenship Fund		379,223.00
Education Fund		143,443.80
Civil Rights Fund		206,201.10
Recreation Fund		61,634.60
Retired Workers' Fund		10,082,171.89
Family Education Center Fund		3,779,924.51
Regional Activities Fund		4,658,190.28
Councils Fund		1,393,490.32
Sub Total, Funds Receipts	\$	232,431,070.67
Total Receipts	\$	232,431,070.67
Together	\$	234,650,706.72
LESS - DISBURSEMENTS:		
General Fund	\$	102,588,638.19
Strike and Defense Fund		26,336,990.00
Citizenship Fund		5,576,289.61
Education Fund		2,812,544.96
Civil Rights Fund		763,236.61
Recreation Fund		54,467.09
Retired Workers' Fund		9,327,943.59
Family Education Center Fund		3,511,902.05
Regional Activities Fund		2,903,131.80
Councils Fund		890,842.35
Sub Total, Funds Disbursements	\$	154,765,986.25
Excess of Purchases Over Sales from Asset Disbursements	\$	15,180,704.17
Excess of Purchases over Sales of Investment Securities	\$	60,926,682.17
Total Disbursements	\$	230,873,372.59
CASH BALANCE - December 31, 2017	\$	<u>3,777,334.13</u>

Independent Auditors' Report

BASIS OF ACCOUNTING

The Organization prepares its financial statements on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, some revenues and the related assets are recognized when received, rather than when earned, and some expenditures and liabilities are recognized when paid, rather than

when the obligation is incurred. Our opinion is not modified with respect to that matter.



CERTIFIED PUBLIC ACCOUNTANTS

ASSETS

CURRENT ASSETS:

Cash \$ 3,777,334.13
Investment Securities 783,698,287.11

TOTAL CURRENT ASSETS \$ 787,475,621.24

OTHER ASSETS:

ACCOUNTS RECEIVABLE:

Miscellaneous Advances \$ 7,255,995.93
Rotating Funds 160,000.00
Due from Strike & Defense Fund 3,718,409.04
\$ 11,134,404.97

MORTGAGES RECEIVABLE:

Other \$ 924,164.44
924,164.44

NOTES RECEIVABLE 2,827,519.58

INVENTORIES:

Supplies for Resale 315,636.75

OTHER INVESTMENTS:

Alternative Investments \$ 72,545,227.94
Stocks 314,113.99
72,859,341.93

TOTAL OTHER ASSETS 88,061,067.67

FIXED ASSETS:

Furniture and Equipment \$43,684,028.36
Vehicles and Equipment 1,737,258.34
\$ 45,421,286.70

Less-Reserve for Depreciation 42,641,407.66
\$ 2,779,879.04

PROPERTIES:

Union Building Corporation \$124,015,718.64
Less-Reserve for Depreciation 2,342,999.18
121,672,719.46

TOTAL FIXED ASSETS 124,452,598.50

TOTAL ASSETS \$ 999,989,287.41

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES:

Accounts Payable:

Affiliated Organizations \$2,798,531.32
Due to VEBA 6,239,386.22
Troubled Workers 1,009,243.89
General Fund Rebates 3,718,409.04
Local Union Rebates 4,193,099.56
Payroll Taxes Payable 141,249.54

TOTAL CURRENT LIABILITIES \$ 18,099,919.57

LONG-TERM LIABILITIES:

Due to VEBA \$ 107,795,607.52

TOTAL LONG-TERM LIABILITIES 107,795,607.52

TOTAL LIABILITIES \$ 125,895,527.09

FUND BALANCES:

Allocated to Current Assets:

General Fund \$ 67,332,989.63
Emergency Ops. Fund 34,334,227.69
Strike and Defense Fund 656,615,704.16
Citizenship Fund 23,341.42
Education Fund 16,330.47
Civil and Human Rights Fund 18,478.80
Recreation Fund 872,060.40
Retired Workers' Fund 17,135,974.44
Family Education Center 570,873.19
Regional Activities Fund 6,125,512.57
Councils Fund 4,430,128.47

\$ 787,475,621.24

Allocated to Other Assets:

General Fund \$ 21,885,519.89
Strike and Defense Fund 64,732,619.19

86,618,139.08

TOTAL FUND BALANCES 874,093,760.32

TOTAL LIABILITIES AND FUND BALANCES \$ 999,989,287.41

Independent Auditors' Report

SUMMARY OF FUND BALANCES FOR YEAR ENDED DECEMBER 31, 2017

GENERAL FUND:

Balance-Beginning	\$ 55,571,540.16
Add-Receipts	140,583,416.10
-Transfer of Funds from	
Strike and Defense Fund	543,792.49
Retired Workers' Fund	40,000.00
Councils Fund	<u>43,188.83</u>
	\$ 196,781,937.58
Less-Disbursements	102,588,638.19
-Asset Disbursements	17,912,750.93
-Transfer of Funds to	
Citizenship Fund	5,210,000.00
Education Fund	2,680,000.00
Civil Rights Fund	560,000.00
Family Education Center Fund	282,884.11
Regional Activities Fund	<u>214,674.72</u>
Balance-Ending	\$ <u>67,332,989.63</u>

EMERGENCY OPERATIONS FUND:

Balance-Beginning	\$ 32,713,295.45
Add-Receipts	<u>1,620,932.24</u>
	\$ 34,334,227.69
Less-Disbursements	-
Balance-Ending	\$ <u>34,334,227.69</u>

STRIKE AND DEFENSE FUND:

Balance-Beginning	\$ 604,339,960.29
Add-Receipts	69,522,442.83
-Asset Receipts	<u>9,634,083.53</u>
	\$ 683,496,486.65
Less-Disbursements	26,336,990.00
-Transfer of Funds to	
General Fund	<u>543,792.49</u>
Balance-Ending	\$ <u>656,615,704.16</u>

CITIZENSHIP FUND:

Balance-Beginning	\$ 10,408.03
Add-Receipts	379,223.00
-Transfer of Funds from	
General Fund	<u>5,210,000.00</u>
	\$ 5,599,631.03
Less-Disbursements	<u>5,576,289.61</u>
Balance-Ending	\$ <u>23,341.42</u>

EDUCATION FUND:

Balance-Beginning	\$ 5,431.63
Add-Receipts	143,443.80
-Transfer of Funds from	
General Fund	<u>2,680,000.00</u>
	\$ 2,828,875.43
Less-Disbursements	<u>2,812,544.96</u>
Balance-Ending	\$ <u>16,330.47</u>

CIVIL AND HUMAN RIGHTS FUND:

Balance-Beginning	\$ 15,514.31
Add-Receipts	206,201.10
-Transfer of Funds from	
General Fund	<u>560,000.00</u>
	\$ 781,715.41
Less-Disbursements	<u>763,236.61</u>
Balance-Ending	\$ <u>18,478.80</u>

RECREATION FUND:

Balance-Beginning	\$ 864,892.89
Add-Receipts	<u>61,634.60</u>
	\$ 926,527.49
Less-Disbursements	<u>54,467.09</u>
Balance-Ending	\$ <u>872,060.40</u>

RETIRED WORKERS' FUND:

Balance-Beginning	\$ 16,421,746.14
Add-Receipts	<u>10,082,171.89</u>
	\$ 26,503,918.03
Less-Disbursements	9,327,943.59
-Transfer of Funds to	
General Fund	<u>40,000.00</u>
Balance-Ending	\$ <u>17,135,974.44</u>

FAMILY EDUCATION CENTER FUND:

Balance-Beginning	\$ 19,966.62
Add-Receipts	3,779,924.51
Add-Transfer of Funds from	
General Fund	<u>282,884.11</u>
	\$ 4,082,775.24
Less-Disbursements	<u>3,511,902.05</u>
Balance-Ending	\$ <u>570,873.19</u>

REGIONAL ACTIVITIES FUND:

Balance-Beginning	\$ 4,155,779.37
Add-Receipts	4,658,190.28
-Transfer of Funds from	
General Fund	<u>214,674.72</u>
	\$ 9,028,644.37
Less-Disbursements	<u>2,903,131.80</u>
Balance-Ending	\$ <u>6,125,512.57</u>

COUNCILS FUND:

Balance-Beginning	\$ 3,970,669.33
Add-Receipts	<u>1,393,490.32</u>
	\$ 5,364,159.65
Less-Disbursements	890,842.35
-Transfer of Funds to	
General Fund	<u>43,188.83</u>
Balance-Ending	\$ <u>4,430,128.47</u>

GRAND TOTAL FUND BALANCES

\$ 787,475,621.24

REGIONAL INSERTS



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