Q&A explaining 403(b) issue at Mares

Some Mares nurses got an unwelcome surprise when they logged into their new 403(b) retirement plan accounts and were shocked to see gaps in their years of credited service at Confluence Health. It wasn't what anyone was expecting, especially after years of fighting for the respect we deserve at the bargaining table.

WSNA is aware of the problem and has already been working behind the scenes to get to the bottom of things. To keep Confluence Health's nurses in the loop, we've rounded up the answers to some of the most frequently asked questions about how our contract applies to the retirement plan, what WSNA is doing to enforce the contract, and what might happen next.

1. **Q: Why doesn't the 403(b) plan's service credit calculation recognize all of our years of service at Confluence Health?**

   A: Like most collective bargaining agreements, our contract uses several different calculations to credit nurses for their years of service at Confluence, their years of seniority, and their years of RN experience. Each of these calculations counts something slightly different, and they're each used for different purposes in our contract; e.g., years of service at Confluence is used to determine each nurse's PTO accrual rates, while years of RN experience is used to determine each nurse's step placement on the wage scale.

   Though our contract <u>does</u> require management to offer the existing 403(b) plan to everyone in our bargaining unit – which requires them to apply it consistently and evenhandedly to everyone covered by the plan – it doesn't specifically include the details of the plan itself. Instead, the service credit calculation is listed in the explanation of benefits packet management provided to nurses when they moved to the 403(b). The years of service credit you see when you log into the 403(b) plan website reflects that calculation – it does <u>not</u> have anything to do with how the WSNA contract credits your years working at Confluence, your seniority, or your nursing experience.

2. **Q: Why aren't the plan's details specifically listed in our contract?**
   A: It's typical for a collective bargaining agreement to specify <u>which</u> retirement plan is available for bargaining unit members, but not the details of the plan. That's because the plan covers more than one bargaining unit, but the plan needs to be applied evenly to everyone who participates. That means neither the WSNA contract nor the UFCW contract can set (or change) the details of the plan that apply outside their unit; we can't use our contract to change a plan that covers UFCW, and they can't use their contract to change a plan that covers us.

3. **Q: So how <u>are</u> our years of service credited under the rules in the 403(b) plan?**
   A: To qualify to participate in the plan, a regularly scheduled nurse needs at least two years of credited service – that is, two separate calendar years during which they worked at least 1,000 hours as a regularly scheduled nurse. Once a nurse qualifies for the plan, they'll earn additional service credit for every year they actually participate. For example,

a nurse who qualifies for the matching program and then participates in the program for the next ten years will have twelve years of service credit (two for those first two years plus one for every year they participated after qualifying). If a nurse qualifies for the matching program but doesn't participate for ten years, they'll still have two years of service credit. (IMPORTANT NOTE: years of credited service under the 403(b) does not have any impact on a nurse's seniority, PTO accrual rates, or step placement under the WSNA contract!)

When a group like Mares joins a bargaining unit that's covered by the 403(b), it's less clear how their service credit is calculated – after all, Mares nurses <u>couldn't</u> have participated in the plan until this May, so there was no way for them to accrue additional years of credited service. That situation isn't specifically outlined in the 403(b)'s explanation of benefits, so WSNA has reached out to management to get more information on how the plan has handled other groups who joined either the WSNA bargaining unit or the UFCW bargaining unit over the years. Check out Question 6 below for more on why this matters and what the union will do with this data one it's available.

4. **Q: How do our years of credited service impact Confluence's matching contributions to our 403(b) accounts?**
   A: To participate in the 403(b) plan's 2:1 employer matching program, nurses must make a minimum contribution – called a "match-eligible deferral" – into their retirement account each pay period. That minimum contribution is calculated based on the nurse's income for the pay period and their years of credited service. However, service credit plays less of a role in the calculation than you might think; the much bigger win (and the reason we fought so hard for this benefit) was the 2:1 employer matching rate.

   To qualify for a 2:1 match, each nurse must contribute at least 2.5% of the first $500 they earn each pay period plus 3.5% of all additional income each pay period. They must also contribute an additional 0.05% of their total income for the pay period for each year of credited service they have earned. (In other words, it would take twenty years for a nurse's service credit to add 1% to their match-eligible deferral amount.) For more details on this calculation, take a look at page 6 of the 403(b) plan's explanation of benefits.

5. **Q: What does that look like with real numbers attached?**
   A: If a nurse earns $4,000 per pay period, they'll need to contribute 2.5% of the first $500 they earn ($12.50) plus 3.5% of any additional income for he pay period ($122.50) to the 403(b) plan regardless of their years of credited service. If the nurse had two years of credited service, they'll need to contribute another 0.1% of their total income for the pay period. If they had ten years of credited service, they'd need to contribute another

0.5% of their total income for the pay period. And if they had twenty years of credited service, they'd need to contribute an additional 1% of their income toward the plan. Management would match their total contribution at a 2:1 rate.

Check out the table below for more details (and a comparison to the old 401(k) plan, which put a much higher burden on nurses to earn a much lower matching regardless of their years of credited service).

New 403(b) plan for a nurse making $4,000 per pay period						**Old 401(k) plan for nurse making $4,000 per pay period**	
Years of credited service	2.5% of first $500	3.5% of additional income	0.05% of total income for each year of credited service	RN's total minimum contribution to qualify for 2:1 match	2:1 matching contribution from management	RN's total minimum contribution to qualify for 4:5 match	4:5 matching contribution from management
2	$12.50	$122.50	$4 (0.1%)	$139	$278	$200 (5%)	$160 (4%)
10	$12.50	$122.50	$20 (0.5%)	$155	$310	$200 (5%)	$160 (4%)
20	$12.50	$122.50	$40 (1%)	$175	$350	$200 (5%)	$160 (4%)

6. **Q: What is WSNA doing for nurses who don't think they're getting the service credit they deserve?**

A: WSNA is enforcing the contract, which requires management to apply to the 403(b) plan to bargaining unit nurses. That application has to be consistent and evenhanded – the rules that applied to previous additions to the bargaining unit should also apply to Mares nurses. To ensure management is complying with the contract, WSNA is tracking down data that compares the way the 403(b) plan credited previous service for Mares nurses with the way it credited previous service for other groups that joined WSNA and UFCW over the years (like the infusion RNs who joined WSNA's unit in late summer 2024 and the home infusion RNs who joined the bargaining unit in September 2025). The union has already sent management several official requests for information about both Mares and those prior additions to the unit so we can compare calculation methods and spot any inconsistencies.

If that data shows that Mares nurses were treated differently when their service credit was calculated, we will notify management and demand a correction. If management doesn't correct the issue, we'll file a grievance over their violation of Article 12 in our contract. However, if the data shows Mares nurses were generally credited correctly, we'll connect with nurses who still feel their service credit was calculated incorrectly to check for unrelated errors, just in case.