

Think **KTWICE!**

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IBM Retirees Shocked by Health Care Increases

When IBM retirees opened their 2004 benefits packages last month they experienced "Sticker Shock" at the unprecedented increases in health care premiums. Many people saw their yearly costs rise by as much as 500 % in a single year.

Since IBM began charging retirees for their "free for life" health care benefits in 2001, the costs have escalated exponentially.

IBM was once a company that prided itself on "respect for the individual" and considered its employees

its most valuable assets. Now IBM is trying to rid itself of the people that built IBM into the nation's most admired company. IBM now faces multiple lawsuits by former employees on pension plan mismanagement, age discrimination in pension plan conversions, age discrimination in layoffs, life threatening sicknesses from the work environment and chemical



Kotson

pollution of local communities. The next class action lawsuit should address the disparity in health benefits costs between active employees and retirees.

The only recourse for retirees is to organize. The Alliance@IBM is tirelessly working to correct these injustices. If IBM employees had been unionized 25 years ago,

their benefits would have been protected today by a contract. The first time the company inserted a disclaimer i.e., "the company reserves the right to" it should have been a red flag warning to all. The Alliance can be contacted on their website www.allianceibm.org.



Over 200 IBMers in Burlington, VT Discuss Health Care Changes with Rep. Bernie Suanders



John Kotson

An open letter to The IBM CEO

Dear Mr. Palmisano:

I would first like to tell you that I was again disappointed when I opened my Enrollment Package for 2004 Benefits. I had hoped that once you took over your present position that you would review and make changes to the benefits that have been eroded over the last 10 years.

I retired in 1994 and was formerly an IBM Manager. I had both been told and then told employees reporting to me that IBM Compensation was based on many factors including non-contributory lifetime medical benefits.

Employees were told that salary was not to be taken as the most important factor because other benefits for the employee and family made up a Total Compensation Package.

What has happened in the last 10 years has amounted to broken prom-

ises to the people who made IBM successful. When we retired, we did not expect IBM to renege on the promises it had made to us over our 30 + year careers.

My options this year include several plans with costs exceeding \$886 per month. This added to the supposed IBM contribution (Cap) of \$7,000 means this coverage would be almost \$18,250 per year. This equates to almost \$50 per day. This is not acceptable and does not even make sense. I've been offered coverage on my own that is less than the IBM Cap.

It appears that IBM Management either condones this or simply fails to be in touch

with what it means to Retirees.

I would suggest that you personally intervene into the current situation and possibly consider the following:

- Allow the "Cap" on Benefits costs to increase based on an index.
- Restore the COLAs which IBM Retirees received until 1991.
- Allow Retirees and Employees to "Shop" for Benefits with IBM offering a CASH
- Payment to Retirees equal to the "Cap".
- Explain the difference in the costs between what IBM tells us it spends on employee benefits and what IBM shows in its 5500 filings.

Having someone like J. R.

McDonald send us letters telling us how lucky we are that IBM has not cancelled its benefits for retirees is simply rubbing salt on opened wounds.

Many current retirees never had the opportunity to build wealth through stock options and other opportunities that are available today. I participated in TDSP, but only for 9 years, stock options were never available. Consequently, we relied on per-

sonal savings and company promises. For IBM to break those promises puts many retirees in a no-win position with little or no recourse.

IBM was never just another company; it should never become just another company.

Many of us wait your corrective actions.

Sincerely, John F. Coffey,
Retiree from Florida

Join the Alliance@IBM/CWA

Join the Alliance@IBM/CWA and join with your co-workers in building the strength and unity that we will need to reverse anti-employee benefit and personnel policies at IBM. If we work together, we can make IBM into a better and more secure place to work. Sign up below and be a part of the movement for positive change at IBM!

Name _____ Job Title _____
Work location/Division _____ Years with IBM _____
Home Address _____
City _____ State _____ Zip _____
Home e-mail _____ Home phone _____

(Check boxes that apply)

Voting member. I will pay monthly dues of \$10 and become a voting member of the Alliance@IBM/CWA. Send me an application form.

Subscriber. I want to receive Alliance publications and be placed on the Alliance e-mail list.

For information go to www.allianceibm.org

NEW BAND CHANGES TO AFFECT IGS EMPLOYEES

IBM Global Services management has recently made a study of every employee's job to see if the jobs that are being performed are paid consistently with "the market".

Sources inside IBM report that executive management has decided that rather than winning new business in IGS it will try to "save" its way to prosperity. As usual this will be done at the expense of IBM employees.

It will start in IGS because lower bands mean lower billable rates. This action will then be extended to other divisions.

Some will see no pay cuts, but most will lose their chance to get raises and some might lose up to 35% of their pay, especially at the higher bands.

Pension and cash balance amounts will slow down or drop.

This unilateral decision by executive management clearly is a slap in the face to all IBM employees who have been putting in long hours to ensure IBM's success. Are executives bands being examined and lowered? We doubt it.

Is there anything you can do about this? The answer is yes. If you are getting tired of the uncertainties in your work life — job security, health benefits, pay, job level — you must join with us, your co-workers, in fighting back. If enough IBM and IGS employees were Alliance members we would be powerful enough to negotiate all change affecting us within IBM. We would have the leverage of our collective strength. Don't you think it's time?

Join the Alliance and fight for employee rights and respect. It really is up to YOU.

THE ULTIMATE TAKEAWAY— YOUR HEALTH

Throughout our careers and work at IBM we made many assumptions based on what we were told by company management.

We assumed we would have a good pension. We assumed we would have medical benefits and they would be free. We assumed that if we did a good job and played by the rules we would be respected and stay employed until we chose to leave.

We also assumed that IBM was a safe place to work and employees and their communities would be safe from the toxic bombardments we saw with other companies. That assumption, like others, has been misleading. Employees and their families have been faced with the ultimate take away — their health and their lives.

Many of you are no doubt watching the lawsuit in San Jose, where former IBM employees are suing IBM for what they allege is IBM's neglect in adequately protecting them from the ravages of working with toxic chemicals.

For those of us that worked in IBM's manufacturing plants through the 1960s, 70 and 80s we know full well that there was something just not right. We are seeing not only our own health affected but former co-workers as well.

In Endicott, workers for many years suspected that the chemicals they worked with in Buildings 18 and 47 caused health problems. Women employees felt there was a higher than normal rate of miscarriages and birth defects. Many employees complained of lung ailments and skin rashes. Still others suffered with cancers and tumors. All the while management and company doctors tried to convince employees that it was their own individual problem or allergy. Workers were also told "if you don't like working here then quit."

It was clear to employees that regardless of complaints production would not be disrupted.

In a New York Times article about a lawsuit by former Fishkill IBM employees, the mother of a daughter who died from cancer said "I think our daughter and others have been the byproduct of greed over safety. The company was more concerned with making the dollar than with the safety of their employees. They knew there were hazards but they closed their eyes to them to keep the line moving."

As we go to press the lawsuit in San Jose continues. It is not the first and it will not be the last. Hopewell Junction and Endicott are battling the company over toxic plumes that have polluted their communities and IBM employees and retirees across the country are keeping a watchful eye on the trial and their health.

For IBM there will be no peace and no rest until there is justice for IBMers living and dying from toxic time bombs.

Australia IGS employees bring IBM to negotiation table

IBM Australia Global Services employees felt "disappointed and betrayed" in what they described as broken promises by IBM when they were outsourced from the banking firm Westpac to IBM.

According to Finance Sector Union secretary Geoff Derrick, "the staff had a commitment from IBM Global Services when they were outsourced from Westpac that their conditions would be preserved. Now IBM Global Services wants to change those arrangements and do it without negotiation and without a commitment that people will be no worse off."

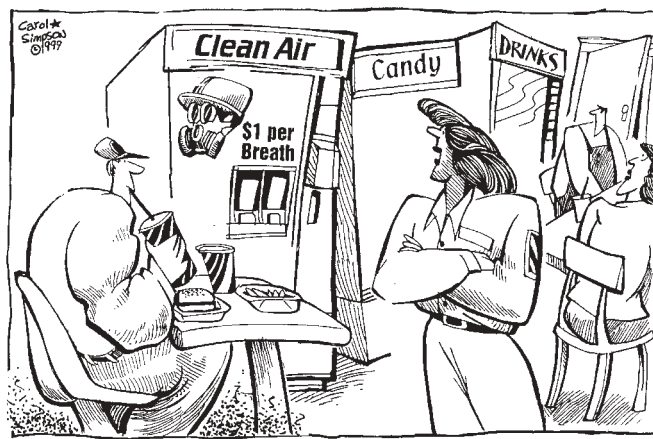
A 48 hour strike in October failed to bring Global Services to the negotiating table, but the threat of continued rolling strikes finally did on November 7.

The Finance Sector Union said a number of key conditions promised to workers had been maintained. According to Union officials "what we managed to get is a letter of offer around the redundancy and shift change process. Those were the absolute commitments that we needed to make progress." Both parties are now meeting to negotiate on outstanding issues, including paid meal breaks and travel allowances.

Geoff Derrick of the Finance Sector Union said: "This group of FSU members should be congratulated on the way they conducted themselves through out this dispute. They made remarkable progress by sticking together under intense pressure."

"While the process is not over yet the key elements are in place, and the FSU will continue to fight for what was promised to these people when they went to work for IBM-GSA."

(Information from Australian IT and the Finance Sector Union-Australia)



"I see the company responded to our toxic emissions grievance."

Legislative Actions Relating to Off Shoring

BY RALPH J. MONTEFUSCO

As part of our SOS (Stop Off Shoring) campaign, the Alliance@IBM is seeking your help with two specific pieces of legislation.

The first is at the Congressional level. On October 2, 2003 Reps. Sanders, Goode, Michaud, Wamp and Gene Taylor introduced H.R. 3228 to repeal Permanent Normal Trade Relations (PNTR) with China.



Montefusco

Please try and get your Congressperson to co-sponsor the bill. Call their office and ask for the staff person who handles labor issues, and urge them to sign on to the bill. With an election year fast approaching, we need to make sure our voices are heard.

Second is HB 176, introduced in the Maryland Legislature by State Representative Pauline Menes. The bill will ban state agencies and contractors from exporting white-collar jobs (computer

Former IBM Employees File Suit on Age Discrimination in Job Cuts

Over 135 former IBMers filed suit on October 7, 2003 alleging IBM committed age discrimination during job cuts and resource actions. For further information visit the Alliance web site at www.allianceibm.org. To join the lawsuit contact James Leas at 802 864-1575. You can also contact the law firm at outofblue@me-law.com.

techs, data processing, engineering and the like) to other countries. It is fairly certain that a similar bill will be introduced in the Vermont Legislature when it convenes in January. We need to get this legislation introduced in other states, especially those with a large IBM presence.

For more information, please contact me at 802-598-5613 or email me at Rmontefu@SoVer.net.

ROLLBACK HEALTH CARE INCREASE

The Alliance believes IBM should do the following:

- Release to current and former employees ALL information related to their working with or around hazardous materials while employed at IBM
- Keep the company promise of free medical benefits. This is especially important for past and current employees who have been exposed to hazardous materials.
- IBM should extend free medical coverage to employees who have been sold to other companies, such as Solectron, EIT, etc.
- Release all documentation on any tracking IBM did on health concerns and deaths of employees exposed to hazardous working conditions.
- IBM should track health concerns of former employees who were exposed to hazardous materials. This information should be released to spouses, children, or immediate relatives of the affected worker, as well as physicians and researchers.

Think Twice is written by IBM employees who are seeking a voice in their workplace through the Alliance@IBM/Communications Workers of America (CWA) Local 1701. Write us at the Alliance@IBM, 36 Washington Ave., Endicott, NY 13760, call us at 607-658-9285, fax us at 607-658-9283 or contact us by e-mail through our web-site at www.allianceibm.org.

PICK UP MAILING PANEL