Recently, Providence notified ONA at all but one of our ONA/Providence facilities that it intends to make some minor changes to the retirement plan. We reviewed their proposed changes to the plan (found on the ONA/Providence Seaside Hospital [PSH] website at www.OregonRN.org/82) and recommend that each nurse do so too.

We also consulted with ONA’s legal counsel and have requested an analysis of the proposed changes from a benefits expert. We expect a professional opinion soon and will be sharing it with nurses directly.

In the meantime, below are some of the changes that we have identified. While overall these changes seem relatively minor, ONA has sent a demand to bargain letter to Providence. This is important to protect our right to negotiate over changes in the terms and conditions of nurses’ employment at Providence.

Providence is obligated by our contracts to maintain a retirement plan, but minor amendments that do not decrease the benefits are permitted. We do still have a legal right to bargain over any changes.

Following is a summary of the proposed changes and Providence’s explanation of the effect of these changes. **Please remember that ONA does not provide investment or tax advice and this summary should not be relied on to make decisions about your own retirement accounts.**

**WHAT’S BEING PROPOSED:**

**CONVERTING THE EXISTING 401(A) AND 403(B) TO A 401(K)**

A 401(k) plan was historically not offered at PSH because these plans were not allowed in tax exempt organizations. Those tax rules have changed. 401(k) options already exist for some facilities in the Providence St. Joseph system, so by offering it everywhere nurses will be able to keep that plan if they transfer. Ultimately, Providence wants to standardize this throughout the organization.

Providence is proposing that both the 401(a) Service Plan and 403(b) Value Plan rollover into a new 401(k) Savings Plan beginning Jan. 1, 2020. That means that all 401(a) current balances and future contributions would fully migrate to the 401(k) plan.

**WHAT’S NOT BEING PROPOSED:**

It is significant to note what is not changing under their proposal:

- NO change to the formula
- NO change to the timing
- NO change to the employer match contribution amounts
- NO change to frozen core plan

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Retirement Update (continued from page 1)

THE PROS AND CONS:

There are three ways in which the proposal may be beneficial to nurses:

1. Some nurses will prefer this 401(k) option. If nurses have 401(k) plans from prior employers, it will be easier to combine plans and therefore track and plan for retirement.

2. It comes with a faster five-year vesting schedule. This enables nurses to be entitled to the Providence portion of contributions sooner than on the old plan.

3. Their proposal also includes a new option to use Collective Investment Trusts (CIT). CIT fees tend to be lower. The drawbacks of the proposal that we have identified thus far are as follows:

   • The 401(k) plan does NOT include lifetime service-related catch-up contributions for caregivers with 15+ years of service, however 401(k) does provide age-related catch-up contributions for all caregivers age 50 or older. PSH does not have any nurses who are participating in this service-related catch-up. The current service-related catch-up is subject to company matching, while the funds can be placed into 457(b), but there is no matching in this account.

   • Beginning Jan. 1, 2020, one year of match level service will require 1,000 hours. PSH has two nurses who will potentially be impacted by this change from 800 hours to 1,000 hours. It should be noted that these two nurses worked over 990 hours in 2018 and well over 1,000 hours in 2019. Also, there is no loss of employer match dollars or level – if a nurse doesn’t work 1,000 hours in a year, they may not increase to the next/maximum match level as quickly, but nothing is taken away.

FAQs:

Question: What are CITs?

Answer: CIT stands for “collective investment trust.” CITs are not available to regular “retail” investors, but only to qualified institutional investors. This contributes to their lower fees. However, these are investment funds that are specific to the holding company (Fidelity) and are typically not transferable if the employee leaves and wishes to roll-over the account. The funds need to be liquidated and then repurchased into funds in the new retirement account.

Question: How will this affect retirees? Will they need to maintain a Fidelity account in retirement?

Answer: If a retiring nurse prefers to move their money out of the PH&S program at Fidelity, and if the nurse is holding one or more of the CITs, the nurse will need to liquidate that portion of the balance and re-invest the dollars. However, that may be necessary for other funds in addition to the CITs, depending on the funds and share classes that the receiving plan is able to offer. Not all plans will include our same funds at the same share class.

Nurses are always welcome to leave their assets in the Providence retirement plans at Fidelity after they retire or otherwise separate from service. The addition of CITs to the fund lineup does not cause a retiree to need to liquidate that portion of the balance and re-invest the dollars. However, that may be necessary for other funds in addition to the CITs, depending on the funds and share classes that the receiving plan is able to offer. Not all plans will include our same funds at the same share class.

Nurses may continue to take advantage of the CITs and other institutional investments offered in the program throughout retirement, taking the IRS-required minimum distributions when necessary, and designating a beneficiary to receive the funds upon death. We would encourage any caregiver considering withdrawing their assets at retirement to double-check how the destination plan or IRA’s funds and fees compare with those of PH&S before rolling funds out.

Question: Will there be a listing that clearly shows

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<th>Proposed Vesting Schedule</th>
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which funds are CITs and which are standard, publicly traded funds (with ticker symbols)? Ticker symbols are often how an individual searches the fund performance. How will this research be facilitated going forward?

Answer: Yes. The list was provided at the end of August with the announcement regarding CITs for the 401(a) plan. Providence said that it will be repeated with the November announcement about the 401(k). Nurses will be able to find and research all of the investment options available in the plan, including the CITs, in the same manner they do today on NetBenefits. There will be no change in this experience. The performance and overview of the CIT investment options will appear alongside the mutual fund options.

Question: Can I convert my Roth IRA to the Providence 401(k)?

Answer: Yes. There is a Roth in-plan conversion to the 401(k) plan that will give nurses the option to reduce future income taxes. Contact Fidelity at 1-800-343-0860 for more information.

Question: What if I have individual questions about my retirement?

Answer: Contact a Fidelity Retirement Planner at 866-630-9722. Fidelity Retirement Planners are available to you at no additional cost. They can help with asset allocation, retirement planning, and other questions about plans including budgeting, student loan debt, and overall debt management.

STAY TUNED!

We will provide updates on the retirement plan changes as we get information back from the benefits firm and when our ONA bargaining unit chairs convene to discuss bargaining.

What are Your Weingarten Rights?

In the case National Labor Relations Board vs. J. Weingarten, Inc., the Supreme Court ruled an employee who reasonably believes an investigatory interview will result in discipline has the right to have a union representative present. This is legally protected activity under the National Labor Relations Act (NLRA) and is your fundamental right as part of an ONA bargaining unit.

All nurses in ONA bargaining units have the right to ONA representation during any investigatory interview that could lead to discipline. By invoking your Weingarten Rights, you ensure you have an advocate by your side during difficult conversations. Having an ONA steward or labor representative supporting you gives you a contract expert to advise you during any conversations with management that may lead to discipline.

While we hope you never need to exercise these rights, it’s important that we all know our rights in order to protect ourselves and our coworkers.

How to Use Your Weingarten Rights

Take immediate action when you are called into a meeting or discussion you believe may lead to discipline.

• Ask the supervisor or manager who is present, “Could this meeting lead to discipline or affect my personal working conditions?”
• If the answer is “Yes,” stop the meeting immediately.
• Invoke your Weingarten Rights by saying: “If this discussion could in any way lead to my discipline or termination, or affect my personal working conditions, I request an association representative, steward or officer be present. Unless I have this representation I respectfully choose not to participate in this discussion.”

• Contact your ONA steward or ONA labor representative immediately, or call the ONA office at 503-293-0011.

• Wait for the ONA steward or labor representative to arrive or reschedule the meeting. Do not continue the meeting until your ONA steward or representative is present!

Every ONA nurse has the right to fair representation. If you have additional questions about your Weingarten Rights, contact your union steward or your labor representative.
Make a Difference.

Two opportunities to lead ONA into the future

Run for ONA Statewide Elected Office

 Declare your candidacy by Friday, Jan. 31!

Serving as a statewide leader in ONA is a rewarding opportunity and a way for you to weigh in on the most important issues facing nursing today.

ONA is actively seeking enthusiastic, engaged nurses to run for leadership in our organization’s internal elections! You can run for office no matter where in Oregon you live.

Candidate nominations are open from Jan. 1 to Jan. 31 and candidacy must be declared by the last day of this month.

High profile openings you or your coworkers can run for include president, secretary, board member and multiple cabinet positions including designated seats based on geographic region.

Make a difference – run for ONA office today!

To learn more and run for office, visit www.OregonRN.org/Elections

Bring Your Voice to the ONA House of Delegates

Your voice matters. Be part of ONA’s primary governing body, the House of Delegates (HOD). As a delegate you will discuss and vote on resolutions, amendments and other initiatives that will determine ONA’s direction.

Bring your perspective and join us at the 2020 House of Delegates on May 19 in Portland.

Visit www.OregonRN.org/Delegate for more information and to complete your delegate nomination form.

Questions about statewide offices or delegates? Email or call ONA Chief of Staff Whitney Wong at Wong@OregonRN.org or 503-293-0011 ext. 1325.

To learn more and be a delegate, visit www.OregonRN.org/Delegate

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