



Contract Ratification Bulletin #2

Salary Increases & Retroactive Pay

At campus meetings about the proposed contract settlement, CUNY faculty and staff have asked questions about the salary increases and retroactive pay. Here is what you can expect if the contract is ratified.

When can I expect my retroactive pay?

If union members ratify the proposed agreement and CUNY's Trustees approve it, the University will set a projected pay date for faculty and professional staff to get the money they are owed retroactively. As soon as this date is set, the PSC will notify members through the union website. Based on the last contract, we would expect it to be by late August. The union will press for an earlier pay date if at all possible.

How much retroactive pay will I receive?

If the contract is ratified and approved by the CUNY Trustees, you will get a check for retroactive pay equal to between 6% and 8% of your annual salary as of April 2006 (depending on step increases), which will then be reduced by the usual taxes and pension deductions. Among employees who have been in full-time PSC titles since at least April 2004, retroactive pay – before tax and pension deductions – could range from about \$1,800 (for an assistant to HEO hired in September 2003 at the bottom of the salary scale) to \$7,400 (for a professor or HEO at the top of the salary schedule since January 2004).

Why is the salary increase described as an *average* of 9.5% rather than an exact number?

The first three raises in this contract are percentages (2.5% on May 1, 2004; 2.75% on May 1, 2005; and 3% on May 1, 2006). But the fourth and final pay increase, to be paid on September 19, 2007, is a fixed amount – \$800 – which will be added to the base salary of all full-time employees. What that \$800 raise

represents in percentage terms will vary with your salary. For a CLT who earned \$46,948 at the end of the last contract, the top of the scale for that title, \$800 is worth 1.7%. That position will pay \$51,728 at the end of the new contract, for a total increase of 10.18%. For someone who earned the old top professor/HEO salary of \$93,507 at the end of the last contract, \$800 is worth 0.86%. That person would earn \$102,235 at the end of the new contract, for a total increase of 9.33%. Among all full-time employees in the bargaining unit, the average salary increase is 9.5%. A combination of percentage and lump-sum increases provides greater equity across the salary spectrum than a straight percentage increase.

To provide part-timers with a pro-rated equivalent of this \$800 raise, part-time salary steps will get an uncompounded 1% increase on September 19, 2007.

Are all across-the-board increases on top of the salary steps?

Yes. Each of these increases will raise the whole salary schedule by that percentage, and will be paid in addition to any step increases that employees are due. Thus, each salary step will go up by the across-the-board increases.

For example, an associate professor currently earning \$70,474 would see her salary increase to \$76,450 with the application of the increase due May 1, 2006. Meanwhile, the next salary step, to which she would move in January 2007, would have been increased to \$79,221.

The final \$800 raise for full-time employees and the 1% increase for part-timers will be added to the salary step schedule on 9/19/07 – the last day of the new contract.

Why does the proposed contract allocate a portion of retroactive pay to the Welfare Fund reserve?

The Welfare Fund must build up its reserve, which has been depleted through years of underfunding by CUNY. At the end of FY 2005, the Fund's reserve was down to \$3.7 million. According to the New York City Comptroller, this is unacceptably low. The reserve should be at one year's expenditures, \$26.6 million in FY 2005. We worked long and hard to get the State to provide an infusion of money to restore the reserve, but ultimately they refused. Using a portion of the retroactive money for this purpose is not the ideal solution, but it does have some advantages. If these funds were paid as salary, taxes would be withheld – so members would receive only a portion of it. By contrast, the retroactive pay that is used to build the reserve goes into the Fund at full value. If we didn't build the Fund's reserve in this way, then the Trustees would have to raise copays and deductibles. Until this country acts on a comprehensive national health care program, union negotiators will have to patch together various ways to fund the Welfare Fund. Under current circumstances, the negotiating team believes that the approach in this contract is the smartest way to resolve the immediate funding problems.