

# “What Happened to the Money?”

When members hear that our Health Fund lost nearly \$18 million from 2003 to 2007, the first thing they ask is: What happened to the money?

The first answer is Local 804 officials did not make sure there was enough money going into the plan. Healthcare costs are rising sharply. When we voted on the 2002 contract, we were promised that it included enough money to protect our pension and healthcare benefits. That proved not to be true.

But there is another answer to the question, “What happened to the money?” When our Health Fund was losing millions of dollars every year, our own Local 804 officers agreed to divert millions of dollars from the Health Fund to the Pension Fund starting in Aug, 2005. The charts below show how this happened.

The first chart shows how much money UPS contributed to the Health Fund each month for every working participant. The second column shows how much the contribution changed per hour from the previous year.

The second chart shows how much money our Health Fund lost each fiscal year. The Fund’s fiscal year runs from June 1 to May 31.

In 2005, our Trustees agreed to reduce the money going into the Health Fund on Aug. 1—despite almost \$6.5 million in losses reported by the plan over the previous two fiscal years.

The monthly contribution was increased slightly on Feb.1, 2006 by a dime but this was still less money than what was contributed to the Health Fund in 2004 and far less than what was needed.

Overall, from Aug 1, 2005 to Aug 1, 2006, our Fund lost 15¢ per hour in contributions compared to the previous year.

In all, millions of dollars were diverted from our Health Fund to our Pension Fund in 2005 and 2006.

	Monthly Contribution to Health Fund	Change in Hourly Contribution
2003 (Aug 1)	\$724.201	+ 25¢
2004 (Aug 1)	\$776.201	+30¢
2005 (Aug 1)	\$741.534	-20¢
2006 (Feb 1)	\$758.867	+ 10¢
2006 (Aug 1)	\$802.200	+25¢
2007 (Aug 1)	\$854.180	+30¢

Source: Above figures provided by Fund Trustee Tony Magrene.

	Fund Assets on June 1	Fund Assets on May 31 of following year	Total Loss for Fiscal Year
2003	\$32,231,561	\$28,352,894	\$3,878,667
2004	\$28,352,894	\$25,763,999	\$2,588,895
2005	\$25,763,999	\$18,974,347	\$6,789,652
2006	\$18,974,347	\$14,416,944	\$4,557,403
2007	\$14,416,944	Figures not yet available	Figures not yet available

Source: Form 5500 Financial Reports filed with the Department of Labor



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