

# Comprehensive Economic Proposal

## Economic Subgroup July 18, 2025

### Duration:

Four-year duration 10/1/2025-9/30/2029

All local agreements which adopt this national agreement as an appendix will expire 9/30/2029.

### Wages:

10/1/2025: 15% Across-the-board

10/1/2026: 8% Across-the-board

10/1/2027: 4% Across-the-board

10/1/2028: 4% Across-the-board

**Hawaii – California pay scales:** With the integration of Hawaii into the SCAL market, Hawaii wage scales should be equalized to Southern California for comparable jobs, including starting wage rates, and step and longevity schedules. It is understood that the details will be bargained at the local tables.

**Consistent SCAL pay scales:** Equalize Inland Empire (IBT 166 and USW 7600) and Kern (UFCW 770) pay scales with Los Angeles/Orange County scales for equivalent jobs.

### Minimum wages:

*SCAL Market: (including HI)*

7/1/2025: \$24.00

7/1/2026: \$25.00

1/1/2027: CA Healthcare Worker Minimum Wage effective 1/1/2027

1/1/2028: CA Healthcare Worker Minimum Wage effective 1/1/2028

All other markets:

10/1/2025: \$22.00

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10/1/2026: \$23.00

**NOTE: Minimum wage compression, and related career ladders remain in small subgroup discussion. Alliance proposal unchanged pending the conclusion of those discussions.**

All scales which are below the minimum rate above will be increased to the minimum rate. All other steps in the wage scale will be increased by the same percentage used to increase step 1 to the minimum. For example, if step 1 rate is 2% below the minimum rate, all steps in that wage scale will be increased by 2%. For the term of this agreement, these adjusted wage scales will continue to move with annual ATBs and will be reviewed for each year's subsequent minimum rate.

For scales in a career ladder progression, if the lower classification is affected by the minimum wage these terms, the subsequent scales in that progression will be adjusted proportionally. For example, if EVS 1 is affected by the minimum wage resulting in an increase to the scale of 2%, the scales for EVS 2, EVS 3, and EVS lead would also be increased by 2%. (Job titles hypothetical for illustrative purposes.)

The same adjustment to the scales will occur in the event additional minimum wage rates are implemented during the term of this agreement – for example, if a city or state adopts a local minimum wage which affects a scale under this agreement, the above adjustments will be made as of the effective date of that minimum wage.

In order to address wage scale compression caused by the 2024 California health care minimum wage increase, the above methodology will be applied to those scales impacted by 2024 increase as follows. (1) First any scales affected by the minimum wage will have the above methodology applied to address any compression issues, effective October 1, 2025 (2) The October 2025 ATB will then be applied to these adjusted scales effective October 1, 2025 (3) Finally if these scales remain below the scales for the comparable job in LA/Orange County after these adjustments, there will be an additional scale adjustment to match LA/Orange County effective October 1, 2025.

## **Union Security and Growth**

**MHS:**

Incorporate the UNAC/UHCP represented employees at KP's Maui Health System into the National Agreement and the Alliance-KP labor management partnership agreement.

**Entities controlled by KP:**

All entities over which KP has operational or ownership control, including but not limited to all entities in which KP has 50% or greater ownership, shall be subject to the provisions of the Alliance-KP LMP agreement and related documents including the 1999 Organizing and Card Check Neutrality rules. Further if any workers at such entities organize using the 1999 rules, the parties will negotiate over inclusion in the National Agreement. This specifically includes Risant Health and Habitat Health.

- Further, at all such entities, KP shall employee similar contracting practices as those used at current KP facilities, including but not limited to, in their approach to construction labor.
- Where KP has a significant ownership stake less than 50%, KP will continue to use its influence to promote inclusion in the labor management partnership, consistent with the terms of the 2018 Alliance-Kaiser Permanente Labor Management Partnership which states: "Kaiser will encourage subcontractors, vendors, mergers and alliance partners to adopt the same policy regarding union representation of their employees."
- Additionally, USW represented employees at Geisinger/Risant facilities shall be covered by the partnership, and the parties shall promptly bargain over the specific terms of their inclusion into the national agreement.

**Subcontracting:** The parties share a common goal of reducing the outsourcing of patient care and services, in the interests of high quality, care integration, affordability, and growth for unions as KP grows. Accordingly, the parties commit to a joint effort to identify areas which can be successfully insourced. By way of example, the parties will look at such areas as: reducing/eliminating travelers and registry; additional engineering staff; adequate professional staff to reduce/eliminate overflow care provided in areas such as mental health, rehab services, home care, anesthesiology, and imaging; in-sourcing care lines currently outsourced in certain markets, etc. The above are by way of example only.

The parties commit to insourcing an additional 9,000 Alliance represented FTEs during the term of this agreement, to be achieved proportionally each year starting no later than year 2 of this agreement. Progress toward this goal will be monitored through the National Affordability and Competitiveness Task Force.

The parties commit to establish in-house registry models as a means of reducing the use of travelers, with the plan of launching in-house registry models by January 1, 2027.

### **Union leave – Section 1K1**

**Amend Section 1K1** as follows (except as noted 1K1 is unchanged) :

**Long-Term Leaves** are defined as leaves of absence for more than 30 days ~~and up to a maximum of one year.~~<sup>1</sup>

**Elected Official Leave.** Any employee elected to a union office will be automatically granted a leave of absence for the duration of the term, and any subsequent terms to which they are elected. ~~or three years, whichever is less.~~ Employees must return to work after the completion of ~~one~~ the term of office, including any additional terms to which the employee is elected.

## **Active Medical Plans**

1. Effective January 1, 2027, the allergy injection copay will be \$0 in the GA, MAS, and NW non-flex HMO plans. **(Pending TA)**
2. Effective January 1, 2027, the hearing aid allowance for adults will be \$1,000 per device per ear every 36 months in the GA and SCAL non-flex HMO plans **(Pending TA)**
3. Effective January 1, 2027, the Durable Medical Equipment (DME) coinsurance will be \$0 in the HI and NW non-flex HMO plans **(Pending TA)**
4. IUOE 99 transition to AHCU MAS plan effective January 1, 2026.

Changes to the standard Alliance plan in all regions where such plans exist:

1. 100% ambulance coverage (improves coverage in NW, GA, WA)
2. IVF covered with 20% co-insurance (match Hawaii plan)
3. Employer-paid supplemental medical plan extends to all bargaining units at no cost (includes IVF, chiro, acupuncture)

Region/bargaining unit specific changes

4. KPWA Mail Order Pharmacy Benefit – co-pay of \$5 to be consistent with other union plans in KPWA
5. Eliminate premium share where they exist

## Retiree Medical

### KPSA changes

1. Allow the retiree medical subsidy to be used for any KPSA plan effective January 1, 2026 (and not limited to the lowest cost plan.) (**Pending TA**)
2. Provide retirees on/after January 1, 2026, in KPWA who were hired before January 1, 2021, with a Retiree Medical Subsidy in the amount of \$43.05, increasing 3% each year thereafter (**Pending TA**)
3. Fully include DASH in Alliance plan in all aspects.

Bargaining units currently in the group retiree medical plan and scheduled to transition to the KPSA plan January 1, 2028, will delay transition until the January 1 date fifteen months following the expiration of this agreement.

## Defined Contribution Retirement programs

1. Match
  - a. Increase employer match to 1.5% for all groups except Plan B participants.
2. Resolution of HNHP match grievance
  - a. **Bonus Payment** The Employer shall provide a one-time lump sum bonus payment of Five Hundred Dollars (\$500.00) per year of service for each calendar year from 2022 through 2025, up to a maximum of \$2,000.00 per eligible employee. Payment shall be made no later than 120 days from ratification.
  - b. **Eligibility** To be eligible for the bonus payment, employees must: (1) Be actively employed in the bargaining unit as of the date of ratification of this Agreement or the date the grievance settlement is executed, whichever is later; and (2) have been actively employed during any of the calendar years 2022 through 2025.
  - c. Employees who have retired or otherwise separated from employment prior to the execution of this agreement shall not be eligible.
  - d. **Defined Contribution Plan** Effective January 1, 2026, the Employer shall provide HNHP-represented employees with a defined contribution plan under the same terms as provided by Section 2.B.2.a. of the Alliance of Health Care Unions National Agreement.<sup>2</sup>

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<sup>2</sup> This proposal would fully resolve the pending grievance and arbitration on this matter.

3. IUOE 99 will transition to the national agreement match effective 1/1/2026.
4. Expand regional financial performance contribution to all units, except those covered by Plan B.
5. Plan B. All groups currently in Plan B will remain in Plan B, without expiration.  
Impact: Remove 2030 Expiration of Plan B in UFCW 400 and 27 in MAS. Maintain Plan B for newly organized units currently in first contract negotiations.

## **Sick Leave HRA**

UFCW L3000 retirees will be eligible to convert accrued sick leave under the terms of the National Agreement Section 1 C 3 effective October 1, 2025.

Any new units added to the National Agreement which do not have accrued sick leave HRA conversion will be eligible for this conversion, effective on entry into the National Agreement.

## **Pension**

- 1) All groups that transitioned out of the KP defined benefit pension plan into defined contribution plans will be returned to the defined benefit plan (UNAC/UHCP Southern California Pharmacists, UNAC/UHCP DASH, UFCW L3000)
- 2) All groups which have a 1.45% multiplier and are pro-rated on the basis of 2000 hours will be pro-rated on the basis of 1800 hours.

## **Educational benefits:**

### **BHMT**

Section 1D: Increase contribution to 1% of payroll (from current 0.5% - additional \$3m and \$1m payments continue)

### **Tuition Reimbursement**

Effective January 1, 2026, increase the amount of tuition reimbursement that may be used for travel expenses to \$1200.

Tuition reimbursement will be increased by \$750 for each calendar year of this agreement effective January 1, 2026 to a maximum of \$5250 (e.g., 2026: 3750, 2027:4500, 2028:5250.)

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## Student Loan Reimbursement

Student loan reimbursement at up to \$250 per month (\$3,000 per year)

## LMPT

The parties agree to fund the LMPT with additional employer contribution equivalent to:

- The amount needed to cover 2025 bargaining expenses and establish a bargaining reserve for 2029 bargaining.
- The amount needed to cover the increased costs of the current LMP budget, plus the addition of resources for establishing the Alliance and KP partnership in Northern California, as calculated by Trustee projections and adjusted for the actual increases in compensation bargained in the Alliance National Agreement.

## Other Trusts –

**IUOE Package:** Accept employer proposal for L.501 pension if employer accepts the other contributions as outlined below.

### IUOE L501 Pension Trust Fund (Employer proposal)

- The Employer will contribute the following pension contributions per hour paid per bargaining unit employee:

October 1, 2025	October 1, 2026	October 1, 2027	October 1, 2028
\$5.87	\$6.14	\$6.41	\$6.68

### IUOE National Training Trust

- **Local 501:** The Employer will contribute the following per bargaining unit employee per year:

December 1, 2025	December 1, 2026	December 1, 2027	December 1, 2028
\$208	\$208	\$208	\$208

- **L1 and L99** The Employer will contribute the following per bargaining unit employee per year:

January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029
\$208	\$208	\$208	\$208

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### IUOE 501 Training Fund

- The Employer will contribute the following per bargaining unit employee per year:

December 1, 2025	December 1, 2026	December 1, 2027	December 1, 2028
\$619	\$644	\$669	\$694

### IUOE Local 99 Training Fund

- The Employer will contribute the following per bargaining unit employee per quarter:

2026	2027	2028	2029
\$115	\$135	\$155	\$175

### IUOE L99 Pension Trust Fund

- The Employer will contribute pension contributions per hour paid not to exceed 2080 hours per year per bargaining unit employee.
- Employer proposal increased pension contributions at \$0.20 per hour per year. Union counters at increased pension contribution at \$0.50 per hour per year.
- Any additional classifications will be included at the lead engineer rate.

### L5 Trust fund contributions package to include withdrawal of child/eldercare, and acceptance health and welfare at rates proposed by employer, and inclusion of HARIETT.

- Local 5 Health and Welfare Trust: (Employer proposal) The Employer will contribute the following per bargaining unit employee per month for dental, optical, Rx, retiree coverage, and administrative expense, which will be in addition to the full premiums charged by Kaiser Foundation Health Plan:

January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029
\$412	\$424	\$436	\$448

- HARIETT
  - Effective 1/1/2026: 5 cents per hour
  - Effective 1/1/2029: increase to 10 cents per hour



- **Other Trust funds**
- SCAL UFCW Pharmacy – pending on actuarial information
- Sound Trust (UFCW 3000) VAP – changes to be submitted separately.
- UFCW Local 1996 legal benefit- increase the current contribution to:
  - 1/1/2026: \$9.70 (from current 9) per employee per month
  - 1/1/2027: \$10.15
  - 1/1/2028: \$10.55
  - 1/1/2029: \$10.90

## **PSP**

*To be discussed in subcommittee.*

## **Other issues**

### **Lactation**

Employees will be released without loss of pay and provided with adequate, private, and sanitary facilities for lactation.

### **No Cancellation**

The existing no cancellation agreement will be extended to all employees covered by this agreement, without regard to statutory employer or work location.

### **Protecting Immigrant Workers**

*Placeholder for appropriate language which protects immigrant employees within legal guidelines.*

### **National Dispute process**

*The Alliance is interested in clarifying areas related to the national agreement dispute process including such areas as fact-finding, scope of the dispute process, timeliness of processing, and other areas.*

### **National Affordability and Competitiveness Task Force**

*Placeholder for discussion of continued/modified role*

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**Accretions and Initial Contracts:**

The Alliance intends that all initial contracts and accretions be resolved prior to the resolution of the national agreement.

*List of active AHCU affiliations, first contract and accretion negotiations:*

Region	Group	Type	Contract	Union
Hawaii	HI L5 Clerks & Techs	Accretion	Main Unit	UNITEHERE! L5
Hawaii	HNHP Resp Therapists	Accretion	HNHP Respiratory	HNHP
Hawaii	HNHP Med Techs & Cytotechs	New Unit	N/A	HNHP
Hawaii	HI L5 Home Health LVNs	Accretion	Main Unit	UNITEHERE! L5
Mid-Atlantic	IUOE L99	Inclusion in NA		IUOE L99
Hawaii	UNAC CRNAs	New Unit	N/A	UNAC/UHCP
Northern California	UNAC CNMs	New Unit	N/A	UNAC/UHCP
Northern California	UNAC CRNAs	New Unit	N/A	UNAC/UHCP
Northern California	UNAC Physicians Assistants	New Unit	N/A	UNAC/UHCP
Northern California	UNAC/UHCP acupuncturists	New Unit	UTNC	UNAC/UHCP
Southern California	UNAC Childlife Specialists	Accretion	DASH	UNAC/UHCP