

Dear CRONA Nurses,

Let's talk about **MONEY**. Please read this entire newsletter, as we are focusing on money and some of the ways to maximize what you earn. Our contracts are negotiated for your benefit so make sure you are getting every dollar of our negotiated benefits.

This week is the monthly CRONA monthly membership webinar, on Wednesday 6/9 at 8:00 p.m. To make it easy to remember the monthly webinar, you may wish to set a reminder on your calendar for the second Wednesday of every month at 8:00 p.m. This will be a good time to ask your questions, including questions about the information in this newsletter or our upcoming negotiations.

I look forward to our Wednesday webinar, hope to see you there!

In Unity,

Colleen Borges, CRONA President

Education – Time Is Running Out on 2020-2021

The **deadline** to use your education (EDU) hours and reimbursement funds is **August 31, 2021**. Continuing our education is something every nurse should do. Not only do we want to keep learning and growing as nurses, we also need CEUs for renewing our licenses, for renewing our professional certifications, and for the PNDP.

EDU Hours Are Not For Mandatory Classes

Per our contract, the hospital must pay for any mandatory classes. What is considered mandatory depends on your unit. BLS is mandatory everywhere, and some units mandate ACLS, PALS, NRP, trauma CEUs, et cetera. The *only time* you use any of your education benefit for mandatory classes is if the *hospital offers a class* (ACLS, for example) and you elect to *take the class elsewhere*; in that case the hospital still pays your *hours* but you pay the class fee using your *EDU funds*. Please let CRONA know if your manager tries to make you use your EDU hours for a mandatory class.

Practical Advice

If you think you have never experienced a payroll error, you are a new hire or you do not check your paychecks. The hospitals make payroll errors. Although you may use your time and funds up to the last day of the academic year on August 31, those last days are in the middle of a pay period. Last year, some nurses who waited until the last minute experienced payroll issues because their hours were deducted from the next year's bank of hours instead of the current year's hours; having two academic years in the same pay period was an issue for Payroll. For the best chance of avoiding payroll errors, CRONA recommends completing use of EDU hours and funds in the pay period prior to August 31.

Can I Roll Over Hours To Next Year If I Don't Use Them?

Except in very limited circumstances, education hours may not be rolled over to the next academic year; see our contracts to read about when hours may be rolled over to the next year in Section 14.4.4 SHC/Section 13.5.5 LPCH. No EDU funds may be rolled over. We only have *one more schedule request period* this year to ask to use 2020-2021 EDU hours within our commitment (staffing permitting). Make sure you take advantage of this benefit!

Do EDU Hours Qualify For Overtime?

No. You may complete your EDU hours above your commitment, and you do not receive overtime for the EDU hours. This was negotiated into the CRONA contracts because managers were denying nurses use of EDU hours if the EDU hours put the nurse over 40 hours per week. Now we have greater flexibility in using our hours. You may get education days pre-approved – within your commitment - up to a year in advance. You may also ask for education days within your commitment during the schedule request period; however this type of request may be denied based on staffing needs. If your request to use education time within commitment is denied for the upcoming schedule due to staffing needs, you

may still take the education time above your commitment. You may attend in-person or virtual classes and conferences, or you may complete home study classes.

For more information about what type of classes may be approved, see both hospital policy and our contract, SHC Section 14/LPCH Section 13.

How Much EDU Benefit Do I Get?

EDU hours and money is prorated based on your FTE for all Regular Nurses. The maximum is 40 hours and \$2000 for a 1.0 FTE nurse. To calculate your entitlement, multiply 40 hours or \$2000 by your FTE. For example, 40 hours multiplied by 0.9 equals 36 hours; \$2000 multiplied by 0.9 equals \$1800. One of the differences in our SHC and LPCH contracts is education benefits for Relief Nurses. At LPCH, Relief C get 20 hours; Relief A and B get 8 hours, and Limited Relief get nothing. At SHC, Relief C and D get prorated hours based on FTE; and Limited Relief as well as Relief A and B get nothing.

Maximizing Your HSA

CRONA Nurses have three health plan choices: Kaiser, SHCA, and Aetna POS. The most popular plan with CRONA Nurses is the “free” (no monthly premium) plan, Aetna POS. This is a high-deductible plan with an HSA (Health Savings Account). Only CRONA Nurses are offered a plan without a monthly premium; that is because we have contract language that gives us that right. We also have contract language that requires that benefits offered to CRONA nurses must be “substantially equivalent” to those offered to other employees. The hospitals seem to really not enjoy that they have to offer CRONA Nurses a free plan, as evidenced by the fact that they choose to make a few small changes to the plan to make it not quite as good as the plans for other employees while not crossing the line of “substantially equivalent”. When the hospitals offered CRONA Nurses a plan that did not seem substantially equivalent, CRONA took the hospitals to arbitration and won. One of these small changes is to our HSA contributions.

Read This Paragraph – Your HSA Contribution

The 2021 IRS maximum HSA is \$3600 individual/\$7200 family. The hospitals choose to limit CRONA Nurses to only contribute pre-tax amounts of \$3350 individual/\$6750 family using automatic withholding from our paychecks. Does this mean that CRONA Nurses cannot take advantage of the maximum contribution? NO. It does mean that CRONA Nurses must take the extra step of making the additional contribution, and we must make the additional contribution with post-tax instead of pre-tax funds.

How To Make The Maximum HSA Contribution

You may add money to your HSA, up to the IRS annual maximum contribution, by sending money via paper check or bank transfer. Our HSAs are managed by a company called Health Equity, and their instructions for making post-tax contributions to your HSA are here: https://answers.healthequity.com/app/answers/detail/a_id/1088/kw/post%20tax

You Can Grow Your HSA Through Investment

Did you know that you have the ability to invest the money in your HSA account? Yes, you can! Per Health Equity, as long as your balance is at least \$2000, you may choose to invest your HSA funds in a selection of Fidelity mutual funds. You must do this through Health Equity, log in to your account to learn more and manage your money:

<https://my.healthequity.com/ClientLogin.aspx>.

Some nurses use their HSA money every year for their deductible and out of pocket expenses, while other nurses pay their deductibles and expenses on their own and are saving the money in their HSA for retirement or large future expenses. Remember, while we do have a benefit for medical retirement, the amount is small and will not cover all retirement medical expenses for most nurses. You should make the choices that are best for you, but the more you know the better you are able to make those decisions.

Certification Pay

CRONA’s Negotiation Team negotiated the benefit of certification pay during the 2019 contract negotiations. This pay provides financial recognition of the work and expertise of CRONA Nurses. Having this pay also benefits the hospital, because nurses must register their certifications with the hospital in order to get paid, and the hospital takes credit for the number of certified nurses in Magnet and other surveys.

The annual benefit is \$1500, divided into \$375 quarterly payments. In order to receive each quarterly payment, nurses must have a current certification uploaded in Healthstream “at least thirty (30) days prior to the beginning of the month in which the quarterly payment shall be made”. For the July payment, proof of certification needed to be uploaded before

June 1. Payment will be made in the first full pay period in July (the second payday that falls in July). For the October payment, proof of certification must be uploaded before September 1.

Set A Reminder

Every quarter, CRONA hears from nurses who forgot about the deadline and did not upload their certifications on time. After the payment is due, CRONA hears from nurses who have a current certification but forgot to upload their recent renewal. These nurses will miss out on the payment for that quarter as the hospital does not make any exceptions. CRONA advises setting yourself a calendar reminder to upload your new certification prior to the deadline.

Get The Most From Your 403(b) Retirement Account

Every CRONA Nurse who is a Regular Nurse (full-time or part-time), or a Relief C or Relief D, is eligible for the retirement plan. As there are fewer than 20 Relief C and D remaining in the hospitals, this article will discuss the retirement plan for Regular Nurses only.

What Is My Retirement Benefit?

There is a basic contribution and a matching contribution. The basic contribution is 5% of annual pension eligible earnings. This 5% basic contribution starts automatically after one year of employment – but check your paycheck to be sure. The matching contribution is an amount contributed by the employer to match the voluntary contributions of nurses. The matching amount is a percentage of pension eligible earnings.

Current matching percentages

4% match – more than one year and less than five years

5% match – between 5 and 10 years

7% match – 10 or more years

Future matching percentages – starting in pay period beginning 12/26/2021

5% match – more than one year and less than five years

6% match – between 5 and 10 years

8% match – 10 or more years

What Are “Pension Eligible Earnings?”

When checking your paycheck to ensure the contribution amounts are correct, remember that contributions are calculated based on pension eligible earnings rather than all pay. Per our contracts, “Pension eligible earnings include all earnings at the Nurse’s regular hourly rate including evening and night shift differential and the straight time portion of overtime and double time, but does not include any other allowances or premiums or differentials.” See SHC Section 12.1.3.e./LPCH Section 11.1.3.e.

New Hire Nurses

New hire nurses are eligible to start making their own pre-tax contributions immediately, and become eligible for employer contributions after one year of employment. For the more than 600 CRONA Nurses hired in the last year, this means you! It’s never too early to start contributing, even if it is only a small amount to start. Do you feel like you can’t afford to increase your contribution? Incrementally increase your contributions whenever you are due for a step or annual contract raise to minimize the impact on your take-home pay while maximizing your retirement.

Remember Your Milestones – Increase Your Contribution

When you hit the milestones of 1 year, 5 years, 10 years of service, you become eligible for increased matching contributions per our contracts. No one will remind you about this when it happens, so it’s up to you to increase your contribution to take advantage. Set a reminder to up your contribution when you are eligible!

Turning 50? Make sure you increase your contributions to take advantage of eligibility for “catch up” contributions.

The IRS limit for employee elective deferrals (pre-tax contributions) in a retirement plan is \$19,500 in 2021. Starting the year you turn 50, you may make “catch up” contributions of an additional \$6,500 per year, for a total of \$26,000. The IRS overall limit for contributions in 2021 is \$58,000 (\$64,500 including “catch up” contributions). Want to learn more? There is a wealth of information available on the [irs.gov](https://www.irs.gov) website, or consult your tax advisor.

If you didn’t think that matching percentages and pre-tax contributions were complicated enough, now we move to after-tax contributions, and the resolution of a grievance filed by CRONA against the hospitals.

After-Tax Contributions Grievance Settlement

We're pleased to announce that CRONA, Stanford Health Care, and Lucile Packard Children's Hospital have resolved a grievance with an agreement that will enhance Nurses' ability to make after-tax contributions to our Retirement Savings Accounts under the Stanford Health Care Retirement Savings Plan (RSP). As a result, **effective January 1, 2022**, all Nurses who are eligible to make after-tax contributions to the RSP will be able to make **after-tax** contributions to the RSP of up to **15%** of retirement eligible earnings.

2022 Increases in Ability to Make After-Tax Contributions to Retirement – Effective January 2022

Currently, Nurses at Stanford and Packard who are eligible to make contributions to retirement under the RSP are able to make both pre-tax and after-tax contributions to their accounts. The terms of the RSP, however, limit the amount of after-tax contributions eligible Nurses may make. Specifically, after-tax contributions can be made only up to the percentage of contributions that the employer matches under our contract (currently between 4% and 7%, depending on your years of service). In 2019, CRONA filed a grievance challenging those limits and pursued that grievance through detailed negotiations. To resolve the grievance, the Hospitals have agreed to amend the RSP to substantially increase the limits on Nurses' ability to make after-tax contributions to retirement. As a result, effective January 1, 2022, Nurses who are eligible to make after-tax contributions to the RSP will be able to make after-tax contributions of up to **15%** of retirement eligible earnings. (The settlement does not affect pre-tax contributions nor does it impact the applicable annual Internal Revenue Service limitations that apply to your pre-tax and after-tax contributions under the RSP.)

2022 Increases in Employer Matching – Effective January 2022

As a result of our last contract negotiations, in the first pay period of 2022, the matching percentages for all eligible Nurses for both pre-tax and after-tax contributions to our retirement accounts under the RSP will also increase: to **5%** for Nurses with fewer than 5 years of retirement eligible service; **6%** for Nurses with 5 to 10 years of retirement eligible service; and **8%** for Nurses with 10 or more years of retirement eligible service. (The matching rates can be found in Section 12.1.3 of the Stanford contract and Section 11.1.3 of the Packard contract.)

Keeping an Eye on Your Retirement Benefits

As a result of our successes in the 2019 negotiations and the recent grievance settlement, eligible Nurses' ability to save for our retirements will be significantly expanded as of January 2022. The Hospitals will be providing information about these expanded benefits later this year. We encourage all Nurses to carefully review your new options for making both pre-tax and after-tax contributions to retirement as of January 2022. If you want to make any changes to your pre-tax and/or after-tax contributions, or have any questions regarding the RSP, please contact the Plan Administrator.

Planning For Emergencies

It is conventional wisdom to have three to six months of living expenses in savings for unpredictable expenses. Having savings isn't in our contracts, but it is sound practical advice for everyone, including unionized employees. In the words of one CRONA Nurse, "Since I first started as a CRONA Nurse, I saved up and maintain at least three months of expenses as an 'Emergency Fund'. Before each contract negotiations, I change the name of this account to 'Strike Fund' as a recognition of the importance of negotiations to my working life and my commitment to go on strike if that becomes necessary. Once we get our new contract, I change the name of the account back to 'Emergency Fund'. Being ready just makes dollars and sense."

Countdown To Negotiations

As of today, there are 6 months and 23 days until the end of 2021. Contract negotiations are anticipated to start in January 2022. What are your negotiation priorities? Look for the membership negotiation survey in Fall 2021 and make sure to let your voice be heard in determining the priorities for our next contract negotiations.

#CRONAstrong