Panel Handout: Pensions and Health Insurance Savings for Contingent Faculty

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Recommended Citation
DOI: https://doi.org/10.58188/1941-8043.1631
Available at: https://thekeep.eiu.edu/jcba/vol0/iss11/75

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Panel on Retirement Plan and Health Insurance Benefits for Contingent Faculty
Presenter: William Shimer, Part-Time Lecturer, Northeastern University; Member, SEIU Local 509

“Moving from No Benefits to Some Benefits: The Story of Unionization at Northeastern University”

Background

Through 2012, Northeastern University’s term-by-term adjunct employment contracts stated that part-timers were ineligible for all benefits, even where federal law required otherwise. In practice, too, adjuncts got no health insurance, retirement plan, life insurance, sick leave, paid vacations, lockable office, laptop, or online profile. This was true even if the adjunct worked a full-time load; rather, positions were randomly deemed benefits-ineligible without regard to the actual workload of the employee.

For example, in the 2012-2013 academic year (Fall, Spring, Summer), I taught 13 courses (47 credits), more than double a full-time load, but got no benefits. If a course was cancelled, I got no fee despite the preparation I would have put into the course. If I didn’t get assigned a course to teach for a term, I got no severance pay. Also, adjuncts got no extra pay for curriculum development or committee service, work into which I was sometimes pressed as an unpaid “volunteer” by supervisors who also decided whether I would teach in the future. In the years when unionization and collective bargaining were taking place, adjuncts weren’t invited to the on-campus university-wide holiday party to which they were previously invited. The D’Amore-McKim School of Business holds its own lavish year-end party at a museum or hotel venue, but its contingent faculty aren’t invited either. So much for holiday cheer! But it gets worse—part-timers weren’t even eligible for the university Excellence in Teaching Award. (But administrators, staff, and full-time teachers had their own excellence awards.) During my first four years of employment at D’Amore-McKim, teaching 130 freshmen business majors per year in small groups of 19 per class, I never even met the chair of my department or the dean of my college. In fact, adjuncts aren’t on the department email distribution list and I didn’t know that I was in a department. (I discovered my department and its chair in my fourth year at the school when the chair happened to sit next to me at an orientation and asked who I was.) Thus, in these and many other ways, I was invisible to administrators in the hyper-hierarchical world of the modern university. In such a distorted universe, benefits were out of reach for me and my kind.
Retirement Plan

Northeastern University maintains a 403(b) retirement plan for full-time administrators, staff, and faculty. There are two plans—a “Basic Plan”, with an employer contribution, and a “Supplemental Plan”, with no employer contribution.

ERISA’s universal availability rules prohibit private employers from discriminating against adjuncts in the Supplemental Plan, but, until the unionization campaign escalated in 2014, Northeastern didn’t notify adjuncts about the plan. In fact, adjunct offer letters explicitly confirmed adjunct eligibility for all benefits. Northeastern’s former practice is a mystery because, without an employer contribution, the Supplemental Plan, a salary deferral plan, doesn’t cost the employer anything except administration (because there is no employer contribution), and offering it buys employee goodwill and labor peace on the cheap.

After agitation (a story involving a whistleblower, the IRS, SEIU 509, and our union law firm), today Northeastern has opened its salary-deferral Supplemental Plan to all adjuncts and actually notifies new hires of their eligibility to participate. It also allows participation in its Basic Plan—with the employer contribution—for adjuncts who teach 23 credits (a proxy for 1000 service hours) per calendar year for two consecutive calendar years. The actual algorithm is (credits/calendar year) x (3) x (term weeks/calendar year) ≥ 1000 service hours, for two consecutive calendar years. However, this algorithm is not disclosed on the HR website even today, so the ambitious adjunct who wants in has to reverse engineer the formula from the stories of adjuncts who applied and were accepted or denied. Note that the factor 3 multiplier to account for work done outside the classroom comes closer to matching the actual time it takes to teach a university course than the IRS 2.25 multiplier in use for Affordable Care Act eligibility.

Northeastern’s employer contribution rate is 10% of eligible pay, which is very good for these plans. Sometimes, courses assigned last-minute are mistakenly classified as ineligible for the employer contribution, so plan-eligible adjuncts have to continually check their paystubs to make sure they are getting the employer contribution on the full base pay. Also, like the retirement plans of many companies, the lineup of mutual funds in Northeastern’s plan is haphazard, with select funds from multiple mutual fund families, so coordinating an overall investment strategy with one’s taxable assets held outside the retirement plan is difficult.

The recent collective bargaining agreement between SEIU 509 and the university, which runs from March 1, 2016 through June 30, 2019, makes Northeastern University’s Supplemental Plan available to all and memorializes the eligibility and employer contribution rules for the Basic Plan. As a result, more adjuncts will now be able to sock away funds for a retirement and, hopefully, fewer will grow old poverty-stricken living under a bridge.
Health Insurance

In 2013, an SEIU survey of Northeastern University adjuncts revealed that 23% of respondents at the school relied on Medicaid, Medicare, or the state healthcare exchange. This means that, for a significant segment of its workforce, Northeastern offloaded some of its employment costs onto taxpayers. Moreover, some adjuncts could not afford any health insurance and did without, even as Northeastern built a new skyscraper on its Boston campus, spent millions growing the brand internationally, and became a hot school rising in the rankings (on the backs of adjuncts). Even full-time adjuncts, who work part-time at each of two or more colleges in the Boston area, don’t typically qualify for health insurance at any of the schools because they deliberately cap assigned courses per adjunct below the eligibility threshold for Affordable Care Act coverage.

Northeastern’s view of benefits for adjuncts is ideological; it’s not a rational view based on, say, a cost/benefit analysis of dollars out vs. loyalty/labor peace/commitment in. I know this from spending sixteen uncomfortable months in hot conference rooms bargaining across from Northeastern’s negotiators—deans of colleges, HR and finance people, and their lawyers. Northeastern would not be offering any health insurance today if the Affordable Care Act did not require it and SEIU 509 did not fight for it. In the end, Northeastern acquiesced to offer health insurance to 58 adjuncts (of some 900 in the bargaining unit). The offer came late, after open enrollment closed in November 2015, after even the 2016 plan year started on January 1, 2016. Some people were still being notified of their eligibility in March 2016 for plans that started on January 1, 2016.

Universities had two years to plan for ACA implementation, but Northeastern’s delay was due in part to its requirement to comply with the ACA and also to bargain the terms of the health insurance with the union. Early in the negotiations, the union proposed a simple eligibility rule—access for anyone who taught a minimum of three courses a year—but the administration did not respond with a counterproposal until December 2015, too late for many adjuncts who faced earlier enrollment deadlines with Massachusetts’s Health Connector or a spouse’s plan.

In its initial counter, the administration offered adjuncts only one of the three plans it offered to administrators and full-time faculty. They offered adjuncts the High Deductible Health Plan, but not the Core Plan or the Enhanced Plan, all Blue Cross Blue Shield products. In short, adjuncts got the worst plan. Moreover, Northeastern proposed to absorb only 50% of the premium costs whereas it absorbed 70% of the premium cost for “benefits-eligible” administrators, staff, and faculty, even though the adjuncts who qualified did so because they worked full-time (i.e., more than 30 hours per week), the same as full-timers. In the end, Northeastern relented on the one-plan-only proposal and offered all three plans to adjuncts, but did not compromise on the premium percentage. It also refused to compromise on the definition of full-time: 30 hours per week for adjuncts vs. only 24 hours per week for all other benefits-eligible employees. Finally, adjuncts faced a one-year lookback to determine eligibility (during which they were ineligible) whereas non-adjunct new hires could start their health insurance coverage within 30 days.
Conclusion

Providing expanded benefits to part-time instructors makes them feel part of the enterprise. Employees with benefits feel better about their work and workplace, and they enjoy working more. They willingly work harder at the margins, have a better attitude, and communicate positivity to students. These thoughts are not just mine; they are in fact also from the Northeastern-University-approved Human Resources unit of the Experiential Entrepreneurship course that I teach. This is what Northeastern teaches its freshman business majors! Yet, like many universities today, Northeastern has unwisely adopted a caste system with those who neither teach nor do research taking the most pay and benefits for themselves. An enterprise of “haves” and “have nots” breeds disgruntlement, stifles innovation, and makes universities complicit in the growing income inequality of society. In this stratified workplace where adjuncts were invisible, disposable, and marginalized, SEIU helped to organize part-timers into a union which negotiated better pay and benefits for adjunct professors.

Author’s Bio

For the past five years, William Shimer has taught Experiential Entrepreneurship at the D’Amore-McKim School of Business, Northeastern University, Boston, Massachusetts. For a so-called Part-Time Lecturer at Northeastern, he teaches a lot—ten courses per academic year (37 credits), plus another four courses (16 credits) on American Government at the nearby Wentworth Institute of Technology. For two years he served on the organizing committee for the adjunct faculty union at Northeastern University, which joined SEIU in May 2014. For the next 20 months through January 2016, he served on the union’s collective bargaining team which negotiated the now ratified agreement with Northeastern.

Teaching is Shimer’s third career. In the mid-1980s, he worked as an international trade lawyer with Wald, Harkrader & Ross in Washington, D.C. and next as an entrepreneur in Tokyo and founded two businesses (a California wine-of-the-month club and a start-up consulting firm). Shimer operated both businesses in Japan for twenty years.

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