

BOLDLY CALIFORNIAN

FACT SHEET: UC OFFERS AFSCME: +32% WAGE INCREASES, HEALTH CARE AFFORDABILITY AND STABILITY FOR EMPLOYEES

The University of California recognizes the vital role AFSCME-represented employees play across UC hospitals, campuses, and communities. In recent weeks, the parties have made encouraging progress on contract negotiations, reaching tentative agreements on two articles in addition to the six agreements reached prior to the current round of negotiations. Bargaining for this contract began in January 2024, and UC has consistently negotiated in good faith, advancing offers designed to deliver stability and affordability for our valued employees and their families. Our latest offer reflects that commitment and provides a clear, responsible path forward.

NEARLY 32.3% TOTAL PAY GROWTH FOR ELIGIBLE EMPLOYEES

UC's wage offer delivers strong, sustained pay increases over multiple years. The offer provides across-the-board raises, annual step increases of approximately 2%, and retirement-eligible lump sum and longevity payments. Through a combination of across-the-board wage and step increases, eligible employees would receive:

- 7% increase in 2026
- 6% increase in 2027
- 5.5% increase in 2028
- 5% increase in 2029

When compounded and including the 5% received in 2025, these increases equal **total pay growth of nearly 32.3% for eligible employees.**

UC's offer also:

- Includes \$1,000 longevity payments for employees with 20 years of service.
- **Eliminates all pay steps below \$25 per hour**, placing every employee at \$25 or higher and ensuring all are fully eligible for future steps and across-the-board increases. Employees will be placed on the appropriate step based on their current rate, or moved to Step 1 if their rate is below \$25.

LOWER HEALTH CARE COSTS AND HEALTH PREMIUM PROTECTIONS

UC continues to offer employees generous, competitive health care benefits. Last year, UC implemented premium reductions for Pay Band 1-2 employees enrolled in Kaiser or UC Blue & Gold medical plans, providing near-term relief for lower-paid employees. We have offered to continue that premium relief and, in addition, cap the Blue & Gold medical plan rate increases at no more than 5% per year, beginning in 2027. UC's offer also details concrete dollar reductions for Pay Band 1 and 2 employees in both Blue & Gold and Kaiser plans.

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TWO YEARS OF NEGOTIATIONS: KEY MOMENTS IN BARGAINING

The timeline below shows UC's efforts over the past two years to move negotiations forward through progressive offers on wages and health care.



ADDRESSING AFFORDABILITY FOR UC EMPLOYEES

Affordability remains one of California's most pressing challenges. UC's offer prioritizes significant systemwide wage growth, offering AFSCME-represented employees nearly \$600 million in additional pay compared to the prior contract.

COMPETITIVE PAY AND HIGH-VALUE BENEFITS

In addition to wage increases, UC provides a comprehensive benefits package that supports our employees' financial security and well-being, including:

- High-quality medical plan options with premium protections and reduced costs for many lower-paid employees
- Free dental and vision insurance for employees and their families
- Guaranteed retirement benefits through the UC Retirement Plan
- Paid time off, including vacation, sick leave, holidays, family and medical leave protections, and a new floating holiday
- Life, disability, and additional support benefits at no or low cost

Together, UC's wage and benefits package are designed to provide employees with stability, predictability, and long-term financial security, reinforcing UC's role as a responsible public employer and a committed partner to its workforce. If accepted, the agreement would provide stability and certainty for AFSCME-represented employees through November 30, 2029