

## UNITED WATER

### Frequently Asked Questions

#### FOOD & WATER WATCH/NATIONAL UWUA ALLIANCE

##### Who is Food & Water Watch?

Food & Water Watch is a Washington, DC, based lobbying group which believes that United Water and private companies don't belong in the water industry. If Food & Water Watch has its way, there will be no contract operations and our regulated utilities would be taken over by municipalities.

##### Why does the National UWUA have an alliance with Food & Water Watch?

That's a good question. Leaders of both groups have publicly stated that United Water's regulated and contract operations belong in the hands of public owners.

##### Aren't these tactics to make headway during contract negotiations at our regulated business units?

No, this is more than contract positioning. Both Food & Water Watch and the National UWUA have attacked us on a national scale. They have also attacked other private operators such as American Water, Aqua and Middlesex Water. They want to stop our growth by misleading the public and our employees through a smear campaign.

##### Why would they want us to become municipal workers?

That's another good question. United Water has provided job stability, excellent pay, benefits, and career opportunities for over a century. We're very committed to the collective bargaining process. Just look at the news. You'll see municipalities cutting budgets, jobs, and pensions and minimizing collective bargaining rights.



Let's see how United Water employees compare to municipal workers.

	<b>United Water Employment</b>	<b>Municipal Employment</b>
Right to Collective Bargaining	Yes	Rapidly disappearing by legislation
Benefits	Competitive	Rapidly disappearing by legislation
Wages	Competitive	Frozen or reduced
Career Opportunities	Extensive	Limited

## **UNITED WATER EMPLOYMENT**

### **How does United Water stack up in terms of job growth?**

United Water has increased union jobs and union membership approximately 16% over the last five years. United Water has added about 64 jobs from 2006 through 2011 to support our growing business, our customer's needs and career opportunities for employees. Instead of encouraging our growth, the national Union has collaborated with Food & Water Watch in an attempt to destroy our business.

### **Why is United Water making changes to the pension plan?**

Nearly 80% of corporate America has moved away from the volatility of defined benefit pensions in favor of defined contribution plans (i.e. 401(k) ). The 401(k) plan is directed by the employee, has one year vesting and can move with the employee if he or she decides to change careers.

### **How do the pension plan changes impact United Water employees?**

Current employees who are participants (vested or unvested) will continue to enjoy the defined benefit retirement plan.

Our proposal at four regulated utilities, which are negotiating with UWUA locals, would close entry for new hires into the defined benefit retirement. They will be offered an enhanced 401(k) plan as noted below.



Our proposal includes the same 35 year cap previously announced for non-bargaining unit employees. Pensions are generally fully earned over a 35 year period. Below is a table of retirement benefits for current or future employees.

<b>Current Employees</b>	<b>New Hires</b>
Defined Benefit Pension for the life of the contract	Not Covered
401(k) Plan with match of 50% of the first 6% of the employee contribution	Enhanced 401(k) Plan <ul style="list-style-type: none"> <li>• Company matches 50% of the first 8% employee contribution</li> <li>• Company enhanced contribution               <ul style="list-style-type: none"> <li>○ Under 30 years old 1.0%</li> <li>○ 30-39 years old 1.75%</li> <li>○ 40-49 years old 2.25%</li> <li>○ 50+ years old 2.50%</li> </ul> </li> </ul>
Post Retirement Medical	Not Covered

### **How are companies in other industries handling pensions?**

Only 17% of Fortune 100 companies still offer a defined benefit plan, down from 67% in 1998. Those that offer defined contribution plans, such as 401(k), total 58%, up from 10%. Defined Pension Benefit plans are no longer an effective means to provide benefits to new employees. [www.towerswatson.com](http://www.towerswatson.com)

According to the Pension Benefit Guaranty Corporation, there are about 38,000 insured defined benefit plans today compared to a high of about 114,000 in 1985. [www.irs.gov/retirement/article/0,,id=108950,00.html](http://www.irs.gov/retirement/article/0,,id=108950,00.html).