



FACT SHEET: UC'S PROPOSAL TO AFSCME: 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. Since January 2024, UC has negotiated in good faith, advancing proposals that address the union's stated priorities and are designed to bring resolution and stability for employees and their families. UC's latest offer reflects that continued commitment and provides a clear, responsible path forward.

MULTI-YEAR WAGE INCREASES AND LONG-TERM PAY GROWTH

UC's wage proposal delivers meaningful, sustained pay increases over multiple years. The proposal provides across-the-board raises, step increases, 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

When compounded and including the 5% AFSCME-represented UC employees received in 2025, these increases would result in total pay growth of nearly 26% for eligible employees. The proposal also includes \$1,000 longevity payments for employees with 20 years of service.

LOWER HEALTH CARE COSTS AND PREDICTABLE PREMIUMS

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. UC has proposed continuing that premium relief and, in addition, proposing a cap of no more than 5% per year, beginning with the Blue & Gold medical plan in 2027.

UC'S COMMITMENT TO FAIR PAY AND CONSTRUCTIVE BARGAINING

In recent months, UC has accelerated and finalized contracts with CNA and UPTE, reaching fair agreements that reflect shared engagement and a solutions-focused approach. UC remains committed to applying that same approach here and believes the proposal now on the table provides a reasonable basis to bring negotiations to a close.

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TWO YEARS OF NEGOTIATIONS: KEY MOMENTS IN BARGAINING

The timeline below shows UC's repeated efforts over the past two years to move negotiations forward through comprehensive proposals on wages and health care. Despite these efforts, negotiations have not yet resulted in a final agreement.



ADDRESSING AFFORDABILITY FOR UC EMPLOYEES

Affordability remains one of California's most pressing challenges. UC's proposal prioritizes significant systemwide wage growth, offering AFSCME-represented employees nearly \$600 million in additional pay compared to the prior contract. This investment provides employees with greater flexibility to address essential expenses, including housing, while supporting UC's long-term fiscal responsibility.

COMPETITIVE PAY AND COMPREHENSIVE BENEFITS

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

- High-quality medical plan options, such as UC Blue & Gold and Kaiser, with lower costs for many lower-paid employees
- Free dental and vision coverage
- Guaranteed retirement benefits through the UC Retirement Plan
- Paid time off, including vacation, sick leave, holidays, and family and medical leave protections
- Life, disability, and additional support benefits at no or low cost

Together, UC's wage proposal 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 June 30, 2029.