Washington Post slashes retirement benefits

A reporter
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In a vicious attack on hundreds of newspaper workers, the *Washington Post* announced last week that it was cutting retirement medical benefits and freezing pensions for all nonunion workers, while demanding similar cuts in contract talks with the Newspaper Guild that opened the same day.

The *Post* 's plan targets older workers disproportionately, in an effort to reduce them to the conditions facing younger workers—those hired after 2008—most of whom have no defined-benefit pension plan, only a 401(k).

The newspaper will replace the pension plan for nonunion workers with a cash balance plan that will provide a lump sum or annuity when they retire, but not a guaranteed level of income. The *Post* will demand the Newspaper Guild accept the same change in the contract talks.

According to a report on the *Post* 's own website, likely written by someone who will face those cuts, “The changes will hit hardest at employees hired before 2009 who could plan on receiving pension payments based on their income and years of service. Each of those employees could see scores—or hundreds—of thousands of dollars less over the course of a retirement.”

The combination of reduced pension income and the elimination of medical benefits will wreck the retirement plans of many workers, plunging them into poverty.

The newspaper also slashed its matching contribution to the 401(k) plans for members of Local 32035 of the Newspaper Guild. Effective October 1, the *Post* will cut its match for employee contributions from a maximum of 5 percent to only 1 percent.

Unlike many corporate pension funds, the *Post’s* fund is 20 percent overfunded, about $50 million. Converting to a cash balance plan could allow the new corporate owner, Amazon billionaire Jeffrey Bezos, to recoup some of that overfunding indirectly, through reduced future payments into the pension accounts of employees. In effect, Bezos could get back as much as 20 percent of the purchase price through this maneuver, at the expense of the pensions and health benefits of retired workers.

Bezos hardly needs the money. His entire outlay to buy the *Washington Post* was pocket change for a capitalist whose personal wealth increased by $12 billion in 2013 alone.

When he took over, Bezos told the *Post* staff that his ownership would produce a new “golden era” for the newspaper. Clearly the “gold” is going into his pockets, not theirs.

Not that the previous ownership, the Graham family, were on the side of the *Post* workers. One of the most notorious labor battles of the 1970s came when Katherine Graham broke the pressmen’s union, provoking a lengthy strike which ended with mass firings and the frame-up of 15 workers on charges related to damaged equipment in the printing plant.

Bezos is from the newer generation of Internet and tech bosses who don’t engage in unionbusting because they never had unions, and who impose brutal, low-wage, high-stress conditions on workers from the day they are hired. These methods aroused considerable resistance when Amazon took them overseas during its expansion into Europe, leading to an ongoing series of strikes by workers at distribution centers in Germany.