

Honeywell Aerospace cuts retiree health care benefits

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On April 29, Honeywell Aerospace International announced it would stop paying health care benefits for all retirees from its aircraft components plants in South Bend, Indiana and Green Island, New York. Retirees from these plants received letters informing them that their benefits will be terminated on June 30 of this year.

The Fortune 100 company took this action after locking out 350 workers at the two plants for nearly 10 months. The United Auto Workers union isolated the embattled workers who repeatedly defied efforts by management and the UAW to impose sweeping health care concessions.

Under the new five-year contract deal imposed by the UAW, the Honeywell workers will receive paltry wage increases that were more than chewed up by increases in copays and deductibles. The contract also eliminated pensions for all new hires starting after May 3, 2016, and initiates a 401(K)-style retirement plan for all other employees with a meager 2 percent contribution from the company.

The draconian cuts came as a shock to retirees, some of whom suffer from life-threatening conditions. Before the announcement, retired workers were guaranteed lifetime health care and prescription benefits as a result of contract gains won over generations of struggle. As the widow of one Honeywell retiree told the *South Bend Tribune*, “It went from, ‘We will have insurance and pay nothing until we die,’ to a couple of years ago, ‘Now we have to pay for it,’ to now telling us we’re not going to have it at all... Is the next thing to be taken from us our pension?”

Most Honeywell retirees depend on company benefits to supplement the federal Medicare program, which provides limited health coverage to persons over the age of 65. The stripping away of benefits is literally a death sentence for many retirees who will be unable to

pay thousands of dollars per month for hospital and doctor visits, therapies and prescriptions.

Honeywell announced its decision days before the Republican-controlled US House of Representatives passed the American Health Care Act bill, which will significantly raise the cost of health coverage for workers over the age of 60. The AHCA will provide a maximum tax credit of \$4,000 per year for individuals unable to afford high out-of-pocket expenses. It also grants states the ability to apply for waivers that allow insurance companies to charge older people up to five times as much as younger people for the same health care plans. The bill has yet to be voted on in the Senate.

The decision by Honeywell is a part of a decades-long corporate effort to strip retirees of their health care benefits. The Kaiser Family Foundation has found a 16 percent drop over the past two decades—from 40 percent in 1999 to 24 percent today—in the percentage of large corporations providing retiree health benefits. Far from opposing this, the UAW and other unions have collaborated in these attacks, in the name of making US corporations “more competitive” and profitable.

In the mid-2000s, Delphi Corporation CEO Steven Miller summed up the outlook of the American ruling class. Complaining that “people are living longer these days,” he said it no longer made “economic sense” to pay for retiree medical benefits like it did when “you worked for one employer till age 65 and then died at age 70.”

Honeywell is stripping retirees of their hard-earned benefits as it enjoys immense profits. Shares of Honeywell International Inc. (HON) traded at \$131.41 as of last Friday. In August 2015, the US Navy awarded Honeywell Technology Systems an \$805 million contract for C4ISR (command, control, communications, computers, intelligence, surveillance

and reconnaissance) systems for surface ships and submarines used for military provocations in the Middle East, South China Sea and the Korean Peninsula.

Honeywell CEO David Cote, who was paid a total of \$34.5 million in 2015 and cashed in another \$36 million in stock options, is set to retire next year in 2018 with a \$168 million golden parachute. Cote was the most frequent visitor to the Obama White House and in the 2016 election cycle the company's political action committee donated nearly \$10 million to federal candidates, with 40 percent going to Democrats and 60 percent to Republicans.

The brutal treatment of the Honeywell workers exposes the lies by the UAW and other unions, which have claimed that Trump's "America First" economic nationalism and buildup for war would be a boon for workers. On the contrary, the billionaire president is spearheading the ruling class's war against workers around the world and "at home."

The UAW has not even bothered to issue a statement about the benefit cuts on its websites or Facebook pages. Todd Treder, Vice President of UAW Local 9, issued a statement to the local press saying, "the union is exploring options for preserving the health benefits of retirees." He went on to say that "It's something that our International Union lawyers are looking at currently... It's just something that caught us all off guard."

The claims by the UAW that it knew nothing about plans to eliminate retiree health benefits are suspect at best. The UAW International intervened directly to impose the sellout deal to end the lockout after starving rank-and-file workers into submission with \$200 a week strike benefits. At the same time, UAW officials gave themselves a healthy raise in 2016. President Dennis Williams received a salary of \$171,087 in 2016, a gain of 7.6 percent from 2015, while Norwood Jewell, UAW vice president for the union's aerospace division, took in \$154,142 in salary, an over 7 percent rise. This is in addition to pay for positions on various corporate boards and joint labor-management businesses.

If UAW lawyers are currently "looking into" retiree medical benefits, this means they are cooking up another Voluntary Employees Beneficiary Association or VEBA like the ones the UAW has negotiated in the auto industry. Under this scheme, the corporations

dump their health care obligations, at a fraction of the cost, into a union-controlled fund. The UAW then has a financial incentive to cut benefits.



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