

# Dana auto parts workers report as much as 60 percent of their signing bonus was taken out in taxes and union dues

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A month after the United Auto Workers (UAW) and United Steelworkers (USW) rammed through a sellout contract for 3,500 Dana auto parts workers, workers receiving their signing bonuses have been surprised with massive deductions due to taxes and union dues. Workers report that after deductions, their \$3,000 signing bonus ends up amounting to between \$1,200 and \$2,600.

This adds insult to injury for a contract the unions forced through with a campaign of lies and threats, after workers had rejected a previous contract by 90 percent. While the contract includes pay raises that do not keep pace with inflation for many workers, the main “selling point” of the four-and-a-half-year deal was the increased signing bonus and front-loaded wage increases. This was designed to prey upon the financial insecurity of workers under conditions of massive inflation, which reached 6.2 percent last month. Naturally, the unions did not disclose the real take-home pay behind the \$3,000 figure they dangled before workers.

On top of taxes, the USW and UAW are “entitled” to a 1.45 and 1.7 percent cut respectively of the signing bonuses. This means that the two unions made more than \$150,000 in instant cash just for getting the contract passed, on top of monthly union dues.

This figure would be enough for a union bureaucrat to give a relative a cushy job at Solidarity House, the UAW’s misnamed Detroit headquarters. It could also pay for steak dinners, fancy cigars, extended stays at Palm Springs and other perks paid for out of workers’ dues money, of the type that led to the indictments of more than a dozen top UAW officials, including two former presidents.

Notwithstanding the oversight agreement reached between federal prosecutors and the union to end the corruption probe, such brazen theft and corruption are still

the norm at the UAW. Federal monitor Neil Barofsky told the press on Thursday that union had “fallen short” of reform efforts and that he had 15 open investigations of union officials. Barofsky also disclosed that he had investigated current president Ray Curry for his use of football tickets obtained by the union through a third-party vendor. Curry’s first act upon taking office over the summer was engineering the sellout of the strike at Volvo Trucks.

The deductions to workers’ signing bonuses are far higher than what Dana itself pays in taxes. In the most recent filings with the Securities and Exchange Commission, Dana reported that it owes \$56 million in corporate income taxes on pretax earnings of \$198 million so far this year. This amounts to an effective tax rate of 28 percent. However, the bulk of this is almost certainly non-US taxes, as the official corporate tax rate in the US has been 21 percent since the Trump tax cuts in 2017.

However, large corporations such as Dana are able to exploit countless loopholes in tax code to reduce their effective tax rate to zero. According to the Institute of Taxation and Economic Policy, 55 Fortune 500 companies paid zero federal income tax on 2020 profits. Dana was not on this list, although it was not part of the study because it reported a net loss last year.

“[The signing bonus is] not nearly enough in my opinion,” one skilled trades worker at Dana’s Fort Wayne, Indiana, plant told the WSWS. “They [USW] get a cut, a little extra salt in the wound. At Fort Wayne, there’s an information blackout on purpose by the union.” Workers at Fort Wayne, one of two plants that voted down the contract, are being kept in the dark by the USW on next steps.

In another “surprise,” Fort Wayne workers report that management is moving immediately to make use of the

Alternative Work Schedule (AWS) arrangement in the new contract, potentially saving millions on weekend overtime. Under the new agreement, Dana can bring in a separate weekend crew working 10 hours each day on Friday through Monday, with no overtime after 8 hours.

While a memo from the union claimed that AWS shifts will be voluntary for existing workers, it also allows the company to hire new workers specifically to the new shift. In addition, workers on the new AWS will not work under a set job classification, and management will cross-train them in order to move them around the plant as needed.

Because the old contract did not contain this language, the move may indicate that the USW has unilaterally imposed the agreement at the plant, although this has yet to be confirmed.

Many angry workers have taken to opting out of the union in protest, to which several officials have responded with a campaign of harassment. While workers are forced to continue working without information of a contract, USW District Reps John Doust and Mike Millsap have reportedly gone on vacation. These two district reps had attempted to frighten workers during union meetings that a rejection would lead to a long and fruitless strike, declaring that the union would not give workers but force workers to apply for hardship funds which “might help with electric bill, gas bills, etc.”

The new revelations on the signing bonuses only underscore the need for Dana workers to continue to develop their own independent organizations separate from the unions. The work of the Dana Workers Rank-and-File Committee, which was instrumental in mobilizing opposition to the two contracts and providing workers with a voice, must continue to serve as the organizing center of opposition now the contract has been passed.



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