



USW Bargaining with USS | September 16, 2022

U.S. Steel Ignores Pensions

Glaringly absent from U.S. Steel's proposal is any improvement in pension benefits – despite its record profits and the recent increase in the cost of living.

There are two pension plans that cover employees at U.S. Steel. Which pension plan you are in is determined by your hire date, though both plans are designed to provide a comparable benefit when you retire. Employees hired at U.S. Steel legacy locations before May 20, 2003 are covered by the *U.S. Steel Plan for Employee Pension Benefits*. Employees hired on or after May 20, 2003 or former employees of National Steel earn retirement benefits under the Steelworkers Pension Trust (SPT), a jointly-trusted multi-employer defined benefit plan.

U.S. Steel Proposes No Increase in SPT Pension Contribution

The SPT Pension contribution is currently \$3.50 per hour worked, which gives you a monthly benefit of \$110 per calendar year at retirement (based on the current formula and 2,080 hours worked).

The Union has proposed a \$0.50 per hour increase in the SPT Pension contribution from \$3.50 to \$4.00 per hour worked, to keep pace with the 14.5% increase in the cost of living since January 2021. **Cliffs has already agreed to a \$0.50 increase while U.S. Steel has rejected our proposal to do the same.** Without an increase in the SPT contribution, your retirement income will be eroded by inflation. There is no doubt they can afford to increase the contribution to the SPT!

U.S. Steel Offers Nothing for Pre-2003 Legacy Employees

Despite those record company profits, an over funded pension plan and many years since the last increase in the past service multipliers, U.S. Steel doesn't think you deserve a pension increase.

In its web and XApp posts, U.S. Steel boasts that its defined benefit pension plan is fully funded and secure. We agree. **The Company has managed the fund well and can afford to increase benefits.**

The U.S. Steel Pension Plan has assets of \$5.3 billion and benefit liabilities of \$3.9 billion. It is 134% funded based on one measure, as of December 31, 2021. **The Company has made no cash contribution to the Pension Plan over the last 5 years and does not project to make cash contributions going forward.**

The current \$65/\$75/\$85 minimum pension “multipliers” have not been increased since 2009. However, since then the cost-of-living has risen by 42% and will no doubt rise much more over the term of this contract. **Even if the minimum “multipliers” were increased to \$115 for all service before 2023, as we've proposed at US Steel and Cliffs has already agreed to, the U.S. Steel Pension Plan would still be overfunded with no cash cost!**

Dave Burritt's favorite saying, “when we do, well you do well,” apparently doesn't apply to our retirement. He understands the value of retirement because he has carefully crafted an executive severance and defined contribution retirement plan which will pay him \$38.9 million following retirement.