

NEW YORK TIMES GUILD MEMBERS AGREE TO PAY CUTS TO AVOID LAYOFFS

Members of the Newspaper Guild of New York at the *New York Times* vote by a broad majority to accept temporary 5 percent wage reductions through the end of 2009 to help the newspaper lower labor costs during the economic downturn. Some 1,200 employees at the newspaper and 95 employees in the digital unit will have their hourly pay reduced through December 31. In exchange, workers will receive 10 additional days of paid leave. The company pledged to make every effort to schedule the time off in 2009, but employees would be allowed to carry the leave over into 2010 if it is not used this year. Newspaper employees voted 377-36, with two abstentions, and digital employees voted 50-0 to accept the changes.

The pay cuts and paid leave are identical to changes imposed on nonunion employees, when the newspaper also laid off 100 employees, including 15 Guild-represented workers. The newspaper cited the continuing severe slump in advertising sales as the reason for the cutbacks. Company management proposed the Guild wage reductions as a way to save up to \$4.5 million without layoffs, which they say would have numbered about 80, including 70 jobs in the newsroom. About 75 percent of Guild-represented newspaper employees work in the newsroom, and the others work in the business side of the company. All of the digital employees are editorial workers.

“Because our members know these are extraordinarily tough times for the news business, they were willing to pitch in to help the company cut costs without layoffs,” according to New York Guild President Bill O’Meara. He warned, however, that “if management comes back in a few months and cuts jobs despite the cooperation of our members, I think they will find that the reservoir of goodwill will have run dry.”

Guild-represented employees’ pay cuts are offset somewhat by a 2 percent pay increase workers received March 31 under the collective bargaining agreement. The Guild has valued the extra two weeks of leave at 4 percent of pay. The contract also provides for a 2 percent wage increase on March 31, 2010.

After reaching tentative agreement with management, Guild leaders and bargaining committee members did not take a position on whether or not to recommend ratification. Even though the company says the pay cuts are a way to avoid further layoffs, the union received no guarantees banning layoffs later in the year. Should there be layoffs, however, severance pay would be calculated on the basis of unreduced employee pay. Pay for overtime and differentials will be calculated on the reduced wages through the end of the year.

Union negotiators received a commitment from the company to continue contributions to the Guild-Times Benefits Fund at the same rate had the wage reductions not gone into effect. Actuaries had calculated the difference would have been \$268,000 less to the fund, which provides health care benefits for Times Guild Workers.

The agreement provides for creation of a joint labor-management committee to explore how to save the company money and avoid layoffs. Committee members also will discuss the potential use of voluntary buyouts instead of involuntary job reductions.

(Source: BNA, *Daily Labor Report*, No. 85, May 6, 2009, p. AA1.)