

1199SEIU Funds

1199SEIU National Benefit Fund

1199SEIU Health Care Employees
Pension Fund

1199SEIU Training and
Employment Funds

1199SEIU/Employer Child Care Fund



2017 Annual Report

About the 1199SEIU Funds

Our 1199SEIU Funds are a family of labor-management funds dedicated to supporting healthcare workers across the industry in hospitals, nursing homes, home care agencies and more. We are committed to providing the 1199SEIU members who care for our fellow New Yorkers with comprehensive, high-quality and cost-effective benefits. Together, our funds provide working and retired members of 1199SEIU United Healthcare Workers East and their families with comprehensive health coverage and quality-of-life benefits; training and educational opportunities to climb the career ladder and keep their job skills up to date; safe, high-quality child care and academic support to help their children succeed; and a steady monthly pension at retirement.



1199SEIU National Benefit Fund

Our National Benefit Fund (NBF) provides over 300,000 healthcare workers, family members and retirees with high-value health coverage at a low cost. As one of the largest labor-management welfare funds in the country, and part of a family of health funds covering more than 430,000 lives in total, NBF members receive comprehensive health benefits, including medical, hospital, mental health, dental, vision and prescription benefits with no premiums or deductibles. Our members also enjoy ancillary benefits like disability, life insurance, and wellness and social assistance programs.

OUR COVERED LIVES

Members: **110,500**

Spouses: **41,695**

Child dependents: **93,691**

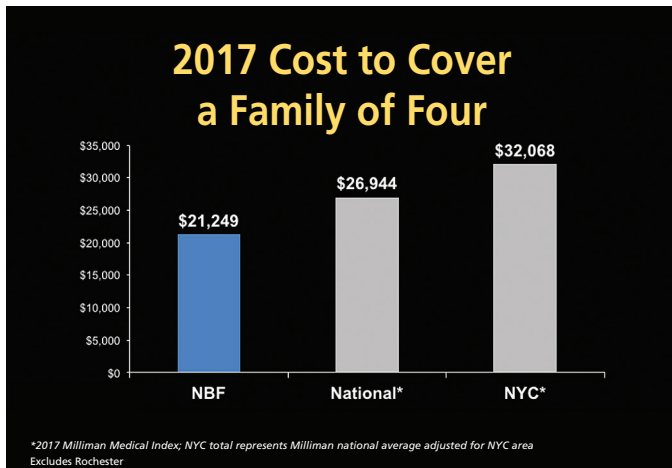
Retirees: **54,975***

Total covered lives: 300,861

**74% of pensioners receive health benefits*

Our Cost-effective Coverage

Our NBF health coverage consistently remains one of the most cost-effective plans available. In 2017, our actuaries calculated our total cost for a family of four at one-third less than the New York City average.



Our cost containment programs save valuable benefit dollars while meeting our core principles of maintaining access to quality care and avoiding shifting costs to our members. These programs leverage our purchasing power, drive utilization to the most cost-effective, quality providers and employ key management tools, such as prior authorization and case management. Our actuaries predict we will reach 114% of our 2014–2018 collective bargaining agreement’s goal of \$279 million in savings, with total savings of \$318.77 million by September 2018. Since these programs began in 2004, they will have saved the Fund \$3 billion, or the equivalent of more than 2 years of benefit expenses.



The Fund’s cumulative trend since 2001 is **25% lower** than the national healthcare cost trend.

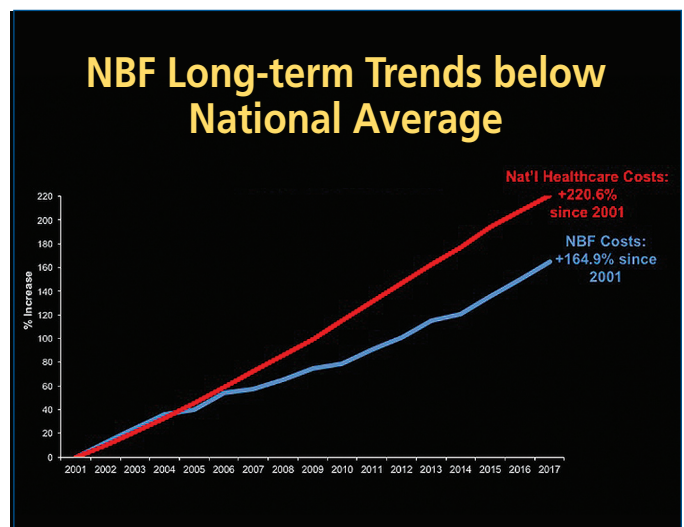
2014–2018 CBA Cost Containment Totals

CBA Mandated Savings by 09/2018: % Mandate Reached:

\$279 Million **114%**

Pharmacy	\$189.05 Million
Hospital/Medical	\$47.74 Million
Dependent Eligibility Verification	\$65.59 Million
Medicare Programs	\$16.39 Million

Total: \$318.77 Million



1199SEIU Health Care Employees Pension Fund

Our Health Care Employees Pension Fund provides financial security to our 1199SEIU retirees in their retirement. Eligible retirees receive a defined benefit pension—a set monthly payment that fewer than one in five U.S. workers can count on today. With \$11.2 billion in assets as of December 31, 2017, the Pension Fund paid out \$842.4 million in benefits over the year to 74,502 retirees and beneficiaries.

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Over the past decade, the number of retirees served by our Pension Fund has almost doubled. While investment performance and contributions have also grown, it has been taking a number of years for our plan, like others across the country, to recover from the market collapse and losses of 2008. Nevertheless, we can report that in 2017, the Pension Fund remained in the “Green Zone” (not Endangered or in Critical Status) under the Pension Protection Act.



2017 OVERVIEW

- \$842.4 million in retirement benefits paid
- 74,502 retirees and beneficiaries
- 4,898 new pension applications
- 18,166 pension estimates generated (7,584 online)
- 1,667 members met one-on-one with pension counselors
- 545 members attended pension information sessions
- Launched *Your Virtual Pension Counselor* videos and online pension application

Pension Asset Performance

Our diversified investment strategy—including equity, fixed income and alternative investments—continues to aid our Fund’s stability.

Market Value Investment Returns

2013 = **↑ 16.6%**
 2014 = **↑ 5.8%**
 2015 = **↑ 0.8%**
 2016 = **↑ 7.6%**
 2017 = **↑ 16.5%***

**From Milliman valuation reports. The 2017 value is preliminary and may change in the final Milliman report.*

Pension Fund Assets*

2013 = **\$9.3 Billion**
 2014 = **\$9.5 Billion**
 2015 = **\$9.3 Billion**
 2016 = **\$9.8 Billion**
 2017 = **\$11.2 Billion**

**From Financial Statements Net Assets Available for Benefits. The 2017 value is preliminary and may change in the final Milliman report.*

1199SEIU Training and Employment Funds

Our Training and Employment Funds' (TEF) mission is to support the educational growth of healthcare workers and contribute to building an efficient and caring health industry. Our nine funds support collaboration between 1199SEIU United Healthcare Workers East and management in order to solve difficult issues and create innovative solutions. TEF works to create a world-class healthcare workforce and service delivery system.

1199SEIU League Training and Upgrading Fund

The oldest and largest of the Training and Employment Funds, the 1199SEIU League Training and Upgrading Fund (TUF) partners with employers and 1199SEIU United Healthcare Workers East to provide education and training programs to healthcare workers. TUF programs are flexible and designed to meet the needs of 1199SEIU members who may have been out of school for a significant period of time and continue to work full time as they seek to upgrade their skills. From high school completion through professional and technical degrees, TUF programs are available to members who are on each rung of the career ladder and at varying stages in their professional development.

2017 Enrollment Summary

Department	2017 Enrollment
Pre-college / Adult Education	4,257
Occupational and Vocational Certificate Programs	108
College Programs	
Health Careers College Core Curriculum	698
College Degree Programs (non-nursing)	3,469
Special Programs	131
Nursing Programs	1,296
Continuing Education	8,857
Workplace Skills & Certificate Programs	3,246
Total	22,062

In 2017, TUF served a total of 22,062 members.

1199SEIU League Job Security Fund

The 1199SEIU League Job Security Fund (JSF) was created by 1199SEIU United Healthcare Workers East and the League of Voluntary Hospitals and Homes of New York to provide a safety net and rapid re-employment for laid-off workers. Hundreds of healthcare facilities accept the responsibility of giving priority employment rights to these workers. JSF offers comprehensive job counseling, job placement, training programs and benefits to help workers smoothly transition to a new job within the healthcare industry.

2017 JSF Activity

Members laid-off	364
Members registered for service	253
Members re-employed	117*
Active participants	110
Unemployed or underemployed for more than 6 months	68
Accessing 2nd year benefits	1
Accessing 3rd year benefits	0
Members/workers received 30-day notices	302

*117 = 91 full-time / 26 part-time re-employed

1199SEIU League Labor Management Initiatives, Inc.

The 1199SEIU League Labor Management Initiatives, Inc., (LMI) is a nonprofit corporation organized to help employees in 1199SEIU-represented healthcare facilities and their employers resolve problems of mutual concern, and to eliminate obstacles that reduce competitiveness and inhibit the economic development of the healthcare industry. There are four separate programs under the LMI umbrella: the 1199SEIU League Labor Management Project (LMP), the 1199SEIU League Registered Nurse Labor Management Initiative (RNLMI), the 1199SEIU Employment Center (EC) and the Healthcare Education Project.

Total Number of Facilities Served in 2017	
Healthcare Systems*	5
Hospitals	19
Nursing Homes	7
Ambulatory Care Centers	8
Community-based Organizations	1
Other	2
Participants	
LMP/RNLMI Events	2,045
Labor Management Committees	355
Section F Committees	120
Other Committees	524

*Health systems include hospitals in some cases.

1199SEIU League Registered Nurse Training and Job Security Fund

The 1199SEIU League Registered Nurse Training and Job Security Fund (RNTJSF) is a workforce development organization jointly governed by healthcare employers and 1199SEIU United Healthcare Workers East. Since its inception in 1995, RNTJSF has provided professional development to thousands of registered nurses (RNs), so they can remain clinically competent in an evolving healthcare industry. RNTJSF offers various training and education programs and services for RNs, including workshops on enhancing clinical skills, review classes for certification in various nursing specialties, instructor certificate programs, and courses in life support, financial support for continuing education, layoff prevention services and Supplemental Unemployment Benefits.

RNTJSF Participants 2014–2017

Continuing Education Unit reimbursements	1,875
Specialty reviews	1,942
RNTJSF-sponsored workshops and seminars	9,843
Total participants	13,660*

*Some nurses may have participated in more than one program.

1199SEIU/Employer Child Care Fund

The 1199SEIU/Employer Child Care Fund (CCF) is one of the nation's premier employer-supported union benefit programs, each year supporting more than 11,000 1199SEIU children in enriching environments while giving their parents peace of mind on the job, knowing their children are safe. Our offerings include a wide range of innovative programs and services designed to meet the developmental needs of young children; help teens manage social, educational and intellectual challenges; assist families with the financial concerns of college-bound students; and support parents with comprehensive workshops and seminars.

2017 ENROLLMENT

Reimbursements (After-School & Day Care)	6,420
Summer Day Camps	3,480
Youth Programs	410
Holiday Programs	350
Cultural Arts Programs	212
Child Care Learning Center	129
Emergency Care	4
Total	11,005*

* Numbers reflect only CCF-funded programs



For information on all of our Funds, visit
www.1199SEIUFunds.org