

MEA Financial Services Representatives  
President Laurie Campbell

Last summer the reps held elections with officers serving for a special one-year term. This will bring all offices in line for elections in odd years, for a two-year term. Elected were Laurie Campbell, president, Teresa Spence, vice-president, and Bob Baumstark, secretary. The position of treasurer was unfilled, with the duties being handled temporarily by the out-going treasurer.

The reps are operating under a contract extension that expired in December 2008. The last bargaining team stopped negotiations in fall of 2007 due to the many changes MEAFS was undergoing.

The changes began as the IRS notified the 403(b) industry that the regulations it operated under would change January 1, 2009. These became sweeping changes that forced many adjustments at the vendor, broker and district level.

But then the real fun began. Our executive director created changes in an existing 403(b) product that resulted in an ethical dilemma for the reps. This new product had the same choices as our bread-and-butter company (American Funds) but at a greatly reduced commission. 2008 became a lost year for us while we waited for the office to resolve the issue of what products we would be able to sell going forward after the new regulations kicked in. In the end, this new product – Prudential 7000 – became the only product we could use for a 403(b) sale in most districts. And our earnings as reps went down the toilet.

Since fall '08 was an extremely busy time for us (our existing clients had to be 'flipped' to this new account before January 1), negotiations were put on the back burner. Although we had met with management several times in the fall, we felt we were really beginning the bargaining process in January.

Unfortunately, instability has reigned. The Pru 7000 product collapsed in January, then was reintroduced in March with different funding choices. Management has tried to introduce an entirely new system of compensation. The reps as a group are angry and extremely distrustful of management.

On April 2, the reps will hold a union meeting to discuss the status of bargaining. There is a lot of interest and many questions. The negotiation team is glad to have their input.