

‘Show Me The Money’: Unions Demanding To Share In The Benefit Of Corporate Tax Cuts

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According to a [recent report](#) by *USA Today*, unions are demanding companies share some of the economic benefit the employers may see from the recently implemented corporate tax cuts. The unions pushing on this front include the Communications Workers of America, Service Employees International Union, and the Teamsters. This follows [reports](#) earlier this year predicting that labor organizations may seek to be aggressive on wage hikes based on the tax relief. The fact that [many non-union companies](#) publicly announced [higher wages and bonuses for their employees](#) based on the tax overhaul may have prompted the unions to be aggressive on this front. One issue that continues to cloud the labor negotiations horizon, however, is healthcare. While congressional efforts to modify or repeal the Affordable Care Act last year failed, there is speculation that those efforts will resume in 2018. Even in the absence of new legislation, there is much market uncertainty regarding health insurance and rates in many areas continue to climb. Based on that, even in a strong economy and the recent tax relief, many companies likely will seek more cost-sharing for such benefits with employees in their labor agreements. To the extent a company is covered by the National Labor Relations Act, it is important to recall that the Act requires an employer to bargain in “good faith” (a standard that varies depending on the facts of a given negotiation), but it generally does not require that a party ultimately agree to a proposal from the other party. Accordingly, a best practice is to think about the long-term, both in terms of proposals a company is proffering and those that it may entertain from the union. Indeed, [one recent case](#) where union retirees just had a class action lawsuit certified over free lifetime insurance benefits provided for in prior labor agreements demonstrates the potential pitfalls of not keeping an eye on the future regardless of how rosy the present may seem.

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