



Global Finance Workers Alliance

UNI Finance Global Union, CWA & Committee for Better Banks

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US Bank Workers Report

Better Banks for People

People for Better Banks

“Together we can create better banks for jobs, communities and societies”

Background information:

The Committee for Better Banks (CBB), Communication Workers of America (CWA) and UNI Finance Global Union (UNI) have joined forces to campaign for better working conditions for finance workers in the United States and throughout the world.

The delegation has organized a day of action in New York City February 18th to highlight key inequalities and injustices faced by America's finance workers, bringing together bank workers from across the world to march on Wall Street and show their solidarity for the cause of America's downtrodden employees.

According to a Committee for Better Banks report, there exists a tale of two banking industries. The outsized wealth and power of Wall Street is evidenced in salary raises of CEO's like Jamie Dimon, who in 2013 received a 74% pay increase making his salary closer to \$20 million, after being fined \$20 billion dollars in regulatory and criminal charges. Meanwhile, average bank worker wages are so low that almost one third of bank tellers in America receive some sort of public assistance. Over a third of tellers are living at or below poverty level in contrast to the executives of Wall Street. While average wages have steadily declined on Wall Street since the financial crisis of 2008, the top fifty financial CEOs' compensation collectively rose by 26% in 2010 and by 20.4% in 2011. What this wealth discrepancy points to is a business model that drives income disparity by creating a vulnerable and at will work force.

UNI Global Finance, a global trade union representing 3 million finance and insurance employees in 237 national unions worldwide says US bank workers have not been able to express their right to organize as unions. There is currently no trade union as such in the finance industry in the US. This means that the employees don't have a voice and are not able to bargain collectively for a fair pay and better working condition. The rights to organize as a union and conduct collective bargaining is clearly stated in the United Nations ILO Conventions to which the United States is a signatory but the US workers who have been trying to exercise this right often lost their job, creating a climate of fear in the work environment.

This report aims to lay out the working conditions and rights of U.S. bank workers and to provide a comparison with those of other bank employees around the world.

1. Typical conditions for U.S. bank workers

The stereotypical image of an American banker may be a high-powered Wall Street executive, but in reality most employees in the banking industry are low-paid tellers, sales representatives, call center staff and office support personnel.

For many employees, working conditions are unacceptable. Despite record profits in recent years,¹ the financial industry continues to shed tens of thousands of jobs.² This uncertainty, coupled with declining wages and poor conditions, has led to a health and stress crisis in the banking industry, as outlined by UNI Finance's recent report Banking: The Human Crisis.

¹ Reuters, U.S. bank industry profits hit record \$42.2 billion in second quarter (August 29, 2013).

² Kayla Tausche, "Jobs Growth? Not on Wall Street," U.S. News (October 5, 2012); Richard Drew, "Wall Street Cuts Tens of Thousands of Jobs since 2008," U.S. News (April 25, 2013).

Nationwide, nearly one in three bank tellers receives some sort of public assistance.³ Meanwhile, the top fifty financial CEOs' compensation collectively rose by 26% in 2010 and by 20.4% in 2011.⁴

A detailed survey of approximately 5,000 bank workers in New York City alone reveals five major issues:

1. **Unreasonable sales goals and commission structures.** Workers are under constant pressure to meet unreasonable sales goals. Meanwhile, their commission structures change regularly. These factors put workers under extreme stress, and put consumers at risk of unethical and predatory practices from banks.
2. **Outsourcing.** The threat of jobs moving to low wage countries, low wage contractors, or temporary agencies is increasingly strong in the American finance industry. This threat touches all types of employees. Meanwhile, very few workers have protections against redundancy or adequate severance pay. There are now 19,800 fewer people employed in the financial industry in New York City than before 2008.
3. **Lack of job security and whistle blower protections.** In nearly all states of the U.S, bank employees are "at-will", meaning their jobs can be terminated for almost any reason at all. Though some legal protections exist for workers that report illegal activity at banks, enforcement of these protections is difficult and the law is often ignored. Without their own independent organization, most American bank employees will have no recourse against unfair termination. Workers are thus unable to expose violations of the law or bank policy, for fear of being fired.
4. **Low Wages.** Wages for tellers and call center workers are very low. A third of tellers in the U.S. receive some sort of public assistance. In many cases, call center workers in the banking industry earn half of what unionized call center workers in other industries make. Many tellers are only given part-time hours when they require full-time work to make ends meet. Personal bankers often work overtime without being compensated in order to achieve their targets. In addition, women and workers from ethnic minorities are most likely to be in the lowest paid positions.
5. The United States lacks many **fundamental social safety nets for most workers.** In particular, bank workers have no legal right to take sick leave and a very limited number of days of paid parental leave. Most bank tellers, call center workers and processing center workers receive very little or no paid parental leave from their employers. Health insurance is extremely expensive and many workers' access to employer-sponsored healthcare is limited because they work part-time or because of high premiums. Defined-benefit pensions are a thing of the past – retirement security is limited to the 401(k) plans that expose workers to the whims of the stock market.

According to the CBB survey, 1 out of 4 bank workers described cuts to their take-home pay; 1 out of 4 bank workers mentioned benefit cuts (including increased premiums); and 1 out of 3 bank workers reported that they were not always paid for overtime work.

³ Danielle Douglas, "Low bank wages costing the public millions, report says," Washington Post (December 3, 2013).

⁴ . Laura Marcinek and Nikolaj Gammeltoft, "Wall Street CEO Pay Rises 20% With KKR's Kravis No. 1," Bloomberg Markets Magazine (June 5, 2012).

The state of the financial industry in the United States mirrors the rest of the economy: insecurity and uncertainty for the vast majority of workers and tremendous riches for the select few.

2. Bank workers rights around the world

UNI Finance Global Union (UNI Finance) is the global union representing 3 million finance and insurance employees in 237 trade unions worldwide. UNI Finance distributed a survey to its affiliates asking them to highlight some of the benefits and rights that bank employees enjoy in their own countries. The results of the survey do not pretend to present a comprehensive study but rather a snapshot of workers' rights reality in 22 countries around the world, in Europe, Africa, Asia/Pacific and Latin America. We present here the key findings from each country, with the name of the union that responded to the survey.

Brazil (CONTRAF-CUT):

With strong workers' mobilization and nation-wide union action, Brazilian bank workers have been able to sign annual National Collective Bargaining Agreements with employers. This agreement ensures that all employees of all banks operating in the country, in all regions, have the same salary floor and wage increases, the same working hours and the same economic and social rights. Since 2004, for example, the Brazilian bank workers have been gaining real wage increases every year, higher salary floors (38.7% gain above inflation in this period) and improvements in their profit-sharing plans (PLR).

Thanks to the mobilization and to the role played by unions, Brazilian bank workers receive monthly meal allowances, food allowances, health insurance for the family, cash allowance to cover childcare costs for each child up to 6 years old, overtime pay increased by 50%, and employee transportation benefits that cover additional costs with transport in case they exceed 4% of workers' wages. In the last ten years bank workers have won other benefits such as an additional food allowance in December (thirteenth-month benefit), 180 days paid maternity leave, inclusion of same-sex partners in health plans and the adoption of collective agreement clauses that promote equal opportunities, restrict moral harassment and discrimination of any kind at the workplace. According to this collective agreement, a bank employee who is on medical leave continues to receive his/her salary during the treatment period.

The National Collective Bargaining Agreement of Brazilian bank workers signed in 2013 includes four new clauses:

- A ban on bank messaging and texting to workers demanding sales results
- One more day per year of authorized leave
- A joint committee between bank and workers, with experts' consultation, to investigate the causes of work-related illnesses
- Adherence to the cultural stamp government program of US\$255 a year for workers who earn up to US\$ 950 a month (around 250 000 bank workers benefit from this).

Argentina (Bancaria)

In Argentina, bank workers are allowed to join a union and benefit from the following key rights:

- 180 days maternity leave

- Between 14 and 35 days of leave each year
- Payment of day care for children under five year old
- Guaranteed access to pension for retirement.

Bahamas (Bahamas Union)

In the Bahamas, the Bank workers benefit from the following rights:

- Right to organise, to conduct collective bargaining and to go on strike
- Fully paid annual vacation leave; Paid Overtime at preferential rate; Paid Maternity and Paternity leave
- Profit Sharing and ESOP plans
- Retirement and pension plans
- Subsidised group medical, visual and dental plans.

Lebanon (Lebanese Finance Union)

In Lebanon, the finance union has negotiated a comprehensive sector agreement which includes some the following benefits:

- 16 month salary pay and negotiation with unions for salary increases;
- Annual leave between 15 and 25 days a year depending on seniority;
- 7 week maternity leave;
- Family and education allowances for children of employees;
- Access to health care system;
- Mediation procedure in case of conflict and packages of salary pay in case of termination of contract.

Norway (Finansvorbundet)

In Norway, employees benefit from the following individual rights:

- Minimum wage requirements (currently approx \$ 20/hour) and negotiation of pay scale
- Full pay on sick leave from day one up to one year
- One year paid parental leave at birth of child and related benefits
- One additional week of leave per year from age 60
- From age 64, one hour shorter working hours each day
- Special safeguards to protect the work place of shop stewards
- Requirements for the companies, in cooperation with shop stewards, to organize and pay necessary skill increase programs for employees in accordance with needs outlined in company strategy
- Requirements for no gender discrimination or other forms of discrimination
- Flexible working hours with roughly 5 core mandatory hours and flexible arrival/departure beyond this.

In addition, the employees benefit from the following collective rights:

- Annual centralized negotiations between union and worker umbrella organizations to increase the wages allocated to each increment
- Mandatory wage increase for the entire finance sector which is in addition to company by company wage negotiations
- Recourse to legal dispute settlement in case of disagreement on negotiable issues
- Requirement to negotiate company-specific agreements between management and unions to regulate a number of specific topics

- Established mandatory bodies in companies for cooperation between shop stewards and management, in matters relating to any issue of importance to groups of employees, equal rights for calling meetings
- Mandatory involvement of shop stewards in management decisions related to wages, pensions, remunerations, bonuses etc.
- Mandatory representation by employees in board of companies
- Requirement by law that employer has to enter into agreement with representative unions if workers are to be allowed to work beyond normal working hours
- Requirement for companies to pay for the full time work of shop stewards
- Right of unions to receive individual statistics regarding salary for all employees in their company
- Other rights and regulations as outlined in general agreements.

Sweden (LO-TCO):

Some of the top benefits being enjoyed by the Swedish affiliates include:

- 6 month paternity leave paid 90%
- 6 week holiday a year
- A secure and pension fund for retirement.

One child gives the parents 480 parental days with benefits (working or calendar days) to share in Sweden. Some are earmarked for either parent. If the child is under 18 months the employee has the right to be 100 percent absent from work. Then until the child is 8 years employees have the right to be 25 percent absent, with or without using the benefit days.

The collective agreements supplements the benefits from the state so that the employee receives in total 80 percent of the normal pay (even on high salaries) until the child is 18 months for at most 360 calendar days.

The lowest number of vacation days in collective agreements is 27 (working days), and most workers benefit from 30 days (six weeks).

Employees receive 1.5 percent extra of the pay received during the last year.

Employees receive extra pension benefits: in the finance sector, this is at least 10 percent of the exit salary up to 333 000 SEK per year and 65 percent on the part of the salary that exceeds 333 000 SEK.

When an employee is sick, the employer supplements the sick leave benefits from the state so that the employee receives 80 percent of normal salary from day 2 to day 14, and 90 percent day from day 15 to day 90.

Overtime gives the right to receive 1.5 or 2.0 times the salary depending on the time of day or weekday.

UK (UNITE)

The three main benefits from the UK include:

- The protection from unfair dismissal (after two years' employment)
- 5.6 weeks holiday per year
- Enhanced redundancy pay: all banks in the UK pay a redundancy pay to workers of many times the legal minimum - but only because these have been negotiated with the Union.

Italy (Fabi)

In Italy, the right to organize as unions is being guaranteed by the Italian Constitution.

As a result, the Italian employees have been able to secure the following items:

- A National Collective Agreement that grants equal social and working rights to workers and a minimum wage for each professional activity identified in the financial sector;
- A National Fund with the main objective of protecting workers from the consequences of layoff (either financing the unemployment period, or until reaching retirement);
- Pension Funds that top up the low income provided by the National Pension System; Unions also negotiated health insurance schemes at the company level and a long-term social care system in the whole financial sector.

Spain (FES – UGT)

The main rights enclosed in the national collective agreement include:

- Favourable interest rates for loans;
- Holidays and maternity leave;
- Incentive schemes for seniority and professional experience.

In addition to this, the agreements agreed with each bank specify more rights related to variable income and bonuses, seniority, equal opportunities, European Works Councils, best practice guidelines, job security agreements, etc.

Thirdly, in case of the sanction or lay-off of an employee, the company needs to explain to the union the reasons why there was a sanction or lay-off and the unions can give its own arguments in writing. If the company merges with another company, the union also needs to be involved in the restructuring plan.

Germany (Verdi)

Employees in Germany enjoy the following rights:

- A 13th salary each year
- 39 hour work week
- 6 weeks holiday
- Protection against dismissal for employees over 50 year old
- 72 weeks paid at 100% in case of sick leave
- 2 additional days of holiday (24.12 and 31.12)
- Overtime paid up to 50% more.

Netherlands (FNV)

In large banks, the unions negotiate collective agreements which include clauses about fixed remunerations, pension schemes, holidays, learning programs, individual rating system in relation to variable pay, social regulation, sick leave etc. For smaller banks, the sectoral agreement applies.

In case of restructuring, the unions negotiate social plans which set out the amount of money paid in the leave packages, support to the employees to find another jobs (outplacement activities and time), and financial support for training.

Trade unions also have regular meetings with management to discuss the issues being faced by employees and try to find joint solutions.

Switzerland (Association Suisse des employés de banque)

In Switzerland, bank employees benefit from 5 weeks of holiday a year and 6 weeks for the employees who are more than 60 year old.

In case of restructuring, the unions are involved in negotiations with management to decide about a social plan for the Unions can also be involved in the negotiation of salary increases.

Romania (Sindicatulupa)

In Romania, the best benefits include:

- Permanent contracts (70% of the contracts until 2009)
- 1 year maternal leave with 85% of the salary or 2 years with 1.5 national minimum salary
- State deductions for the private pension schemes.

South Africa (SASBO)

In South Africa, trade unions are collective bargaining agents for members regarding matters of mutual interest that ranges from remuneration to general terms and conditions of employment. Collective agreements signed off after agreement have been reached at such negotiations, becomes enforceable in the workplace. Trade unions must be consulted where the employer is contemplating restructuring its organisation and can also be consulted on transfer of an employer's business/closures.

Trade unions are the watchdogs for *inter alia* the following matters in the workplace:

- Health and safety issues
- Employment equity
- Ensuring that employees who perform the same or similar work of the same or similar nature and value receive equal pay
- Protection of whistle-blowers
- Compliance with the Compensation Act if there is an injury on duty.

Legal presentation is not an automatic right in a dispute at the Commission for Conciliation, Mediation and Arbitration (dispute resolution body enacted by law) and trade unions are permitted to represent their members in the event of an alleged unfair dismissal or unfair labour practice dispute. Trade Unions have *locus standi* to appear on behalf of its members in the Labour Court.

In the event of liquidation of a company, trade unions must be advised thereof, trade unions may appoint their own liquidator to look after the interest of its members and this liquidator may attend creditors' meetings.

In the event of a merger or acquisition (M&A) the Competition Commission Act compels the affected employers to serve notice on the trade union whose members are affected and if the trade union does not agree with the M&A it can refer a dispute to the tribunal. Unions also have their own benefit programmes that differs from one trade union to

another, including holiday benefits, funeral benefits, educational and development benefit, IT benefits, wellness benefits, legal assistance benefits, voucher benefits, insurance benefits, tax or financial benefits.

Cameroon (SNEGCBEFCAM)

In Cameroon, bank employees are able to join a union and conduct collective bargaining as per the ILO Conventions 87 and 98, except in four banks that are not respecting these Conventions.

Togo (Synbank)

In Togo, bank employees have a 40 hour week and the right to organize as unions and conduct collective bargaining as per the ILO Conventions 87 and 98.

Ghana (ICU)

Every worker in Ghana has the right to form a union or join a union of their choice, as per the 1992 Constitution of the Republic of Ghana. Employees have a voice through their union to negotiate better working conditions with the employers. Although the labour laws of Ghana grant prerogative to employers to preclude certain class of workers from joining a trade union organization, this is limited to a class of workers in high-level managerial position.

Many workers in the traditional banks and the rural banks in Ghana belong to trade union organizations but some newly established multinational banks which are called “anti-union banks” have not allowed their workers to join trade union organizations. We see this phenomenon as a breach to the constitutional rights of these bank workers.

Some of the benefits that workers enjoy in Ghana include the contribution to a retirement pension and a provident fund, paid annual leave of a minimum of 15 working days to a maximum of 34 working days.

Tanzania (TUICO)

The United Republic of Tanzania has ratified all ILO Conventions regarding the workers rights to organize both in the public and private sector. The national labour legislation (including the Employment and Labour Relations Act passed in 2004) ensures freedom of association at all levels.

Bank workers also enjoy the following rights:

- Legal Rights (as provided by Law):
 - a. Right to organize through formation of a trade union at the work place
 - b. Right of a trade union with majority employees to be recognized by Employer as an exclusive bargaining unit
 - c. Right to negotiate employment benefits including salaries with employer
 - d. Right to organize strikes, picketing and lock-out
 - e. Right to be represented in the salary reviews (tripartite Meetings)
 - f. Maternity leave of 84 days for a single child and 100 days for twins
 - g. 6 month for breast feeding of children
 - h. 7 days paternity leave for men employees
 - i. 28 days annual leave

- j. Establishment of Workers Participation Forum like Workers Councils (these include Staff Representatives and top management)
 - k. Right to be heard at all levels in the process of disciplinary matters (at the work place, through the Mediation & Arbitration at Conciliation Board and Labour Tribunal)
 - l. Rights to enter into Collective Bargaining Agreements with employers.
- Negotiated Rights (As provided by collective bargaining agreements)
 - m. Participation in setting salaries and periodic salary reviews
 - n. Housing and meal allowances
 - o. Medical benefits (medical insurance and other related expenses)
 - p. Extended annual leave (not to include public holidays)
 - q. Negotiated paternity leave beyond 7 days
 - r. Staff loans with modest concessional interest (non-competitive rates)
 - s. Part of contributions to the social security schemes.

New Zealand (First Union)

The employment law in New Zealand sets out minimum work rights that apply nationally to all employees. These include:

- 4 weeks annual leave
- 11 additional statutory holidays
- Entitlements for paid sick leave and bereavement leave
- Paid breaks
- 14 weeks paid parental leave
- A current minimum wage of \$13.75 per hour.
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Workers have the right to negotiate a collective agreement, the right to challenge unfair dismissal, non-discrimination against union members and the right to request flexible working arrangements. Neo-liberal reforms in the early 1990s removed industrial awards but changes in the early 2000s brought in an obligation of good faith between employers and unions including an obligation to inform and consult with workers regarding changes to their terms and conditions.

Malaysia (SBEU, Sabah Banking Employees' Union)

SBEU has the mandate to negotiate terms and conditions of work for all banks' workers fall under the categories of Customer Service Bankers, Customer Sales Representative, Tellers, Special Grade, Clerical and Non- Clerical in 15 banks. The union also represents workers at the Labour Department, Industrial Relation Department and Industrial Court at very minimum fee. The union is also actively involved in the initiative called "to earth with love" related to environmental issues, collaborating with banks' management and government.

Philippines (NUBE)

In the Philippines, the key union rights and employees' rights are the following:

- A union security clause (all rank & file employees are members of NUBE)
- Suspension and dismissals are done in consultation with the union
- Performance appraisal of employees are subject to review by the union
- Union leave is separate from personal vacation leave

- A total of 16 month pay (2 months mid-year and 2 months of Christmas bonus)
- Bonus agreed every time a CBA is renewed, ranging from 1 month pay to 4 month pay and quarterly bonuses
- Health care and hospitalization coverage of US\$ 3,000 yearly
- A collective agreement that is re-negotiated twice every 5 years.

Nepal (FIEUN)

The UNI affiliate FIEUN Nepal secured the following benefits for the employees working in banks and insurance companies through collective bargaining:

- Salary/allowance increments 30-50% in unionized companies
- Improved social security provisions (i.e. medical insurance, provident fund)
- Regularization of employment for approximately 1000 employees in Himalayan Bank, NABIL Bank, SBI Bank and ADBL as negotiated settlement under CBA.
- Reduced number of jobs being outsourced or sub-contracted
- Improvement in corporate governance and transparency in unionized companies
- Social dialogue between employers and employees regarding any policy affecting workers conditions.

Many thanks to all the UNI Finance affiliates who responded to the survey.

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