



Negotiation Notes 06/25/25

UC Implements Wage Increases, Health Care Insurance Premium Credits, and Other Terms For AFSCME-Represented Employees

As valued members of the UC team, we would like to inform you that the University of California plans to implement specific economic measures for its 37,000 employees represented by the American Federation of State, County, and Municipal Employees (AFSCME). These measures include raising the minimum wage, providing across-the-board salary increases, and offering healthcare premium credits. The action follows 16 months of contract negotiations with the union, amidst ongoing uncertainty around federal actions and funding cuts. UC's actions will result in wage increases of at least 5% in the coming weeks, as further explained below.

Under the terms of UC's last, best, and final offer (LBFO) and as allowed under state law, UC is moving forward with wage increases to extend immediate financial relief to our AFSCME-represented employees who have continued to provide vital services to UC's hospitals, campuses, and students across the system.

These increases will move these UC team members to \$25 an hour by July 1 or a 5% increase, whichever amount benefits the employees more. UC's action also provides up to \$1,500 in medical insurance premium credits annually for employees in pay bands one and two who choose Kaiser or UC Blue & Gold HMO (Health Net). Nearly 97% of UC's AFSCME-represented employees are in Pay Band 1 (full-time salary rate of \$71,000 or less) or Pay Band 2 (full-time salary rate of \$71,001-\$140,000). These credits will be applied to the updated 2025 healthcare premium rates across the AFSCME-represented workforce. Further, UC's action clarifies grievance procedures, leave time (including expanded sick leave), and meal and rest periods.

Your Paycheck: What To Expect

Employees paid biweekly will see the wage increase for the pay period beginning June 22 (July 16 paycheck), while those paid monthly will see their increases covering the month of July, or in your August 1 paycheck. Health insurance premium credits will begin as noted in the table below. Your pay stub will show the healthcare premium credit as a reduced amount for your monthly healthcare premium.

Pay Cycle	Pay Period	Paycheck Date	Payment for Coverage Period
Biweekly	6/22 – 7/5	July 16	Second half of August
Monthly	7/1 – 7/31	August 1	Month of August



Negotiation Notes 06/25/25

AFSCME-represented UC employees will also see the following changes:

- Sick leave enhancements: new protected leave hours for eligible employees with per diem appointments, updates to eligible sick leave usage rules, and moves bereavement leave into the Leaves of Absence section of the contract.
- Medical Insurance Premium Credits: Up to \$125 per month to help reduce healthcare costs for employees in pay bands one and two who choose Kaiser or UC Blue & Gold HMO (Health Net). Nearly 97% of UC's AFSCME-represented employees are in Pay Band 1 (full-time salary rate of \$71,000 or less) or Pay Band 2 (full-time salary rate of \$71,001-\$140,000). These credits will be applied to the updated 2025 healthcare premium rates across the AFSCME-represented workforce. This medical insurance premium credit structure, in addition to the substantial subsidies already provided to AFSCME employees through UC's pay bands, replaces the previous health insurance premium cap structure.

2025 Monthly Health Insurance Premium Costs for Employees in Pay Band 1				
Plan	Self	Self + Children	Self + Adult	Family
Kaiser HMO (Kaiser Permanente) with \$125 premium reduction	\$0.00	\$0.00	\$0.00	\$24.16
UC Blue & Gold HMO (Health Net) with \$125 premium reduction	\$0.00	\$69.38	\$180.90	\$265.91

Your contribution to the University's mission is essential, and UC is hopeful that its decision to implement wage increases demonstrates that it is committed to this critical workforce. There is no doubt that we are all operating at a heightened level of anxiety, uncertainty, and fear around potential federal actions. As we have done in the past, we will continue to work together, staying true to our values as we move forward.

Visit our [new Labor website](#) for bargaining-specific information. Visit [UCnet](#) for information on your contract and other employee-related questions.



Negotiation Notes 06/25/25

Other relevant UC News:

- [Weekly Federal Update Brief](#)
- [President Michael V. Drake Names New UC Riverside Chancellor](#)
- [UC President Michael V. Drake's message on federal funding freeze](#)
- [Learn how UC is monitoring updates from the federal government](#)