FACT SHEET FOR *PUBLIC SECTOR WORKERS
AGENCY SHOP/UNION SECURITY AGREEMENTS
AGENCY FEE OBJECTOR POLICY
*Excluding New Jersey Public Workers Who Are Covered By the Demand and Return Policy

Q. What is the Agency Fee Objector policy?
A. The Agency Fee objector policy is the Union’s means of complying with various Supreme Court and lower court rulings regarding the rights of non-members who work under agency shop/union security agreements. The most applicable ruling for public workers is Hudson v Chicago Teachers.

Q. What are agency shop/union security agreements?
A. These agreements require public workers to pay an agency fee equal to normal Union dues as a condition of employment. Regardless of the wording of the agreement, none requires more than the payment of this agency fee to retain employment. None can require workers to join the Union and become members.

Q. What does Hudson require?
A. Hudson requires the Union to permit non-member agency fee payers in the public sector to object to being charged for more than the cost of collective bargaining, contract administration and grievance adjustment. Such expenses are called “chargeable.” Those that are not germane are called “non-chargeable” and objectors have their agency fees reduced by the non-chargeable percentage.

Q. How does the Union determine what percentage of their expenditures are chargeable and non-chargeable?
A. Independent accountants issue reports of chargeable and non-chargeable expenditures and activities as part of the annual audits of both the Local and International. The CWA Local Union Chargeable Expense Calculation form was created to assist the Locals in their reporting.

Q. What is the average non-chargeable?
A. The average non-chargeable for the International is about 25%. The average non-chargeable for Locals is generally less.

Q. How are public sector agency fee payers notified about their right to object?
A. The International sends all public sector agency fee payers a “Hudson” notice annually in June for the upcoming July through June objector year. It also sends new public sector employees covered by union security agreements the notice within a month of their hire date. The objection period for these workers runs from their hire date to the following June.

Q. What is in a Hudson notice?
A. A Hudson notice consists of a letter describing the right to object, the deadline for making objections, the non-chargeable percentages of the International and Local, the basis of the calculations of these percentages, including avenues for appeal of the Local and International calculations. Provided are the full audited chargeable and non-chargeable report from the International, the summary of the Local audited chargeable and non-chargeable report, the audit letter from the Local’s CPA, and a list of chargeable and non-chargeable expenditures and activities.
Q. Where are the Agency Fee payers’ objections sent and what happens when they are received?
A. Objections are sent to the CWA’s Agency Fee Administrator in Washington. The Agency Fee Administrator reviews the applications for eligibility. If the objector applicant appears to be eligible, the Local is contacted for final approval. If the objector applicant appears to be ineligible, he is notified by letter with the Local copied in. If objector applicants send their letters to the Local, the Local should forward them to the International.

Q. Is objector status permanent or do objectors have to renew each year?
A. Agency fee objector status is generally good for one year and must be renewed annually. However, objectors may make a continuing challenge, which the CWA will honor every year while the objector remains in the bargaining unit. If the objector leaves the bargaining unit at any point, he or she will have to renew his or her objection or continuing objection.

Q. Once an objector is eligible to have their agency fee reduced, is their payroll deduction changed?
A. No. Their payroll deduction is not changed. Objectors have their agency fees reduced by means of an advance reduction check.

Q. What is an advance reduction and how is it calculated?
A. An advance reduction is calculated by multiplying the International’s projected share of the fees to be paid by the objector for the upcoming year by the International’s non-chargeable and the Local’s share of the projected fees by the Local’s non-chargeable. The sum of these two calculations is the amount of the objector’s advance reduction. A lump-sum check for the amount of the advance reduction is issued in August for the July through June objector year.

Q. The International issues the reduction check which covers both its share and that of the Local. How does it recover the local’s share?
A. The International bills the Local for its share.

Q. So objectors get the money upfront. What if they leave during the year? Can we get the money back?
A. Regrettably, no. While the advance reduction system is not perfect, it is the only viable way to reduce the fees of objectors on a large scale.

Q. Who should the Local contact with questions about the agency fee objector policy?
A. The Local should contact the Agency Fee Administrator at CWA, 501 3rd Street, NW, Washington, DC 20001-2797, 202-434-1330 voice, 202-434-0653 fax.