

The Honorable Marsha J. Pechman

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON**

PAMELA CENTENO, <i>et al.</i> ,)	Case No.: 2:14-cv-00200-MJP
)	
Plaintiffs,)	DECLARATION OF ADAM
)	GLICKMAN IN SUPPORT OF
v.)	SEIU HEALTHCARE 775NW'S
)	OPPOSITION TO PLAINTIFFS'
KEVIN QUIGLEY, <i>et al.</i> ,)	MOTION FOR CLASS
)	CERTIFICATION
Defendants.)	
)	NOTE DATE: MARCH 27, 2015

I, Adam Glickman, declare as follows based on personal knowledge:

1. I am the Secretary-Treasurer and Director of Public Affairs at SEIU Healthcare 775NW ("SEIU 775" or "Union"). I have been working with Washington state home care workers since 2001, when I was hired by the Service Employees International Union ("SEIU") to help run a legislative and ballot measure campaign to establish the Washington State Home Care Quality Authority. I remained on SEIU's staff until 2004 when I joined the staff of the newly formed SEIU 775. I served as the elected Vice President of the Union from 2007 through July 2012.

2. As Director of Public Affairs, my work includes directing the Union's political and lobbying activities.

1 3. As the Secretary-Treasurer, I am an elected, constitutional officer
2 of the Union. Some of my primary duties are maintaining the books and records of
3 the Union, including membership data, ensuring an accurate record of all dues
4 payments and other revenue, overseeing our annual audit reports and monthly
5 financial reports.
6

7 4. On November 6, 2001, the People of Washington approved the
8 Washington In-Home Care Services Initiative, Initiative Measure 775 (“Initiative
9 775”). Initiative 775 established a single statewide IP bargaining unit that now
10 bargains directly with the Governor through the Office of Financial Management.
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12 5. In August 2002 the IP bargaining unit voted 84% for union
13 representation. The first IP collective bargaining agreement (“CBA”) was signed
14 in January 2003.

15 6. Until the Supreme Court’s decision in *Harris v. Quinn*, 134 S. Ct.
16 2618 (2014), article 4 of the CBA between SEIU 775 and the State included a
17 union security clause that required the State to deduct either member dues or non-
18 member agency fees from the paychecks of IPs, as authorized by RCW
19 41.56.122(1) and RCW 41.56.113(1)(a).
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21 7. At the insistence of the State, all collective bargaining agreements
22 between the State and SEIU 775 since 2003 have contained an indemnification
23 provision regarding the deduction of dues.

24 8. At all times relevant to the plaintiffs’ complaint, SEIU 775 has
25 treated all IPs as Union members as long as they are paying full Union dues. There
26
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1 is no requirement that an IP complete or sign any document to be a Union member
2 if the IP is paying monthly Union dues.

3 9. The State of Washington plays no role in SEIU 775's internal
4 membership decisions.

5 10. Attachment A is a true and correct copy of the portions of the SEIU
6 775 Constitution and By-Laws that set forth the requirements for Union
7 membership.

8 11. Approximately 28,000 of the 34,000 current IPs have signed formal
9 membership cards. This translates to 82 percent of the bargaining unit.

10 12. All SEIU 775 members enjoy the same rights and privileges of
11 Union membership, including the right to run for office; to vote in officer
12 elections; to vote on amendments to the Union Constitution and Bylaws; to vote to
13 ratify or reject proposed CBAs; and to determine SEIU 775's dues rates.

14 13. SEIU 775 does not differentiate among its members based on
15 whether they have filled out a membership application or card.

16 14. IPs have never been required to join SEIU 775 as a condition of
17 employment.

18 15. Up until the Supreme Court's decision in *Harris v. Quinn*, IPs who
19 did not wish to be Union members could (1) pay an agency fee that was the
20 equivalent of full monthly membership dues but decline membership; (2) object to
21 paying the full agency fee equivalent of dues and instead pay the reduced *Chicago*
22 *Teachers Union v. Hudson*, 475 U.S. 292 (1986), agency fee objector rate (which
23 is about 60 percent of membership dues); or (3) object to the agency fee based on
24
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1 religious objector grounds and pay the equivalent of full member dues to a charity
2 of his or her choice.

3 16. The Union passed on all money it received from religious objectors
4 to their designated charities.

5 17. Prior to the Supreme Court's decision in *Harris*, the Union sent
6 newly hired IPs a notice explaining their rights and obligations under the union
7 security clause including (1) their right to opt-out of union membership and pay an
8 agency fee and (2) their right to object to paying the full agency fee.

9 18. A true and correct copy of a typical example of the notice sent to
10 new hires with its *Hudson* notice before the *Harris* decision is Attachment B
11 hereto.

12 19. SEIU 775 members were annually sent notices informing of their
13 rights to withdraw from union membership using the membership resignation
14 process and pay agency fees instead.

15 20. True and correct copies of the notices sent in December 2012 for the
16 2013 year and in December 2013 for the 2014 year are Attachment C hereto.

17 21. The day after the U.S. Supreme Court decided *Harris v. Quinn*,
18 SEIU 775 asked the State of Washington to cease agency fee or religious objector
19 deductions for the 0.5% of the IP bargaining unit who had objected to paying dues.
20 This included plaintiffs Routh and Hoffman.

21 22. Because the applicability of the *Harris* decision to IPs in
22 Washington was unresolved, the State and SEIU 775 entered into a Memorandum
23

1 of Understanding (“MOU”) that modified certain articles of the operative 2013-
2 2015 CBA. A true and correct copy of that MOU is Attachment D thereto.

3 23. In August 2014, SEIU 775 notified all current IPs who had not
4 previously objected, regardless of whether they signed a membership card, that
5 they are not required to be Union members or to financially support the Union.
6

7 24. In January 2015, the Union repeated the notice to the 16 percent of
8 the IP bargaining unit who had not either signed a card or previously objected.

9 25. Since July 1, 2014, only 732 IPs have objected to joining or
10 financially supporting the Union – *just two percent of the IP unit*. Plaintiffs Eby
11 and Olson were among this 2%.
12

13 26. According to the Union’s records, of the 43,000 IPs who paid
14 membership dues during the proposed Class period without first signing a card, at
15 least 20,000 of them subsequently signed a card.

16 27. Over 1,100 of the more than Union 4,100 members who voted on
17 the 2011 CBA had not signed membership cards at the time of that election.

18 28. More than 1,200 of the over 5,700 Union members who voted on
19 the 2013 CBA had not signed membership cards at the time of that election.
20

21 29. These CBAs were overwhelmingly approved: 98.5% of voting
22 Union members approved the 2011 CBA and 99.3% voted in favor of the 2013
23 CBA.

24 30. More than 2,200 IPs who were Union members but had not signed
25 cards voted in the 2012 election to set the level of Union dues.
26
27

1 31. More than 2,400 IPs who were Union members but had not signed
2 cards voted in the 2011 Emergency Fund election.

3 32. About 20 percent of the members who voted in the 2011 and 2013
4 Union officer elections had not signed cards.

5 33. In the months following the *Harris* decision, the Union reached out
6 to members to request that they return signed membership cards. Approximately
7 5,300 people signed SEIU 775 membership cards for the first time during that
8 outreach.

9 34. Attachment E is a true and correct copy of the language that has
10 appeared on the SEIU 775 membership card since July 1, 2014.

11 35. For the years 2011-2014, approximately \$19.9 million in Union
12 dues came from members who had not previously signed cards.

13 36. Over this same period, the Union only collected about \$26,000 in
14 agency fees.

15 37. SEIU 775 received approximately \$17.6 million in IPs dues and
16 fees in 2014.

17 38. The only source of funds SEIU 775 would have to pay such a
18 judgment, if the action were successful, is the dues of current and future Union
19 members. Current and future members would also have to pay SEIU's legal fees in
20 defending a class action.

21 39. According to Union records, there are approximately 13,500
22 current IPs who, during the proposed Class period, paid Union dues without first
23 signing a card, who then subsequently signed a card.

1 40. IPs frequently come in and go out of the bargaining unit.

2 41. The Union has substantially increased IP wages and improved their
3 working conditions.

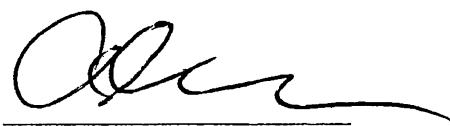
4 42. Wages for IPs have gone from \$7.18 before the union was
5 organized in 2002 to an average of more than \$12/hour today.

6 43. IPs now have a wage scale with automatic increases based on
7 experience, paid time off, mileage reimbursement, and workers compensation
8 coverage – none of which IPs had before they had a union contract.

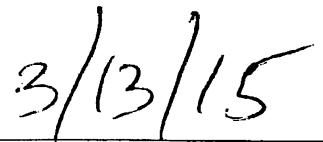
9 44. IPs get high quality affordable health insurance if they work more
10 than half-time.

11 45. If the SEIU 775 new contract is funded by the Legislature this
12 spring, the average IP wage will go up to more than \$14/hour, and IPs will get a
13 retirement benefit for the first time.

14
15 I declare under penalty of perjury that the foregoing is true and correct to
16 the best of my knowledge.

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22 Adam Glickman

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Date

CERTIFICATE OF SERVICE

I hereby certify that on March 13, 2015, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all counsel/parties of record. I hereby certify that no other parties are to receive notice.

By: /s/ Michael C. Subit

Michael C. Subit, WSBA # 29189

Attorneys for Defendant SEIU

Healthcare 775NW

FRANK FREED SUBIT & THOMAS LLP

705 Second Avenue, Suite 1200

Seattle, WA 98104

msubit@frankfreed.com

ATTACHMENT A

SEIU Healthcare 775NW

Constitution and Bylaws

As adopted and ratified by the Founding Convention of SEIU 775, held on January 11, 2004 and approved by SEIU on February 27, 2004, and as amended

- at the second Annual Convention February 27, 2005;
- at the third Annual Convention January 15, 2006;
- by a vote of the membership on November 16, 2006;
- at the fourth Annual Convention February 19, 2007;
- by a vote of the membership on January 30, 2008;
- at the fifth Annual Convention on September 15, 2008;
- at the seventh Annual Convention September 11, 2010;
- at the eighth Annual Convention on September 11, 2011;
- at the ninth Annual Convention on September 8, 2012; and
- most recently amended at the tenth Annual Convention on September 7, 2013, and approved by SEIU on October 31, 2013.



2. Help workers form unions and other powerful organizations.
3. Hold politicians accountable.
4. Bargain strong contracts and provide quality services and benefits.
5. Advance pro-worker policy through influencing government, industry, and public opinion.
6. Build strategic partnerships.
7. Govern the Union democratically and use our resources responsibly.
8. Adapt. Innovate. Create.

Article 2 – Membership

2.1 Regular Membership. A regular member is any individual employed in a bargaining unit for which the Union is the recognized bargaining agent for matters relating to wages, hours and other term and conditions of employment, any health care worker covered by a service agreement between SEIU Healthcare 775NW and another SEIU Union, or any union officer or employee of SEIU Healthcare 775NW who is not represented for the purposes of collective bargaining by another Union.

By action of the Executive Board of SEIU Healthcare 775NW, the following individuals may be admitted to regular membership: persons employed by the Union's benefit funds and other Union-sponsored organizations, any worker who is actively engaged in an organizing campaign seeking recognition for SEIU Healthcare 775NW as the exclusive bargaining representative, and officers or employees of SEIU International.

2.2 Associate Membership. Associate Membership is open to other persons who support the mission, vision and values of SEIU Healthcare 775NW. Associate members shall enjoy all rights and bear all responsibilities outlined in this Constitution and Bylaws, except that they may not run for or hold elected union office, vote in union elections or vote on referenda of any kind, or file charges before a trial body, and may be suspended or expelled from membership by vote of the Executive Board without appeal. Associate members may attend and, when recognized by the Chair, participate in Union meetings as observers. The Executive Board may deny associate membership requests.

2.3 Other categories of membership. The Executive Board may designate other categories of membership so long as they are in accordance with the International Constitution.

2.4 Membership in Good Standing. In order to exercise the rights and privileges of union membership, members of the Union shall maintain their membership in good standing by remittance payment of full monthly dues, assessments and/or any other payments owed prior to the last business day of each month.

Members who are temporarily out of work due to lay-off by their employer may retain their membership in good standing by remittance payment of at least the minimum dues set by the International Union Constitution and Bylaws by the last business day of each month. Members who are out of work for longer than six full months shall no longer be eligible for Regular Membership under Article 2.1 of this Constitution and Bylaws, but, beginning the seventh calendar month from their lay-off, shall remain eligible for Associate Membership under the terms and conditions of Article 2.2, above, provided that they continue to pay the monthly dues required by Article 3.3 of this Constitution and Bylaws.

All members of the Union are under a positive duty to see that their dues, assessments and/or any other payments owed are remitted on or before the last day of the month in which the same are due at the main or designated office of the Union.

The failure of a steward, representative, or any officer of the Union to appear or to collect the dues, assessments and/or any other payments owed shall not in any manner excuse the member from his or her obligations to pay his or her obligation on or before the due date at the main or designated office of the Union.

A member who is not in good standing at the time the Union determines eligibility to vote or be elected to office in a union election shall not be unreasonably denied the right to vote if, through no fault of the worker, his or her employer has failed to deduct and transmit dues to the Union.

2.5 Suspension from and Readmission to membership. Any member failing to pay dues, assessments and/or any other payments owed to the Union on or before the last business day of the month in which the same are due, shall stand automatically suspended from membership in this Union, and from all rights and privileges of such membership.

Any suspended member may be readmitted to membership upon payment of back and current obligations, but in no event shall such readmission restore any privileges or benefits.

Any member who fails to pay dues, assessments and/or any other payments owed because he or she is not working and is suspended for such non-payment shall be readmitted without payment, but in no event shall such readmission restore any privileges or benefits.

A suspended member who is readmitted to membership shall, from the date of such readmission be considered the same as a new member.

2.6 Nondiscrimination. There shall be no discrimination against any member, or any applicant for membership by reason of race, creed, color, religion, sex, gender expression, sexual orientation, national origin, citizenship status, marital status, ancestry, age, or disability.

2.7 Membership duties and obligations. Every member, by virtue of his or her membership in this Union is obligated to adhere to and follow the terms of the International Constitution, this

Constitution, and the working rules promulgated in accordance with this Constitution, with respect to his or her rights, duties, privileges and immunities conferred by them and by statute. Each member shall faithfully carry out such duties and obligations and shall not interfere with the rights of fellow members.

2.8 Authorization to act as exclusive bargaining representative. Every member, by virtue of his or her membership in this Union, authorizes this Union to act as his or her exclusive bargaining representative with full and exclusive power to execute agreements with his or her employer governing terms and conditions of employment, to determine the method for ratification or rejection of collective bargaining agreements, to determine the method for authorization of a strike or job action and to act for him or her and have final authority in presenting, processing, and adjusting any grievance, difficulty, or dispute arising under any collective bargaining agreement or out of his or her employment with such employer, in such manner as this Union or its officers deem to be in the best interests of this Union. This Union and its officers, representatives, and agents may decline to process any such grievance, complaint, difficulty, or dispute, if in their discretion and judgment such grievance, complaint, or dispute lacks merit.

2.9 Dual Unionism. No member shall engage in dual unionism or espouse dual unionism or disaffiliation in the course of any meeting, or shall slander or libel this Union, its members, or its officers, and shall not be a party to any activity to secure the disestablishment of this Union as the collective bargaining agent for any employee.

2.10 Bill of Union Member Rights and Responsibilities in the Union.

- The right to have opinions heard and respected, to be informed of Union activity, to be educated in union values and union skills.
- The right to choose the leaders of the Union in a fair and democratic manner.
- The right to a full accounting of Union dues and the proper stewardship over Union resources.
- The right to participate in the Union's bargaining efforts and to reject or to approve collective bargaining agreements.
- The right to have members' concerns resolved in a fair and expeditious manner.
- The responsibility to help build a strong and more effective labor movement, to support the organizing of unorganized workers, to help build a political voice for working people, and to stand up for one's co-workers and all workers.
- The responsibility to be informed about the internal governance of the Union and to participate in the conduct of the Union's affairs.
- The responsibility to contribute to the support of the Union.
- The responsibility to treat all workers and members fairly.
- The responsibility to offer constructive criticism of the Union.

2.11 Fines, Penalties, and Expulsion. No regular member of this Union shall be fined, penalized, or permanently expelled from membership except as a result of charges and penalties determined pursuant to Article 12 of this Constitution and Bylaws.

ATTACHMENT B



SEIU Healthcare 775NW

President: David Rolf • Secretary-Treasurer: Suzanne Wall

Vice President: Adam Glickman-Flora

Member Resource Center (toll-free): 1 (866) 371-3200

33615 First Way South • Ste. A • Federal Way, WA 98003

(253) 815-3700 • Fax: (253) 815-3701 • www.seiu775.org • mrc@seiu775.org

[Date]

Dear **[First Name]**,

Welcome to SEIU Healthcare 775NW and to your new job as a union-represented long-term care worker with **[Employer/WK Location]**. Our union represents 43,000 long-term care workers throughout Washington State and Montana.

Join SEIU Healthcare 775NW today by mailing back the enclosed membership form.

Home care and nursing home workers have joined with SEIU Healthcare 775NW to have a stronger voice for living wages, good benefits, and quality care for our residents and clients.

By joining together, home care and nursing home workers have made a real difference – for example, we have won more than \$400 million in new funding for wage and benefit improvements for home care and nursing home workers.

We are working with nursing home owners and operators and our allies in the senior, disability, and advocacy movements to ensure quality care for nursing home residents, and jobs with living wages and benefits for nursing home workers. Workers in union-represented nursing homes have a voice in advocating for residents as well as for on-the-job improvements through our Labor-Management Committees.

But our work has just begun. We need to have a strong voice in advocacy until long-term care workers earn the wages and benefits we need and until the people we care for get the quality care they deserve. Our Annual Report has more information about our goals and victories. To do that, we need your help. Politicians and managers only listen when we are united together, raising our voices to hold them accountable and to demand change.

There are two ways you can help today:

- **Join SEIU Healthcare 775NW as a full member.** Long-term care workers have a stronger voice if we are united together. By signing a membership card, you will be adding your voice to the fight for living wages, good benefits, and quality care.
- **Register to Vote.** Politicians decide how much funding to provide to home care and programs for the elderly and people with disabilities. We can help hold politicians accountable if we register to vote. Please send your voter registration form to the Secretary of State's office.

Our mission is to unite the strength of all long-term care workers,
to improve the lives of working people, and lead the way to a more just and humane world.

New Employee Letter (U-1)

[Date]

Page 2 of 2

The collective bargaining agreement between SEIU Healthcare 775NW and [Employer] contains a union security clause that requires as a condition of your employment that you make monthly payments to the Union. Your union security fee is [Percent] of your gross monthly wages (\$[Converted Percent] for every \$100) or a minimum rate of \$[Minimum]/month and is determined by a constitutional vote of our membership.

Just by making these payments, SEIU Healthcare 775NW's Constitution and Bylaws automatically grants you membership in the union. Although you need not sign a membership card to be a member, we encourage you to do so.

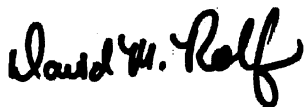
Signed membership cards will result in greater bargaining strength in negotiations, leading to higher wages and better benefits and working conditions. Information about union benefits, contracts, our Convention and Leadership Conference and other opportunities to participate may also be found online at www.seiu775.org. You need not be a member of SEIU Healthcare 775NW and may decline membership at any time. However, you are still obligated to make your monthly union security payment as a condition of your employment. Dues will start coming out of your paycheck soon.

If you have questions about SEIU Healthcare 775NW, or want to know how you can help build a strong voice for long-term care workers, call our Member Resource Center toll-free at (866) 371-3200, send us an email at mrc@seiu775.org. MRC representatives speak English, Russian, Spanish, Korean, and Vietnamese are available 7 am to 7 pm PST. Translation is also available in other languages. If you call, give the representative your Member ID number: [Member ID]. It's also located on the address label, above your name. Or visit our website at www.seiu775.org. You can also join us on Facebook at www.facebook.com/775nw.

Welcome to SEIU Healthcare 775NW. Together, we're stronger – for ourselves, for our families and communities, and for the people for whom we provide care

We look forward to hearing from you.

In solidarity,

A handwritten signature in black ink that reads "David M. Rolf". The signature is written in a cursive, flowing style.

David Rolf, President

**NOTICE TO SEIU HEALTHCARE 775NW REPRESENTED EMPLOYEES
IN HOME CARE AND ADULT DAY HEALTH BARGAINING UNITS SUBJECT TO UNION SECURITY OBLIGATIONS**

- Для получения этого извещения на русском языке, пожалуйста, напишите секретарю-казначей по адресу: SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104.
- 이 정보를 한국어로 원하시면 저희 총무부장님께 편지를 보내주세요 SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104.
- Kung kailangan ninyo itong abiso sa tagalog, sumulat po kayo sa tresurera/sekretarya nang SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104.
- Nếu quý vị có cần bức thư này bằng tiếng Việt xin gửi một lá thư cho Tổng Giám Đốc Tài Chính của công đoàn SEIU Healthcare 775NW ở địa chỉ 215 Columbia St, Seattle, WA 98104.
- Para obtener esta notificación en español, por favor escriba a la: Secretaria-Tesorera, SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104.

Your obligations under a union security clause: If the collective bargaining agreement between SEIU Healthcare 775NW ("Union") and your employer contains a union security clause that requires as a condition of employment that you remit full monthly membership dues (or the monetary equivalent of full membership dues) to the Union within the 30 days following either the first pay period or the effective date of employment, whichever is later, this notice applies to you. This union security obligation applies to you as a private sector employee subject to the National Labor Relations Act, 29 U.S.C. §151 et seq., or as an Individual Provider subject to Washington's Public Employees' Collective Bargaining Act, and specifically RCW 41.56.113. This notice and the accompanying materials are applicable to "agency fees" (which are the monetary equivalent of full membership dues) collected for the period January 1 through December 31, 2014 (the "2014 fee year"). The purpose of this notice is to provide you with an explanation of the basis for the agency fee, your right to object to paying for certain expenditures and to challenge the calculation of the fee before a neutral decision-maker. It also informs you of the procedures for exercising these rights. Please read this notice carefully.

Your right to be a member of SEIU Healthcare 775NW: SEIU Healthcare 775NW's Constitution and Bylaws automatically grants you membership in the Union if you are employed in a bargaining unit for which the Union is the recognized bargaining agent for matters relating to wages, hours and other terms and conditions of employment. While you need not sign a membership card, we strongly encourage you to do so. Signing a card shows your active participation in the Union. The greater the participation of all Union employees, the stronger the Union; the stronger the Union, the better we can negotiate better wages, benefits and working conditions. Enclosed is a membership form for you to fill out, sign and return to SEIU Healthcare 775NW. To remain a member in good standing, you need only meet the financial obligations established by the Union's Constitution and Bylaws. Membership in SEIU Healthcare 775NW is valuable. Only members have the right to participate fully in the internal affairs of the Union, vote for union officers, run for union office, be involved in collective bargaining and vote to reject or ratify the collective bargaining agreement for your bargaining unit. Only members are entitled to receive the privileges of the union member-only benefits package including: discounted insurance, exclusive access to educational scholarships, discount programs for computers, health, dental, vision care and pharmacy prescriptions, access to low rate credit card and loan programs, free and discounted legal services, and other benefits. You can find more information at <http://www.seiu.org/a/members/benefits.php>. You are not required to be a member of the Union. To resign your membership, you must send a letter to the Secretary-Treasurer, SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104. The letter should include your name, address, phone number, employer and work location, and state clearly that you wish to resign your membership. You may resign your membership at any time. You will lose all of the rights of Union membership described above. The Union will continue to represent you fairly. If you choose to resign your membership, you are still obligated to pay an agency fee to the Union. As a non-member agency fee payer, you will be entitled to choose between paying the full agency fee (the monetary equivalent of full membership dues) and paying a reduced objector agency fee, as discussed below.

Objector agency fee payer: As an agency fee payer, you have the right to object to providing financial support to union activities not germane to collective bargaining. Forty percent of the Union's expenditures in the most recently audited accounting year were devoted to activities not germane to collective bargaining. Those who object will be charged an objector agency fee which reflects only activities germane to collective bargaining, and thereby forfeit their membership in the Union. The basis for calculating the objector agency fee is explained below. If you wish to limit your obligation to paying the objector agency fee, you must send a letter to the Secretary-Treasurer, SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104. The letter should include your name, address, phone number, employer and work location, and state clearly that you object to paying for expenses that are not germane to collective bargaining. If your objection is postmarked more than 40 days after this notice was mailed, you will remain obligated to pay the full, unreduced monthly agency fee incurred between the date on which this notice was mailed and the date on which your objection is received by the Union. If your objection is received after the 15th day of any month, it will not be processed until the following month.

How the objector agency fee was calculated: If you elect to object to those portions of the agency fee not attributable or germane to collective bargaining, you will be charged an objector agency fee equal to the proportionate share of the costs of collective bargaining, enforcement of the contract, and related activities. Both federal and state law provides for the collection of such fees and their collection has been upheld by the United States Supreme Court.

In calculating the objector agency fee, the Union has included the proportionate share of the cost of the following activities engaged in by the Union or its parent Service Employees International Union, which are called chargeable activities: (1) Governing the Union, including union elections; (2) membership meetings and conventions; (3) gathering information in preparation for the negotiation of collective bargaining agreements; (4) gathering information from employees concerning proposals in collective bargaining; (5) negotiating collective bargaining agreements; (6) handling grievances of employees under collective bargaining agreements, enforcing collective bargaining agreements and representing employees under collective bargaining and related laws; (7) ratification of negotiated agreements; (8) public advertisement of the Union's position on the negotiation, ratification or implementation of collective bargaining agreements; (9) purchasing books, reports and periodical subscriptions used in negotiating and administering collective bargaining agreements; (10) lobbying for the ratification or implementation of collective bargaining agreements; (11) paying for the services of experts in labor law, economics, and other subjects used in negotiating and administering collective bargaining agreements; (12) conducting and sending staff and members to conferences and meetings concerning collective bargaining, contract administration and other matters relating to wages, hours and working conditions; (13) publishing those portions of newsletters and other literature distributed to employees relating to collective bargaining, contract administration and related matters; (14) preparation for and participation in impasse procedures including fact finding, mediation and arbitration, and other economic actions designed to secure favorable terms in collective bargaining, so long as the actions are legal; (15) the prosecution and defense of arbitration and litigation to obtain interpretation, implementation or enforcement of collective bargaining agreements and other litigation concerning bargaining unit employees normally conducted by an exclusive representative; (16) professional services, such as paying attorneys' fees for enforcing collective bargaining agreements and auditors' fees for conducting independent audits; (17) social and recreational activities open to all represented employees; and (18) operating and administrative costs allocable to the activities described above, e.g., rent, utilities, transportation, etc.

In calculating the objector agency fee, the Union has not included the proportionate share of the cost of the following activities engaged in by the Union or its parent Service Employees International Union, which are called non-chargeable activities: (1) Voter registration, get-out-the-vote efforts, and political campaigning; (2) supporting and contributing to not-for-profit or charitable organizations; (3) supporting and contributing to political organizations and candidates for public office; (4) supporting and contributing to ideological causes and committees, including ballot measures; (5) the public advertisement of the Union's position on issues other than negotiation, ratification, or implementation of collective bargaining agreements; (6) providing benefits available only to members; (7) organizing aimed at defending or obtaining the right to serve as the exclusive representative of bargaining units of employees, except where they are rendered directly relevant to collectively bargaining wages and benefits by statute or agreed-upon contract language that bases a represented bargaining unit's wage and benefits levels, in whole or in part, on wage and benefit levels prevailing in comparator jurisdictions including ones in which organizing activities are being conducted; (8) publishing those portions of newsletters and other literature distributed to employees relating to non-chargeable activities, including but not limited to those described above; and (9) operating and administrative costs allocable to the activities described above, e.g., rent, utilities, transportation, etc.

A more detailed description of these categories of chargeable and non-chargeable expenditures is provided in the notes to SEIU Healthcare 775NW's "schedule of expenses and allocation between chargeable and non-chargeable expenses – modified cash basis December 31, 2012" and the SEIU's "consolidated statement of expense and allocation between chargeable expenses and non-chargeable expenses year ended December 31, 2012" (hereinafter the "year-end financial statements"). These year end financial statements itemize and describe the major categories of expenditures by SEIU Healthcare 775NW and by SEIU during calendar year 2012, and allocate those expenditures between chargeable and non-chargeable categories. Independent certified public accounting firms audited the financial statements and verified what percentage of the SEIU Healthcare 775NW and SEIU's expenditures in each of its major categories of expenditure were for chargeable and non-chargeable activities. The independent auditors issued reports containing unqualified opinions as to the year-end financial statements. The complete year-end financial statements (including the notes thereto) and audit reports thereon are enclosed with this notice.

According to the calculations contained in the auditors' reports and year-end financial statements, the Union may collect an objector agency fee equal to no more than 60% of the standard dues rate. Your standard union dues rate currently equals 3.2% of gross wages each month with a minimum dues charge of \$29.00 per month,¹ and is subject to change. Reflecting the above calculations, the Union has set the objector agency fee rate at 1.92% of gross wages each month, with a minimum objector agency fee, where applicable under the standards for the minimum dues charge (see fn. 1), in the amount of \$17.40 per month. This objector agency fee percentage shall remain in effect until December 31, 2014. If you submit an objection, as described above, you will be charged the objector agency fee equal to no more than 60% of the standard membership dues rate during the 2014 fee year or applicable portion thereof (as determined by when you submit your objection, as discussed above). If you do not submit an objection, you will be charged the equivalent of the standard union dues rate, including the minimum dues charge if applicable, during the 2014 fee year.

For Individual Providers paid directly by Washington State under DSHS-administered home care programs such as COPES, Medicaid Personal Care, and the Cap Waiver, the agency fee or the objector agency fee, whichever is applicable, will be automatically deducted by the state pursuant to RCW 41.56.113 and 41.56.122. As a private employee, the agency fee or the objector agency fee can be deducted from your paycheck by your employer pursuant to 29 U.S.C. § 158(a)(3). Private employees wishing to pay their financial obligation through an automatic payroll deduction must sign an authorization pursuant to 29 U.S.C. §186(c)(4). A signed membership card allows dues to automatically come out of your paycheck. Otherwise, you should arrange to make monthly payments in some other fashion. Call our Member Resource Center toll-free at 1-866-371-3200 to make arrangements.

You have the right to challenge the calculation of the objector agency fee. You must comply with the following procedures in order to do so. If you submit an objection but do not submit a timely challenge, as defined below, you will be charged the objector agency fee rate during the 2014 fee year.

A. Challenges. In order to challenge the amount of the objector agency fee, you must inform the Union in writing of your decision and send it to Secretary-Treasurer, SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104. Your challenge to the Union's calculation of the fee must be postmarked no later than 40 days after this notice was mailed and may be included in the same letter stating an objection to the fee. The letter must include your address, phone number, employer and work location and state that you are challenging the calculation of the objector agency fee. Challengers are requested, but not required, to include the grounds for the challenge and identify the categories of expenditure whose categorization by SEIU Healthcare 775NW as chargeable they wish to challenge, so that the Union may consider the basis for the challenge and determine whether it agrees that any further reduction in the fee is warranted.

B. Escrow. Upon receipt of a timely challenge, SEIU Healthcare 775NW will reduce the challenger's agency fee to the level of the objector fee and will place one-hundred percent of the challenger's objector agency fee into an interest-bearing escrow account, pending the resolution of the challenge. Although the Union believes the amount of the fee was correctly calculated, it will escrow that amount to insure that none of a challenger's funds are used for a non-chargeable purpose. The challenger's funds shall remain in the account until an arbitration award is issued or until SEIU Healthcare 775NW has resolved the challenge in favor of the challenger, and shall then be distributed to the Union and the challenger in accordance with the award or resolution.

C. Arbitration procedure. Challenges to the calculation of the objector agency fee shall be resolved by an independent arbitrator, unless SEIU Healthcare 775NW has resolved the pending challenges by determining that a further reduction in the fee is warranted, as requested by the challenger. The arbitrator shall be selected by the American Arbitration Association (AAA) and the arbitration shall be scheduled and conducted in accordance with the AAA's rules for impartial determination of union fees. The Union may consolidate all challenges into a single arbitration hearing. Upon receipt of a challenge, the Union will send the challenger a copy of these rules as well as any additional information concerning the challenge procedure. Challengers will be given written notice of the date, time and location of the hearing, and will have an opportunity to appear and state their objections to SEIU Healthcare 775NW's calculation of the agency fee. The Union will have the burden of proving that the calculation of the agency fee was proper. SEIU Healthcare 775NW will bear the entire administrative cost of the arbitration and the *per diem* fee of the arbitrator. Challengers choosing to be represented before the arbitrator shall bear the cost of such representation. The arbitrator shall have the authority to affirm or decrease the calculation of the objector agency fee. The decision shall issue within 30 days after submission of final arguments.

If you have any questions about this notice, about the agency fee, about resigning your Union membership or about your rights as a Union member, please call the Member Resource Center toll-free at 1-866-371-3200.

¹ The minimum dues rate applies to all regular members who work forty (40) hours or more in any given month, associate members, and members who are out of work due to lay-off.

ATTACHMENT C

**NOTICE TO SEIU HEALTHCARE 775NW REPRESENTED EMPLOYEES
IN HOME CARE AND ADULT DAY HEALTH BARGAINING UNITS SUBJECT TO UNION SECURITY OBLIGATIONS**

- Для получения этого извещения на русском языке, пожалуйста, напишите секретарю-казначей по адресу: 33615 First Way South, Suite A, Federal Way, WA 98003.
- 이 정보를 한국어로 원하시면 저희 총무부장님에게 편지를 보내주십시오. SEIU Healthcare 775NW, 33615 1st Way S, Suite A, Federal Way, WA 98003.
- Kung kailangan ninyo itong abiso sa tagalog, sumulat po kayo sa tresurera/sekretarya nang SEIU Healthcare 775NW, 33615 1st Way S, Suite A, Federal Way, WA 98003.
- Nếu quý vị có cần bức thư này bằng tiếng việt xin gửi một lá thư cho Tổng Giám Đốc Tài Chính của công đoàn SEIU Healthcare 775NW ở địa chỉ 33615 1st Way S, Suite A, Federal Way, WA 98003.
- Para obtener esta notificación en español, por favor escriba a la: Secretaria-Tesorera, SEIU Healthcare 775NW 33615 1st Way S, Suite A, Federal Way, WA 98003.

Your obligations under a union security clause: If the collective bargaining agreement between SEIU Healthcare 775NW ("Union") and your employer contains a union security clause that requires as a condition of employment that you remit full monthly membership dues (or the monetary equivalent of full membership dues) to the Union within the 30 days following either the first pay period or the effective date of employment, whichever is later, this notice applies to you. This union security obligation applies to you as a private sector employee subject to the National Labor Relations Act, 29 U.S.C. §151 et seq., or as an Individual Provider subject to Washington's Public Employees' Collective Bargaining Act, and specifically RCW 41.56.113. This notice and the accompanying materials are applicable to "agency fees" (which are the monetary equivalent of full membership dues) collected for the period January 1 through December 31, 2013 (the "2013 fee year"). The purpose of this notice is to provide you with an explanation of the basis for the agency fee, your right to object to paying for certain expenditures and to challenge the calculation of the fee before a neutral decision-maker. It also informs you of the procedures for exercising these rights. Please read this notice carefully.

Your right to be a member of SEIU Healthcare 775NW: SEIU Healthcare 775NW's Constitution and Bylaws automatically grants you membership in the Union if you are employed in a bargaining unit for which the Union is the recognized bargaining agent for matters relating to wages, hours and other terms and conditions of employment. While you need not sign a membership card, we strongly encourage you to do so. Signing a card shows your active participation in the Union. The greater the participation of all Union employees, the stronger the Union; the stronger the Union, the better we can negotiate better wages, benefits and working conditions. Enclosed is a membership form for you to fill out, sign and return to SEIU Healthcare 775NW. To remain a member in good standing, you need only meet the financial obligations established by the Union's Constitution and Bylaws. Membership in SEIU Healthcare 775NW is valuable. Only members have the right to participate fully in the internal affairs of the Union, vote for union officers, run for union office, be involved in collective bargaining and vote to reject or ratify the collective bargaining agreement for your bargaining unit. Only members are entitled to receive the privileges of the union member-only benefits package including: discounted insurance, exclusive access to educational scholarships, discount programs for computers, health, dental, vision care and pharmacy prescriptions, access to low rate credit card and loan programs, free and discounted legal services, and other benefits. You are not required to be a member of the Union. To resign your membership, you must send a letter to the Secretary-Treasurer, SEIU Healthcare 775NW, 33615 1st Way S., Ste. A, Federal Way, WA 98003. The letter should include your name, address, phone number, employer and work location, and state clearly that you wish to resign your membership. You may resign your membership at any time. You will lose all of the rights of Union membership described above. The Union will continue to represent you fairly. If you choose to resign your membership, you are still obligated to pay an agency fee to the Union. As a non-member agency fee payer, you will be entitled to choose between paying the full agency fee (the monetary equivalent of full membership dues) and paying a reduced objector agency fee, as discussed below.

Objector agency fee payer: As an agency fee payer, you have the right to object to providing financial support to union activities not germane to collective bargaining. Thirty-eight percent of the Union's expenditures in the most recently audited accounting year were devoted to activities not germane to collective bargaining. Those who object will be charged an objector agency fee which reflects only activities germane to collective bargaining, and thereby forfeit their membership in the Union. The basis for calculating the objector agency fee is explained below. If you wish to limit your obligation to paying the objector agency fee, you must send a letter to the Secretary-Treasurer, SEIU Healthcare 775NW, 33615 1st Way S., Ste. A, Federal Way, WA 98003. The letter should include your name, address, phone number, employer and work location, and state clearly that you object to paying for expenses that are not germane to collective bargaining. If your objection is postmarked more than 40 days after this notice was mailed, you will remain obligated to pay the full, unreduced monthly agency fee incurred between the date on which this notice was mailed and the date on which your objection is received by the Union. If your objection is received after the 15th day of any month, it will not be processed until the following month.

How the objector agency fee was calculated: If you elect to object to those portions of the agency fee not attributable or germane to collective bargaining, you will be charged an objector agency fee equal to the proportionate share of the costs of collective bargaining, enforcement of the contract, and related activities. Both federal and state law provides for the collection of such fees and their collection has been upheld by the United States Supreme Court.

In calculating the objector agency fee, the Union has included the proportionate share of the cost of the following activities engaged in by the Union or its parent Service Employees International Union, which are called chargeable activities: (1) Governing the Union, including union elections; (2) membership meetings and conventions; (3) gathering information in preparation for the negotiation of collective bargaining agreements; (4) gathering information from employees concerning proposals in collective bargaining; (5) negotiating collective bargaining agreements; (6) handling grievances of employees under collective bargaining agreements, enforcing collective bargaining agreements and representing employees under collective bargaining and related laws; (7) ratification of negotiated agreements; (8) public advertisement of the Union's position on the negotiation, ratification or implementation of collective bargaining agreements; (9) purchasing books, reports and periodical subscriptions used in negotiating and administering collective bargaining agreements; (10) lobbying for the ratification or implementation of collective bargaining agreements; (11) paying for the services of experts in labor law, economics, and other subjects used in negotiating and administering collective bargaining agreements; (12) conducting and sending staff and members to conferences and meetings concerning collective bargaining, contract administration and other matters relating to wages, hours and working conditions; (13) publishing those portions of newsletters and other literature distributed to employees relating to collective bargaining, contract administration and related matters; (14) preparation for and participation in impasse procedures including fact finding, mediation and arbitration, and other economic actions designed to secure favorable terms in collective bargaining, so long as the actions are legal; (15) the prosecution and defense of arbitration and litigation to obtain interpretation, implementation or enforcement of collective bargaining agreements and other litigation concerning bargaining unit employees normally conducted by an exclusive representative; (16) professional services, such as paying attorneys' fees for enforcing collective bargaining agreements and auditors' fees for conducting independent audits; (17) social and recreational activities open to all represented employees; and (18) operating and administrative costs allocable to the activities described above, e.g., rent, utilities, transportation, etc.

In calculating the objector agency fee, the Union has not included the proportionate share of the cost of the following activities engaged in by the Union or its parent Service Employees International Union, which are called non-chargeable activities: (1) Voter registration, get-out-the-vote efforts, and political campaigning; (2) supporting and contributing to not-for-profit or charitable organizations; (3) supporting and contributing to political organizations and candidates for public office; (4) supporting and contributing to ideological causes and committees, including ballot measures; (5) the public advertisement of the Union's position on issues other than negotiation, ratification, or implementation of collective bargaining agreements; (6) providing benefits available only to members; (7) organizing aimed at defending or obtaining the right to serve as the exclusive representative of bargaining units of employees, except where they are rendered directly relevant to collectively bargaining wages and benefits by statute or agreed-upon contract language that bases a represented bargaining unit's wage and benefits levels, in whole or in part, on wage and benefit levels prevailing in comparator jurisdictions including ones in which organizing activities are being conducted; (8) publishing those portions of newsletters and other literature distributed to employees relating to non-chargeable activities, including but not limited to those described above; and (9) operating and administrative costs allocable to the activities described above, e.g., rent, utilities, transportation, etc.

A more detailed description of these categories of chargeable and non-chargeable expenditures is provided in the notes to SEIU Healthcare 775NW's "schedule of expenses and allocation between chargeable and non-chargeable expenses -- modified cash basis December 31, 2011" and the SEIU's "consolidated statement of expense and allocation between chargeable expenses and non-chargeable expenses year ended December 31, 2011" (hereinafter the "year-end financial statements"). These year end financial statements itemize and describe the major categories of expenditures by SEIU Healthcare 775NW and by SEIU during calendar year 2011, and allocate those expenditures between chargeable and non-chargeable categories. Independent certified public accounting firms audited the financial statements and verified what percentage of the SEIU Healthcare 775NW and SEIU's expenditures in each of its major categories of expenditure were for chargeable and non-chargeable activities. The independent auditors issued reports containing unqualified opinions as to the year-end financial statements. The complete year-end financial statements (including the notes thereto) and audit reports thereon are enclosed with this notice.

According to the calculations contained in the auditors' reports and year-end financial statements, the Union may collect an objector agency fee equal to no more than 62% of the standard dues rate. Your standard union dues rate currently equals 3.2% of gross wages each month with a minimum dues charge of \$28.00 per month,¹ and is subject to change. Reflecting the above calculations, the Union has set the objector agency fee rate at 1.98% of gross wages each month, with a minimum objector agency fee, where applicable under the standards for the minimum dues charge (see fn. 1), in the amount of \$17.36 per month. This objector agency fee percentage shall remain in effect until December 31, 2013. If you submit an objection, as described above, you will be charged the objector agency fee equal to no more than 62% of the standard membership dues rate during the 2013 fee year or applicable portion thereof (as determined by when you submit your objection, as discussed above). If you do not submit an objection, you will be charged the equivalent of the standard union dues rate, including the minimum dues charge if applicable, during the 2013 fee year.

For Individual Providers paid directly by Washington State under DSHS-administered home care programs such as COPES, Medicaid Personal Care, and the Cap Waiver, the agency fee or the objector agency fee, whichever is applicable, will be automatically deducted by the state pursuant to RCW 41.56.113 and 41.56.122. As a private employee, the agency fee or the objector agency fee can be deducted from your paycheck by your employer pursuant to 29 U.S.C. § 158(a)(3). Private employees wishing to pay their financial obligation through an automatic payroll deduction must sign an authorization pursuant to 29 U.S.C. § 186(c)(4). A signed membership card allows dues to automatically come out of your paycheck. Otherwise, you should arrange to make monthly payments in some other fashion. Call our Member Resource Center toll-free at 1-866-371-3200 and they can help you make your payments easy.

You have the right to challenge the calculation of the objector agency fee. You must comply with the following procedures in order to do so. If you submit an objection but do not submit a timely challenge, as defined below, you will be charged the objector agency fee rate during the 2013 fee year.

A. Challenges. In order to challenge the amount of the objector agency fee, you must inform the Union in writing of your decision and send it to Secretary-Treasurer, SEIU Healthcare 775NW, 33615 1st Way S., Ste. A, Federal Way, WA 98003. Your challenge to the Union's calculation of the fee must be postmarked no later than 40 days after this notice was mailed and may be included in the same letter stating an objection to the fee. The letter must include your address, phone number, employer and work location and state that you are challenging the calculation of the objector agency fee. Challengers are requested, but not required, to include the grounds for the challenge and identify the categories of expenditure whose categorization by SEIU Healthcare 775NW as chargeable they wish to challenge, so that the Union may consider the basis for the challenge and determine whether it agrees that any further reduction in the fee is warranted.

B. Escrow. Upon receipt of a timely challenge, SEIU Healthcare 775NW will reduce the challenger's agency fee to the level of the objector fee and will place one-hundred percent of the challenger's objector agency fee into an interest-bearing escrow account, pending the resolution of the challenge. Although the Union believes the amount of the fee was correctly calculated, it will escrow that amount to insure that none of a challenger's funds are used for a non-chargeable purpose. The challenger's funds shall remain in the account until an arbitration award is issued or until SEIU Healthcare 775NW has resolved the challenge in favor of the challenger, and shall then be distributed to the Union and the challenger in accordance with the award or resolution.

C. Arbitration procedure. Challenges to the calculation of the objector agency fee shall be resolved by an independent arbitrator, unless SEIU Healthcare 775NW has resolved the pending challenges by determining that a further reduction in the fee is warranted, as requested by the challenger. The arbitrator shall be selected by the American Arbitration Association (AAA) and the arbitration shall be scheduled and conducted in accordance with the AAA's rules for impartial determination of union fees. The Union may consolidate all challenges into a single arbitration hearing. Upon receipt of a challenge, the Union will send the challenger a copy of these rules as well as any additional information concerning the challenge procedure. Challengers will be given written notice of the date, time and location of the hearing, and will have an opportunity to appear and state their objections to SEIU Healthcare 775NW's calculation of the agency fee. The Union will have the burden of proving that the calculation of the agency fee was proper. SEIU Healthcare 775NW will bear the entire administrative cost of the arbitration and the *per diem* fee of the arbitrator. Challengers choosing to be represented before the arbitrator shall bear the cost of such representation. The arbitrator shall have the authority to affirm or decrease the calculation of the objector agency fee. The decision shall issue within 30 days after submission of final arguments.

If you have any questions about this notice, about the agency fee, about resigning your Union membership or about your rights as a Union member, please call the Member Resource Center toll-free at 1-866-371-3200.

¹ The minimum dues rate applies to all regular members who work forty (40) hours or more in any given month, associate members, and members who are out of work due to lay-off.

**NOTICE TO SEIU HEALTHCARE 775NW REPRESENTED EMPLOYEES
IN HOME CARE AND ADULT DAY HEALTH BARGAINING UNITS SUBJECT TO UNION SECURITY OBLIGATIONS**

- Для получения этого извещения на русском языке, пожалуйста, напишите секретарю-казначей по адресу: SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104.
- 이 정보를 한국어로 원하시면 저희 총무부장님께 편지를 보내주세요. SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104.
- Kung kailangan ninyo itong abiso sa tagalog, sumulat po kayo sa tresurera/sekretarya nang SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104.
- Nếu quý vị có cần bức thư này bằng tiếng việt xin gửi một lá thư cho Tổng Giám Đốc Tài Chính của công đoàn SEIU Healthcare 775NW ở địa chỉ 215 Columbia St, Seattle, WA 98104.
- Para obtener esta notificación en español, por favor escriba a la: Secretaria-Tesorerera, SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104.

Your obligations under a union security clause: If the collective bargaining agreement between SEIU Healthcare 775NW ("Union") and your employer contains a union security clause that requires as a condition of employment that you remit full monthly membership dues (or the monetary equivalent of full membership dues) to the Union within the 30 days following either the first pay period or the effective date of employment, whichever is later, this notice applies to you. This union security obligation applies to you as a private sector employee subject to the National Labor Relations Act, 29 U.S.C. §151 et seq., or as an Individual Provider subject to Washington's Public Employees' Collective Bargaining Act, and specifically RCW 41.56.113. This notice and the accompanying materials are applicable to "agency fees" (which are the monetary equivalent of full membership dues) collected for the period January 1 through December 31, 2014 (the "2014 fee year"). The purpose of this notice is to provide you with an explanation of the basis for the agency fee, your right to object to paying for certain expenditures and to challenge the calculation of the fee before a neutral decision-maker. It also informs you of the procedures for exercising these rights. Please read this notice carefully.

Your right to be a member of SEIU Healthcare 775NW: SEIU Healthcare 775NW's Constitution and Bylaws automatically grants you membership in the Union if you are employed in a bargaining unit for which the Union is the recognized bargaining agent for matters relating to wages, hours and other terms and conditions of employment. While you need not sign a membership card, we strongly encourage you to do so. Signing a card shows your active participation in the Union. The greater the participation of all Union employees, the stronger the Union; the stronger the Union, the better we can negotiate better wages, benefits and working conditions. Enclosed is a membership form for you to fill out, sign and return to SEIU Healthcare 775NW. To remain a member in good standing, you need only meet the financial obligations established by the Union's Constitution and Bylaws. Membership in SEIU Healthcare 775NW is valuable. Only members have the right to participate fully in the internal affairs of the Union, vote for union officers, run for union office, be involved in collective bargaining and vote to reject or ratify the collective bargaining agreement for your bargaining unit. Only members are entitled to receive the privileges of the union member-only benefits package including: discounted insurance, exclusive access to educational scholarships, discount programs for computers, health, dental, vision care and pharmacy prescriptions, access to low rate credit card and loan programs, free and discounted legal services, and other benefits. You can find more information at <http://www.seiu.org/a/members/benefits.php>. You are not required to be a member of the Union. To resign your membership, you must send a letter to the Secretary-Treasurer, SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104. The letter should include your name, address, phone number, employer and work location, and state clearly that you wish to resign your membership. You may resign your membership at any time. You will lose all of the rights of Union membership described above. The Union will continue to represent you fairly. If you choose to resign your membership, you are still obligated to pay an agency fee to the Union. As a non-member agency fee payer, you will be entitled to choose between paying the full agency fee (the monetary equivalent of full membership dues) and paying a reduced objector agency fee, as discussed below.

Objector agency fee payer: As an agency fee payer, you have the right to object to providing financial support to union activities not germane to collective bargaining. Forty percent of the Union's expenditures in the most recently audited accounting year were devoted to activities not germane to collective bargaining. Those who object will be charged an objector agency fee which reflects only activities germane to collective bargaining, and thereby forfeit their membership in the Union. The basis for calculating the objector agency fee is explained below. If you wish to limit your obligation to paying the objector agency fee, you must send a letter to the Secretary-Treasurer, SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104. The letter should include your name, address, phone number, employer and work location, and state clearly that you object to paying for expenses that are not germane to collective bargaining. If your objection is postmarked more than 40 days after this notice was mailed, you will remain obligated to pay the full, unreduced monthly agency fee incurred between the date on which this notice was mailed and the date on which your objection is received by the Union. If your objection is received after the 15th day of any month, it will not be processed until the following month.

How the objector agency fee was calculated: If you elect to object to those portions of the agency fee not attributable or germane to collective bargaining, you will be charged an objector agency fee equal to the proportionate share of the costs of collective bargaining, enforcement of the contract, and related activities. Both federal and state law provides for the collection of such fees and their collection has been upheld by the United States Supreme Court.

In calculating the objector agency fee, the Union has included the proportionate share of the cost of the following activities engaged in by the Union or its parent Service Employees International Union, which are called chargeable activities: (1) Governing the Union, including union elections; (2) membership meetings and conventions; (3) gathering information in preparation for the negotiation of collective bargaining agreements; (4) gathering information from employees concerning proposals in collective bargaining; (5) negotiating collective bargaining agreements; (6) handling grievances of employees under collective bargaining agreements, enforcing collective bargaining agreements and representing employees under collective bargaining and related laws; (7) ratification of negotiated agreements; (8) public advertisement of the Union's position on the negotiation, ratification or implementation of collective bargaining agreements; (9) purchasing books, reports and periodical subscriptions used in negotiating and administering collective bargaining agreements; (10) lobbying for the ratification or implementation of collective bargaining agreements; (11) paying for the services of experts in labor law, economics, and other subjects used in negotiating and administering collective bargaining agreements; (12) conducting and sending staff and members to conferences and meetings concerning collective bargaining, contract administration and other matters relating to wages, hours and working conditions; (13) publishing those portions of newsletters and other literature distributed to employees relating to collective bargaining, contract administration and related matters; (14) preparation for and participation in impasse procedures including fact finding, mediation and arbitration, and other economic actions designed to secure favorable terms in collective bargaining, so long as the actions are legal; (15) the prosecution and defense of arbitration and litigation to obtain interpretation, implementation or enforcement of collective bargaining agreements and other litigation concerning bargaining unit employees normally conducted by an exclusive representative; (16) professional services, such as paying attorneys' fees for enforcing collective bargaining agreements and auditors' fees for conducting independent audits; (17) social and recreational activities open to all represented employees; and (18) operating and administrative costs allocable to the activities described above, e.g., rent, utilities, transportation, etc.

In calculating the objector agency fee, the Union has not included the proportionate share of the cost of the following activities engaged in by the Union or its parent Service Employees International Union, which are called non-chargeable activities: (1) Voter registration, get-out-the-vote efforts, and political campaigning; (2) supporting and contributing to not-for-profit or charitable organizations; (3) supporting and contributing to political organizations and candidates for public office; (4) supporting and contributing to ideological causes and committees, including ballot measures; (5) the public advertisement of the Union's position on issues other than negotiation, ratification, or implementation of collective bargaining agreements; (6) providing benefits available only to members; (7) organizing aimed at defending or obtaining the right to serve as the exclusive representative of bargaining units of employees, except where they are rendered directly relevant to collectively bargaining wages and benefits by statute or agreed-upon contract language that bases a represented bargaining unit's wage and benefits levels, in whole or in part, on wage and benefit levels prevailing in comparator jurisdictions including ones in which organizing activities are being conducted; (8) publishing those portions of newsletters and other literature distributed to employees relating to non-chargeable activities, including but not limited to those described above; and (9) operating and administrative costs allocable to the activities described above, e.g., rent, utilities, transportation, etc.

A more detailed description of these categories of chargeable and non-chargeable expenditures is provided in the notes to SEIU Healthcare 775NW's "schedule of expenses and allocation between chargeable and non-chargeable expenses – modified cash basis December 31, 2012" and the SEIU's "consolidated statement of expense and allocation between chargeable expenses and non-chargeable expenses year ended December 31, 2012" (hereinafter the "year-end financial statements"). These year end financial statements itemize and describe the major categories of expenditures by SEIU Healthcare 775NW and by SEIU during calendar year 2012, and allocate those expenditures between chargeable and non-chargeable categories. Independent certified public accounting firms audited the financial statements and verified what percentage of the SEIU Healthcare 775NW and SEIU's expenditures in each of its major categories of expenditure were for chargeable and non-chargeable activities. The independent auditors issued reports containing unqualified opinions as to the year-end financial statements. The complete year-end financial statements (including the notes thereto) and audit reports thereon are enclosed with this notice.

According to the calculations contained in the auditors' reports and year-end financial statements, the Union may collect an objector agency fee equal to no more than 60% of the standard dues rate. Your standard union dues rate currently equals 3.2% of gross wages each month with a minimum dues charge of \$29.00 per month,¹ and is subject to change. Reflecting the above calculations, the Union has set the objector agency fee rate at 1.92% of gross wages each month, with a minimum objector agency fee, where applicable under the standards for the minimum dues charge (see fn. 1), in the amount of \$17.40 per month. This objector agency fee percentage shall remain in effect until December 31, 2014. If you submit an objection, as described above, you will be charged the objector agency fee equal to no more than 60% of the standard membership dues rate during the 2014 fee year or applicable portion thereof (as determined by when you submit your objection, as discussed above). If you do not submit an objection, you will be charged the equivalent of the standard union dues rate, including the minimum dues charge if applicable, during the 2014 fee year.

For Individual Providers paid directly by Washington State under DSHS-administered home care programs such as COPES, Medicaid Personal Care, and the Cap Waiver, the agency fee or the objector agency fee, whichever is applicable, will be automatically deducted by the state pursuant to RCW 41.56.113 and 41.56.122. As a private employee, the agency fee or the objector agency fee can be deducted from your paycheck by your employer pursuant to 29 U.S.C. § 158(a)(3). Private employees wishing to pay their financial obligation through an automatic payroll deduction must sign an authorization pursuant to 29 U.S.C. § 186(c)(4). A signed membership card allows dues to automatically come out of your paycheck. Otherwise, you should arrange to make monthly payments in some other fashion. Call our Member Resource Center toll-free at 1-866-371-3200 to make arrangements.

You have the right to challenge the calculation of the objector agency fee. You must comply with the following procedures in order to do so. If you submit an objection but do not submit a timely challenge, as defined below, you will be charged the objector agency fee rate during the 2014 fee year.

A. Challenges. In order to challenge the amount of the objector agency fee, you must inform the Union in writing of your decision and send it to Secretary-Treasurer, SEIU Healthcare 775NW, 215 Columbia St, Seattle, WA 98104. Your challenge to the Union's calculation of the fee must be postmarked no later than 40 days after this notice was mailed and may be included in the same letter stating an objection to the fee. The letter must include your address, phone number, employer and work location and state that you are challenging the calculation of the objector agency fee. Challengers are requested, but not required, to include the grounds for the challenge and identify the categories of expenditure whose categorization by SEIU Healthcare 775NW as chargeable they wish to challenge, so that the Union may consider the basis for the challenge and determine whether it agrees that any further reduction in the fee is warranted.

B. Escrow. Upon receipt of a timely challenge, SEIU Healthcare 775NW will reduce the challenger's agency fee to the level of the objector fee and will place one-hundred percent of the challenger's objector agency fee into an interest-bearing escrow account, pending the resolution of the challenge. Although the Union believes the amount of the fee was correctly calculated, it will escrow that amount to insure that none of a challenger's funds are used for a non-chargeable purpose. The challenger's funds shall remain in the account until an arbitration award is issued or until SEIU Healthcare 775NW has resolved the challenge in favor of the challenger, and shall then be distributed to the Union and the challenger in accordance with the award or resolution.

C. Arbitration procedure. Challenges to the calculation of the objector agency fee shall be resolved by an independent arbitrator, unless SEIU Healthcare 775NW has resolved the pending challenges by determining that a further reduction in the fee is warranted, as requested by the challenger. The arbitrator shall be selected by the American Arbitration Association (AAA) and the arbitration shall be scheduled and conducted in accordance with the AAA's rules for impartial determination of union fees. The Union may consolidate all challenges into a single arbitration hearing. Upon receipt of a challenge, the Union will send the challenger a copy of these rules as well as any additional information concerning the challenge procedure. Challengers will be given written notice of the date, time and location of the hearing, and will have an opportunity to appear and state their objections to SEIU Healthcare 775NW's calculation of the agency fee. The Union will have the burden of proving that the calculation of the agency fee was proper. SEIU Healthcare 775NW will bear the entire administrative cost of the arbitration and the *per diem* fee of the arbitrator. Challengers choosing to be represented before the arbitrator shall bear the cost of such representation. The arbitrator shall have the authority to affirm or decrease the calculation of the objector agency fee. The decision shall issue within 30 days after submission of final arguments.

If you have any questions about this notice, about the agency fee, about resigning your Union membership or about your rights as a Union member, please call the Member Resource Center toll-free at 1-866-371-3200.

¹ The minimum dues rate applies to all regular members who work forty (40) hours or more in any given month, associate members, and members who are out of work due to lay-off.

ATTACHMENT D

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE STATE OF WASHINGTON
AND
SEIU HEALTHCARE 775NW

The State of Washington and SEIU 775 hereby agree to modify the terms and conditions of the 2013-2015 Collective Bargaining Agreements. Specifically, from the effective date of this Memorandum of Understanding through June 30, 2015, the parties agree to replace Article 4 and Article 6 of the 2013-2015 Collective Bargaining Agreement with the following provisions. However, subsection B of Article 4.1 shall become effective on October 15, 2014.

4.1 Union Membership and Deduction of Dues and Fees

- A. In accordance with RCW 41.56.113(1)(b)(i), the State as payor, but not as the employer, shall cause the appropriate entity or agency to deduct the amount of dues or, for non-members of the Union, a fee equivalent to the dues from each home care worker's monthly payment for services (paycheck or direct deposit).
- B. The Union shall notify each home care worker covered by this Agreement that he or she is not required to join or financially support the Union. New home care workers will be notified as soon as possible, but no later than fourteen (14) days from the Union receiving the home care worker's contact information. The Union shall escrow the fee paid by a new home care worker in an interest-bearing account. The fee shall remain in this account until the home care worker is notified of the opportunity to opt-out and given thirty (30) calendar days to do so. If the home care worker objects to paying the fee within thirty (30) days of the notification from the Union, the Union shall, within twenty (20) days of receiving the notice

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1 from the home care worker, refund the fee with interest (at the rate of
2 interest it has received). The Union will notify the Employer to cease
3 further deductions in accordance with Subsection 4.1 C below.

4 C. Home care workers covered by this Agreement who inform the Union that
5 they do not wish to join or financially support the Union will not have any
6 fee deducted from the payments made to them by the State and will suffer
7 no penalty as a result of their failure to pay such a fee to the Union.
8 However, the Union reserves the right to enforce the terms and conditions
9 of each home care worker's signed membership card with regard to when
10 authorizations for deductions may be revoked. The Employer shall honor
11 the terms and conditions of each home care worker's signed membership
12 card. By the twenty-fifth (25th) day of each month, the Union shall
13 provide the Employer with a list of home care workers who have informed
14 the Union that they do not wish to join or financially support the Union.
15 All home care workers who have objected to paying a fee by the twentieth
16 (20th) day of the month shall be included in the list the Union provides to
17 the Employer on the twenty-fifth (25th) of that month.

18 **4.2 Voluntary Deductions**

19 Upon receipt of proper authorization for such deductions from the home care
20 worker or the Union, the Employer shall cause the appropriate entity or agency to
21 deduct and transmit voluntary contributions from each home care worker's
22 payment for services, to one (1) fund or committee payable to the Union. The
23 Employer shall allow deductions to such a fund or committee to be made in any
24 amount specified by the home care worker. The deductions shall be transferred at
25 least monthly by electronic means.

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4.3 Implementation Costs

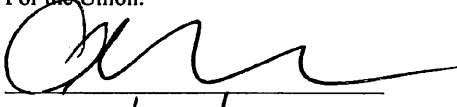
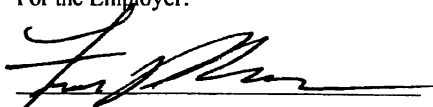
The cost of any new computer programming changes required by this Article shall be borne by the Employer. The ongoing regular cost of such deductions shall be borne by the Employer.

4.4 Indemnify and Hold Harmless

The Union and each home care worker agree to indemnify and hold harmless from all claims, demands, suits or other forms of liability that shall arise against the Employer for or on account of any deduction made from the pay of any home care worker, including deposits made by the Union into an escrow account. This paragraph shall not be interpreted to limit the right of the Union to use the Dispute Resolution Process contained in this agreement to collect dues, fees, and contributions owed.

4.5 RCW 41.56.113(1)(b)(i) Proviso

The parties agree that, during the term of this Agreement, should RCW 41.56.113(1)(b)(i) be deemed by order of a court of competent jurisdiction enforceable in relation to bargaining unit members who informed the Union that they do not wish to join or financially support the Union, the language contained in Article 4, Sections 4.1 and 4.2 of the 2013-2015 Agreement, as it existed on July 1, 2013, will replace Article 4, Section 4.1 of this Agreement.

For the Union:	For the Employer:
	
Date: 9/26/14	Date: 9/26/14

ATTACHMENT E

I hereby request and accept membership in SEIU Healthcare 775NW. I authorize 775NW to act as my exclusive representative in collective bargaining over wages, hours and other terms and conditions of employment with my employer(s). I authorize my employer(s) to deduct from my wages all Union dues and other fees or assessments as shall be certified by 775NW under its Constitution and Bylaws and to remit those amounts to 775NW. This authorization is irrevocable for a period of one year from the date of execution and from year to year thereafter unless not less than thirty (30) and not more than forty-five (45) days prior to the annual anniversary date of this authorization or the termination of the contract between my employer and the Union, whichever occurs first, I notify the Union and my employer in writing, with my valid signature, of my desire to revoke this authorization. 775NW is authorized to use this authorization with my current employer(s) and with any other employer(s) in the event I change employers or obtain additional employment.

I believe all workers represented by the Union should pay their fair share to support the Union's activities. In addition, in order to build a more powerful Union, and in exchange for obtaining the rights and privileges of becoming a member of SEIU 775NW, I hereby knowingly release both SEIU 775NW and the State of Washington from any future legal claims or liability related to the State's past collection of agency fees from me pursuant to CBA Sec. 4.1 and/or RCW 41.56.113.

Contributions or gifts to 775NW are not tax deductible as charitable contributions for Federal income tax purposes. However, they may be tax deductible under other provisions of the Internal Revenue Code.

The invalidity or unenforceability of any particular provision hereof shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted. By submitting this form, it shows that I agree with the terms above.