

# Negotiating and Monitoring PROFIT SHARING AGREEMENTS

AFL-CIO Department of  
Economic Research

Wisconsin AFL-CIO

School for Workers,  
University of Wisconsin-Extension

December 7-10, 1986

- ANALYSIS OF FINANCIAL STATEMENTS
- STRUCTURE OF PROFIT SHARING AGREEMENTS
- CONTRACT LANGUAGE
- NEGOTIATING EXERCISE

**UWEX**  
School for Workers  
UNIVERSITY OF WISCONSIN-EXTENSION  
422 Lowell Hall  
610 Langdon Street  
Madison, Wisconsin 53703

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ADDRESS CORRECTION REQUESTED

NEGOTIATING AND MONITORING PROFIT SHARING AGREEMENTS  
DECEMBER 7-10, 1986

## PROGRAM OBJECTIVES

The purposes of this workshop are (1) to explain how profit sharing programs function; (2) to evaluate the differences between the various profit sharing schemes and help unions identify advantages and disadvantages of each; (3) to develop the skills necessary for effective union monitoring of the various plans; (4) to identify negotiating issues and evaluate contract language designed to protect members' interests. Many employers are proposing profit sharing plans as a partial offset to wage concessions. The plans are often installed with very little union input. It is essential that union bargainers be aware of the key negotiating issues and understand enough about the plan to determine if it is suitable for the bargaining unit. It is equally important that union officers develop the skills necessary for day-to-day monitoring of profit sharing plans.

Workshops are designed to give participants an opportunity to interact with instructors and each other in a problem-solving format. Basic information as well as actual experiences will be shared and discussed.

## Institute Location

The Institute will be held at the J. F. Friedrich Center for Continuing Education, 1950 Willow Drive, on the west end of the UW-Madison Campus. Classrooms, living quarters and dining facilities are all in one building.

## Schedule and Faculty

The program begins with registration from 4:00-6:00 p.m. on Sunday afternoon, December 7 and concludes with a graduation lunch on Wednesday, December 10. Faculty for the program will come from the School for Workers Staff, and the AFL-CIO, Department of Economic Research.

## Program Costs

The program fee is \$237.00 on a double basis and \$275.00 for a single room. Parking is \$3/day, payable at registration.

Nonprofit Organization  
U.S. POSTAGE  
**PAID**  
Madison, Wisconsin  
Permit No. 1425

**Registration Form**

**Negotiating and Monitoring  
PROFIT SHARING AGREEMENTS**

For registration and final instructions fill out, clip and mail this form together with your check, payable to UW-Extension to:

Eleanor Nugent, Program Coordinator  
School for Workers  
University of Wisconsin-Extension  
422 Lowell Hall  
610 Langdon Street  
Madison, Wisconsin 53703

To insure space, send this form with your check as soon as possible. The deadline for receipt of registration is November 21, 1986.

Name: \_\_\_\_\_

Union and Local #: \_\_\_\_\_

Address: \_\_\_\_\_  
Street

City State Zip

Phone (Area Code): \_\_\_\_\_  
daytime number evening number

**FEES:** Check appropriate rate below for each participant. A room cannot be reserved unless you check the appropriate private rate.

**Sunday Evening–Wednesday Noon**

- Single Occupancy \$275.00 per person
- Double Occupancy \$237.00 per person

A check for \$ \_\_\_\_\_ is enclosed. **Make check payable to UW-Extension and mail with this form.**

If you are handicapped and desire special accommodations, please notify us at the time of registration. Requests will be kept confidential.

*UW-Extension provides equal opportunities in employment and programming including Title IX requirements.*

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PROFIT SHARING AGREEMENTS**

**J. F. Friedrich Center  
U.W.-Madison Campus**

**December 7–10, 1986**

**AGENDA**

**BREAKFAST:** 7:00–8:00 a.m.  
**LUNCH:** 12:00 Noon  
**DINNER:** 6:00 p.m.

**BREAKS:** 10:00–10:20 a.m.  
2:30–2:45 p.m.

**Sunday, December 7**

4:00–6:00 p.m. **Registration**

7:00–8:30 p.m. **Orientation**

**Monday, December 8**

8:30–10:00 a.m. **New developments in compensation systems:**

- Transition from the fixed wage to fluctuating bonus
- Alternatives to profit sharing

10:20–noon **Basic structural features of profit sharing agreements**

- Measure of profits
- Profit ratios
- Threshold levels
- Payout procedures

1:00–2:30 p.m. **Financial Analysis:** reading and interpreting income statements and balance sheets

2:45–4:00 p.m. **Financial Analysis:** manipulating financial statements and profit levels

**Tuesday, December 9**

8:30–10:00 a.m. **Negotiating contract language**

- Defining profits
- Regulating accounting procedure
- Access to information
- Dispute resolution
- Structural features

10:20–noon **Computer evaluation of Profit Sharing plans**

- Computer simulation
- Impact of profit manipulation

1:00–2:30 p.m. **Exercise in negotiating a profit sharing agreement**

- Analysis of financial data
- Evaluation of company proposal
- Development of counter proposal

2:45–4:00 **Continuation of negotiation exercise**

**Wednesday, December 10**

8:30–11:40 a.m. **Guidelines for evaluating profit sharing agreements**

11:40–noon **Closing Assembly and presentation of certificates**