Foundation Action

The bi-monthly newsletter
of the National Right to Work
Legal Defense Foundation, Inc.

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Right to Work Challenges California Teacher Unions' Dues Seizures

Class-action suits seek to halt violation of over 400,000 educators' rights

SACRAMENTO, CA – A group of California teachers and professors filed a high-profile statewide class-action lawsuit in late September against California's largest teacher and faculty unions, seeking to prevent union officials from forcing more than 400,000 educators to pay for efforts to preserve union special privileges.

The significant dues increases, imposed by California Teacher Association (CTA) and California Faculty Association (CFA) union officials, were earmarked to fund misleading attack ads against Governor Arnold Schwarzenegger and his package of reform proposals on the November 8 special election ballot.

Fully exploiting their compulsory dues privileges, government union officials raised staggering sums of forced union dues and broke the bank by spending an unprecedented $100 million to manipulate California voters with misleading propaganda. As a package, the governor's ballot propositions would have dealt California public union bosses a significant blow.

Fifth grade teacher Judy Liegmann (center) ignored the intimidation tactics of more than 100 screaming union militants and spoke confidently to the media about her due process lawsuit.

Courageous teachers stand up to union hierarchy

With assistance from National Right to Work Foundation attorneys, who filed the case in U.S. District Court, the civil rights suit seeks to halt the further collection of an annual $60-per-teacher (for three years) forced-dues increase by CTA union officials, and a 10 percent forced-dues increase by CFA union officials, to finance their political smear campaign.

Four elementary school teachers and two university professors courageously stepped forward to file the case on behalf of all public school teachers in the state who may disagree with Big Labor's propaganda against the governor or union officials' radical political agenda.

"CTA and CFA union officials are shamelessly undermining Supreme Court precedent and trampling the constitutional rights of the very educators they claim to represent," said National Right to Work Foundation President Mark Mix. "This abuse of teachers' rights demonstrates how union officials take advantage of the special privileges they have obtained under the law."

In the Foundation-won U.S. Supreme Court ruling in *Chicago Teachers Union v. Hudson,* the court ruled that public employees have due process rights under the First and Fourteenth Amendments to be notified, as potential objectors, of how their forced dues are spent, and how to prevent the spending of their dues for politics and other non-collective bargaining purposes.

Although CTA union officials conceded,

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IN THIS ISSUE

Health Care Workers Battle Against Top-down Coercion

Union officials deceive workers into signing union cards, corral workers into union ranks

PORTLAND, OR – A health care worker filed federal unfair labor practice charges after union officials gained monopoly bargaining power over scores of Kaiser Permanente (Kaiser) employees by deceiving them into signing union "authorization" cards.

In granting Service Employees International Union (SEIU) Local 49 officials monopoly bargaining authority based on "card check," Kaiser even violated its written contract with union officials which required non-NLRB "private elections" by secret ballot for the union to be recognized, and only after more than half of the employees request such elections.

Critics have noted that Kaiser management has long been in collusion with Big Labor, much to the detriment of employees' freedom of association.

Karen Mayhew obtained free legal assistance from attorneys with the National Right to Work Legal Defense Foundation in filing the charges at the National Labor Relations Board (NLRB) for herself and roughly 65 similarly situated employees. The case is like many other cases brought by Foundation attorneys in recent years for other workers where union and company officials engaged in backroom deals to shove employees into union ranks.

Operatives from Andrew Stern's SEIU union obtained monopoly bargaining power over Kaiser employees through lies and distortions.

Mayhew also filed a petition for decertification of the unwanted union within days of Kaiser's granting SEIU officials monopoly bargaining power. However, under the so-called "voluntary recognition bar rule," created by NLRB rulings, workers cannot petition for an election for up to a year after a union gains recognition. A separate Foundation case challenging that rule's validity is currently pending before the full NLRB in Washington, DC.

"All too often, union bosses use misrepresentations and coercion during union organizing drives, and we hope that the federal labor board will take swift action," said Mark Mix, Foundation President. "Union officials' illegal behavior shows that they do not respect the workers they seek to represent. They simply thirst for additional sources of forced-dues revenues."

Kaiser recognized SEIU union officials based on the results of a "card check" scheme that requires company officials actively to assist union operatives in organizing their employees. Furthermore, several workers will submit statements that Kaiser held a meeting with its employees during which union officials lied to workers, asserting that signing the "cards" was not a vote for unionization, but rather a request to receive more information about the union.

The NLRB will investigate the charges and determine whether to issue a formal complaint. It may also make a decision on the disposition of the decertification petition in the coming weeks.

Foundation *Action*

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Newsclips Requested

The Foundation asks supporters to keep their scissors sharp for clipping news items exposing the role union officials play in disruptive strikes, outrageous lobbying, and political campaigning. Please clip any stories that appear in your local paper and mail them to:

NRTWLDF
Attention: Newsclip Appeal
8001 Braddock Road
Springfield, VA 22160

Workers' Racketeering Lawsuit Targets Corrupt Payment Scheme

Union agents routinely receive illegal preferential treatment

PHOENIX, AZ–National Right to Work Foundation attorneys have launched a racketeering lawsuit on behalf of five phonebook sales agents against the International Brotherhood of Electrical Workers (IBEW) Union Local 1269, their employer, and two coworkers who are also Local 1269 union officials.

The employees bringing the suit, led by Premise Sales Representative Peter Marceau, work for Dex Media, a subsidiary of Quest Communications that publishes local yellow page and white page phone books.

The lawsuit challenges an elaborate scheme in which the IBEW union, IBEW union officials, and officials at Dex engaged in systematic violations of company policy and monopoly bargaining agreements–giving preferential treatment to union officials at the expense of Dex's advertising sales force. The two IBEW union officials named as defendants, Karen Ortega-Matson and Phil Wheeler, have both come under scrutiny before for similar charges.

Union agents fleece coworkers for personal gain

The complaint alleges that union agents have not only used their positions of power to create labor strife for their own personal profit, but have also cheated other workers out of earnings. Dex Media and union officials negotiated a complex pay system for workers selling advertising in its publications, and the system is ripe for abuse and manipulation.

Ortega-Matson and Wheeler allegedly used various methods to increase their compensation, including reassigning accounts to themselves that should have gone to other workers, giving themselves "commissions" for sales made by other workers, and regularly selling "group ads" allowing their customers to have better ad placement than would normally be warranted. All of these practices are explicitly forbidden by Dex written policy.

Dex Media faces a racketeering claim for a cozy relationship with the IBEW union, allowing union stewards to self-deal at the expense of employees.

The ill-gotten commissions the union agents allegedly received also raised the bar against which the other workers' compensation packages were determined.

Union officials make bargaining concessions to line their own pockets

The complaint alleges that, by repeatedly breaking company rules to increase the union agents' performance-based pay, Dex effectively bribed them to sell out their coworkers by not vigorously pursuing employee grievances and by making certain concessions to the company at the bargaining table. Because of the alleged pattern of illegal activity by the various parties, the suit lists several counts against the defendants for violating both the Racketeering Influenced and Corrupt Organizations Act (RICO) and the Labor Management Reporting and Disclosure Act. The RICO statutes are best known for having been used to prosecute criminals for "Mob" and gang activities.

"Union officials appear to be stealing from the very workers they claim to represent," said National Right to Work Foundation Vice President Stefan Gleason. "As long as workers are forced against their will to be represented by unions in monopoly bargaining with employers, the power wielded by the union brass will continue to allow greedy union officials to sell out workers for personal gain."

Allegations of wrongdoing have long plagued union officials

This is not the first time these allegations have been made against any of the defendants. Ten years ago, the company was subject to a federal probe by the National Labor Relations Board (NLRB). At the time, the company was named U.S. West Direct.

The NLRB charges were very similar to the current lawsuit, even targeting the same high-ranking union officials, Wheeler and Ortega-Matson. Those charges resulted in a settlement.

With as many similarities as there are between the case ten years ago and today, it appears that the abuses resumed after the NLRB case was settled.

The plaintiff employees seek a court injunction to stop Dex from continuing to "bribe" union officials with undue compensation, and they ask for damages for their reduced compensation caused by the union officials' corrupt practices.

California Teachers Forced to Pay Millions for Campaign

continued from cover

With support from California State Senator Tom McClintock (left), Foundation Vice President Stefan Gleason helped a group of teachers announce their lawsuit.

as a result of the suit, and will now refund the unlawful dues increase to nonmembers, union officials have refused to give members notification, or any opportunity to object. (CFA union officials refused to give refunds to nonmembers.)

Union militants attempt to intimidate teachers

In a high-profile news conference announcing the lawsuit outside CTA union headquarters in Sacramento, scores of screaming union goons tried to drown out the Foundation-assisted teachers who were speaking to the media.

Hypocritically, many militants carried placards at the conference that read "Don't silence our voices," as they shouted down the courageous educators with relentless chanting and sign waving.

Despite this heavy-handed intimidation tactic, fifth grade bilingual teacher and lead Foundation plaintiff Judy Liegmann confidently spoke to the media. "I resent having a monolithic, powerful, coercive organization like the CTA announce to me what I think, and then tell me, 'And by the way, we're seizing your money to support what you're supposed to think,'" she said.

State Senator Tom McClintock (R-Thousand Oaks), who was on hand to support the teachers, condemned the taunts, citing them as further proof of the union hierarchy's thuggery. "To suggest that rank-and-file school teachers have the freedom or ability to stand up to these union militants flies in the face of the intimidation we just saw," he observed. "As a Californian and as a parent, I have had enough."

The Foundation's news conference achieved wide publicity throughout the state, including all major newspapers and numerous television and radio news broadcasts.

Shortly after the press conference, Liegmann received an anonymous letter from a colleague that was eye-opening to many: "I am a member of your staff but I am so intimidated by administration and our union that I do not have the guts to do what you are doing for fear of future repercussions…Please do not be discouraged and keep up the good fight."

Foundation launches information campaign

In response to a U.S. District Court ruling not to issue a temporary restraining order to immediately freeze the forced dues seizures, the Foundation launched a statewide information campaign, including a radio advertisement.

The one-minute radio spot, featuring Sen. McClintock and Liegmann, sought to educate the public about the scandalous misuse of compulsory dues for union propaganda. It also directed employees to a special web-site, (*www.californiafreedomproject.org*), where teachers may obtain free legal assistance and learn about the lawsuit.

"It takes enormous courage for classroom teachers to stand up to the union bosses. They're fighting for the right of every one of us to make our own decisions free from union coercion… And I, for one, am proud to stand with them," said Sen. McClintock in the ad.

The information campaign also included a statewide advertising buy, distributing public service announcements across the state, op-eds, and the special web-site as a counter to the union bosses' misinformation about employees' rights.

Teacher union turns down Foundation offer to pay for a $250,000 mailing

As CTA officials stonewalled demands that they finally come clean and inform union members of their rights, a group of over 20 California teachers sent a letter to CTA union head Barbara Kerr asking her to accept the Foundation's offer to pay for a mailing to inform all

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The Schwarzenegger campaign mocked the California teacher union bosses for shaking down teachers to support a radical political agenda.

Foundation Launches Statewide Public Relations Offensive

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Government union officials worked for nine months to trash Gov. Schwarzenegger and to derail his attempts at reform.

335,000 CTA members of their right to refrain from paying for union attack ads.

The mailing, which would have cost $250,000, stemmed from the CTA union officials' long-term policy of not informing union members of their constitutional right to refrain from subsidizing union politics. It would have disclosed the use of the $60 annual increase in union dues for the vicious political campaign, and made clear that members can – while still forced to pay union fees as a condition of employment – resign formal union membership, receive a rebate for forced dues spent on politics and other non-collective bargaining activities, and, if necessary, contact the Foundation for free legal assistance.

In their letter to Kerr, the teachers wrote: "Since when do members of an organization have even fewer rights than nonmembers?" [The Foundation had already won nonmembers the right to a rebate.] "Do you believe union members are not deserving of basic disclosure of their union's activities or of their legal rights? Do you consider teachers to be open checkbooks to stuff your political coffers? Union members' voices have been silenced, and their rights have been infringed," the teachers continued.

Not surprisingly, the CTA hierarchy chose not to cooperate. Because union officials refused to provide the necessary mailing list of union members, the Foundation's offer to pay for the mailing ultimately expired.

To overcome the CTA officials' continued policy of secrecy, Foundation President Mark Mix sent an email to nearly 100,000 California educators in an effort to inform them of their rights to reclaim more than $350 in forced union dues.

Teachers' suit motivates CSEA union nonmembers to seek the same right

Meanwhile, a group of California state government employees filed a class-action suit seeking the same relief.

With free legal assistance from the Foundation, the state employees' suit seeks an order requiring California State Employees Association (CSEA) union officials to give over 90,000 state employees financial disclosure and an opportunity to reclaim a significant forced-dues increase. CSEA union officials also earmarked their compulsory union dues increase to influence the special election with misleading campaign propaganda. As of election day, CSEA officials had spent more than $22 million on the election.

Notwithstanding the results of the November 8 special election in California, both class-action civil rights suits are pressing forward.

Workers Beat Back Union Abuses at Truck Chassis Plant

Union officials and Daimler Chrysler subsidiary sold out employees and withheld pay raises

GAFFNEY, S.C. – After a two-year battle over forced unionization of a Gaffney, South Carolina-based Freightliner/ Daimler Chrysler plant, the rights of freedom-loving nonunion employees were vindicated when the United Auto Workers (UAW) union and company were forced into a National Labor Relations Board (NLRB) settlement and promised to end their violations of employee rights.

The UAW and Freightliner had conspired to unionize workers at Freightliner's Gaffney plant through the use of a so-called "card check" or "neutrality" agreement that required the company actively to assist the UAW's attempt to impose unionization on Freightliner employees. Freightliner even went so far as to renege on a long-scheduled pay raise for its employees after UAW officials exercised an illegal veto because they knew happy employees would find little use for a union.

This prompted two workers to ask Foundation attorneys to file charges for them against Freightliner and the UAW – charges that were found to be meritorious by the NLRB General Counsel. Based on those charges, the NLRB's Region 11 issued a formal complaint and scheduled a trial to prosecute both the union and employer for unfair labor practices.

Foundation-spurred publicity leads to settlement by UAW and employer

However, just days after the Foundation publicized the legal complaint, and Foundation attorneys issued a subpoena to uncover even more damning facts, union and employer officials rushed to avoid an embarrassing trial by entering into a settlement agreement with the NLRB. The agreement requires the union and the employer to conspicuously post notices throughout the Gaffney facility acknowledging that union officials will not accept unlawful assistance from Freightliner in future unionization attempts and stating that no future wage increases will be unlawfully withheld at the behest of union officials.

Responding to the agreement, Foundation Vice President Stefan Gleason stated, "UAW officials raced to cover their tracks once they realized that there was no escaping accountability for their coercive tactics. Union and company officials have worked hand in glove to try to turn Freightliner workers into union dues payers in violation of the employees' rights."

Foundation attorneys' actions forced Ron Gettelfinger's UAW union and Freightliner/ Daimler Chrysler to cease and desist their illegal coercion of employees.

Rank-and-file workers overwhelmingly reject UAW union power grab

Making Freightliner and UAW officials' actions even more deplorable was the fact that the Freightliner employees had long made it clear that they reject unionization.

When the union "organizing" drive first began, approximately 70 percent of the employees signed a petition stating that they wanted nothing to do with union affiliation and instead preferred to negotiate directly with company officials over wages and benefits.

Under most top-down "neutrality agreements," union organizers are given sweeping access to company facilities and non-union employees' personal information. Also, workers are usually denied the ability to decide their representation through a secret ballot election, and union operatives are allowed to sign up workers under the coercive "card check" authorization scheme.

Employers are often pressured into neutrality agreements by union picketing, threats, or comprehensive "corporate campaigns" attempting to rack up costs and cripple the company.

Advantages of End-of-Year Stock Contributions

A gift to the Foundation of appreciated securities (held for a year or more) allows you to avoid capital gains taxes *and* makes you eligible for a charitable income tax deduction up to your AGI limits. If you haven't made your year-end contribution to the Foundation, consider a gift of appreciated stocks or securities. Contact Ginny Smith at (800) 336-3600 for more information, or to inform us if you intend to electronically transfer stock.

Stock Transfer Information
UBS Financial Services Inc.
DTC Number: 0221
To: National Right to Work Legal Defense and Education Foundation, Inc.
Account Number: WS-39563
UBS Contact: Scott A. Wilson (800) 382-9989 ext. 5419

Feds to Prosecute Teamsters Union for Retaliatory Strike Fines

Union officials unlawfully ordered non-striking grocery workers to pay over $120,000 in fines

LOS ANGELES, CA – National Right to Work Foundation attorneys have persuaded federal labor enforcers to prosecute Teamsters Union Local 952 for unlawfully imposing retaliatory fines as high as $13,000 per person on over 70 grocery workers who refused to walk off the job during a so-called "sympathy strike."

The contentious strike ordered by United Food and Commercial Workers (UFCW) and Teamsters union officials grabbed national headlines when it shut down grocery stores across California just two years ago.

In early 2004, Juan Saldana and several other Albertsons distribution center employees filed unfair labor practice charges against the union with the National Labor Relations Board (NLRB) after contacting the Foundation for free legal assistance. Following their lead, more than 70 Albertsons and Ralphs Grocery employees filed virtually identical charges.

NLRB officials agreed that the fines were unlawful, and they combined the charges into a consolidated complaint that is scheduled for a January 2006 hearing.

"Teamsters union officials engaged in an ugly and unlawful campaign of retaliation that trampled the rights of rank-and-file workers who refused to walk off the job and continued working to support their families," said Ray LaJeunesse, Vice President and Legal Director of the Foundation.

Union officials trample workers' long-standing rights

The 132-page consolidated complaint outlines how Teamsters union officials failed to properly inform Albertsons and Ralphs employees of their rights to refrain from formal union membership as required by law, thus making each employee's union membership involuntary and coerced.

For many, the two-faced Teamsters union logo has become a symbol of corruption and brutal violence.

Under the case of *NLRB v. General Motors* and the Foundation-won Supreme Court decision in *Communications Workers v. Beck* and subsequent NLRB rulings, union officials cannot require formal union membership or the payment of union dues unrelated to collective bargaining as a condition of employment.

Nonmember employees are also entitled to an independent audit of union expenditures to ensure that they are not forced to pay for non-bargaining activities. Because of the union hierarchy's failure to inform workers of their rights, the more than $120,000 in retaliatory fines that union officials levied against the workers were unlawful.

Teamsters officials try to drive workers into poorhouse

The charges Saldana and his coworkers filed also alleged that the "sympathy strike" Teamsters officials ordered was unlawful because it violated the union's own "no-strike" contract. However, the NLRB complaint only deals with the fact that, by misinforming workers of their rights, the punitive fines imposed by the union hierarchy were illegitimate because the workers were coerced members and therefore could not be subjected to internal union discipline.

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Important 2005 Tax Information

To encourage charitable giving after Hurricane Katrina, Congress lifted the standard 50% adjusted gross income (AGI) cap on charitable income tax deductions. This means that outright gifts of cash made to any public charity -- including the National Right to Work Foundation -- during the remainder of 2005 may be deducted -- up to 100% of your AGI. Gifts will also not be subject to the 3% reduction rule for those whose AGI exceeds $145,000. This means that if you consider making a larger end-of-the-year gift to the Foundation, you can receive a substantially higher income tax deduction this year than is usually allowed under law. *In fact, for this year only, it is possible to completely eliminate your income tax liability through your charitable contributions.* Please consult your own advisors for more information.

Teamsters

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Teamsters union officials joined in the widely publicized grocery workers strike by ordering a so-called "sympathy strike" in support of the UFCW union in 2003.

The turmoil the California grocery strike caused lasted several months, and sparked ugly incidents of union violence. When it ended, the Teamsters union officials instituted "internal union discipline" and fined workers who continued to go to work and do their jobs during the strike. The fines varied anywhere from $200 to $13,000 per worker. There were also some fines whose amounts were not disclosed.

High forced unionization of grocery workers takes an economic toll

According to the U.S. Department of Labor, nearly a quarter of all grocery workers are covered by union monopoly contracts, as compared to only 8% of the total private sector workforce. This high percentage of forced unionization in the low-margin retail world has led to inflated prices for consumers caused by costly union featherbedding and stifling work rules.

Moreover, forced unionism has not only resulted in fewer jobs for workers at unionized chains; it has also opened the door for nonunion stores, like Wal-Mart, Food Lion, and Whole Foods, to step in and capture market share and create new, attractive jobs.

As union bosses scramble to keep their hold on unionized grocery chains, Americans can expect more disruptive and violent strikes, and workers will undoubtedly face increased coercion to toe the union line.

Visit our website
for breaking news:
www.nrtw.org

Message from Mark Mix

President
National Right to Work
Legal Defense Foundation

Dear Foundation Supporter:

Do you want the government to decide who gets your money?

If your answer, like mine, is "No," then I hope you will take a look at the four-page insert on planned giving enclosed with this mailing. The Foundation is creating some exciting new options that allow donors to help the Right to Work cause while also gaining valuable tax advantages.

These options include the Reed Larson Endowment Fund to provide a permanent base for the Foundation's program, as well as a brand-new planned giving option for donors, Pooled Income Funds.

We're also continuing to build the National Right to Work Legacy Society as a means of recognizing Foundation supporters who have made planned gifts.

As a supporter of the Right to Work movement, you know that the Foundation's strategic legal program attacking coercive union power plays an essential role in our battle for the freer, more just world we want to pass on to the next generation.

There is a sense of peace that comes from knowing that the people and causes we care about will be provided for after we are gone. That's why I'm especially grateful when Right to Work supporters remember the Foundation through planned giving.

If you have recognized the advantages of planned giving and have decided to include the Foundation in your plans, please let us know now so we can thank you.

We can also advise you on various ways you can structure your planned giving to achieve the maximum tax advantage for your estate. For more information, I urge you to call me or my assistant Elisa Sumanski at 1-800-336-3600, or e-mail plannedgiving@nrtw.org.

I am honored that so many of the Foundation's supporters have made provisions to advance the cause of freedom and the Right to Work movement, not only today but also into the future.

Thanks for making this work possible.

In stewardship,

Mark Mix

Foundation *Action* Special Edition

Charitable Estate Planning

The National Right to Work Legal Defense and Education Foundation, Inc. November/December 2005

Legacy Society Off To an Encouraging Start

Planned giving program to ensure Right to Work future

In the last issue of **Foundation** *Action,* the new National Right to Work Legacy Society was announced, and it is off to a great start. The Legacy Society already boasts over 60 members, and hopes to add 40 more before the end of next year.

All new members added during this time will be given the distinction of "charter membership," since they will be the pioneers of this groundbreaking new group at Right to Work.

In combination with the new Society, a revamped planned giving department is also announcing two programs to help donors meet their charitable goals.

The Endowment Fund and new Pooled Income Funds, detailed elsewhere in this special issue, offer Foundation donors two attractive options to choose from when determining how to make a lifetime gift.

Joining the Society

A supporter may become a member of the Legacy Society by making a planned gift of any kind to the Foundation. In addition to the two options just mentioned, there are several longstanding planned giving opportunities that qualify donors for membership in the Legacy Society. The options are listed on the back page of this special insert.

Legacy Society members will be entitled to some special benefits, such as an exclusive annual newsletter and invitations to special Right to Work events.

The Legacy Society consists of a special group of donors who have made planned gifts to the Foundation. Their gifts help ensure that the Right to Work movement will continue long into the future.

As the Society expands, these benefits will increase.

The Foundation has a long-term mission, and while we've made significant strides in the past several years, much more work must be done to ensure that the Right to Work movement has resources at its disposal to fight and win the battle against corrupt union bosses.

Planned giving allows donors to do something they might not be able to do otherwise. Many donors express the desire to make a substantial donation, but regretfully say they simply can't afford it today. However, through various planned giving vehicles, these special gifts become possible for many supporters.

In some cases, this desire is easily accomplished by leaving the Foundation a bequest. This allows supporters to know that they will eventually make the gifts they've always wanted to, but not until they won't personally need the money anymore.

On the other hand, some donors find that a charitable gift annuity meets their needs better. These donors are simultaneously able to ensure current income and make a special tax-deductible gift to the Foundation.

The beauty of planned giving is that it can be used to the advantage of both the Foundation and the supporters who wish to give. While a charitable gift to the Foundation is always the end result, many donors find they receive benefits from planned gifts as well.

The Legacy Society hopes to encourage more donors to consider these different giving options, and reward donors who have already made such gifts. The Society is off to a good start, and knowing of the amazing generosity of Right to Work supporters, the Foundation is optimistic about the future.

The Foundation has staff members who can assist you with your questions about planned giving and provide more information: 800-336-3600 ext. 3309

Foundation Announces New Pooled Income Fund Program

As the planned giving program picks up steam, new giving options develop

The Foundation is pleased to announce a brand-new planned giving option for donors: Pooled Income Funds.

A Pooled Income Fund is a life-income gift, which means that donors make a gift to the Fund and then receive income for the rest of their lives. Meanwhile, donations into the Pooled Income Fund will provide much-needed future resources to help us carry on our strategic litigation program and further the Right to Work movement.

How it works

A supporter sends in a donation of $20,000 or more. The gift (which can be cash or securities) is then deposited into the Pooled Income Fund, which is invested in income-producing assets.

The income produced by the Fund is then distributed to the donors on a monthly basis. At the end of the donor's life, the principal remaining in the fund (the initial gift plus any capital gains increase) is transferred to the National Right to Work Foundation, where it will be used to fund our ongoing strategic litigation program and special projects.

Because the income produced by a Pooled Income Fund depends on the performance of the fund, each income payment to the donor may fluctuate and the fund cannot guarantee a specific dollar amount.

Tax benefits and considerations

Donors are eligible for an immediate charitable income tax deduction the year they make their gift to the Pooled Income Fund. They are also eligible for this deduction should they make subsequent gifts to the Fund.

One of the advantages of this particular type of planned gift is that it allows donors to avoid completely capital gains taxes on appreciated securities. This means that if a supporter wishes to donate $50,000 in appreciated securities to the Pooled Income Fund, the entire $50,000 is reinvested to produce income payments for the remainder of the donor's life.

One of the advantages of this particular type of planned gift is that it allows donors to completely avoid capital gains taxes on appreciated securities.

Income payments to the donor are considered ordinary income, and are taxed as such.

Flexibility

The Pooled Income Fund offers Right to Work donors a significant amount of flexibility. First, the Pooled Income Fund is offered to supporters in all 50 states (however, it is not available in Puerto Rico). This makes it a wonderful life-income gift alternative for donors who live in states where the regulatory environment makes it difficult to offer charitable gift annuities.

Pooled Income Funds are one of many planned giving options that will help the Foundation continue its strategic litigation program long into the future.

Donors are given a choice among three separate Pooled Income Funds, each with a different investment strategy. The three options range from higher income payments to the donor (with a lower tax deduction) to lower income payments (with a higher tax deduction).

While most donors choose to make themselves (and/or their spouse) the income beneficiary, this is not a requirement. Any non-charitable interest may be designated as the income beneficiary, including, for example, a parent or child.

Finally, another wonderful feature of the Pooled Income Fund is that it allows donors to designate more than one charitable income beneficiary. In other words, a Foundation donor can designate that at the end of his or her life, the donor's share of the Fund be divided between the Foundation *and* potentially other favored charities.

Final thoughts

"The addition of Pooled Income Funds to our planned giving tool box is very exciting," said Mark Mix, President. "It fills a gap that existed in the type of giving plans we could offer our donors, and allows us to provide a new avenue that addresses different tax considerations and benefits for all parties involved."

The new Pooled Income Fund program will play an important role in securing the future of the Foundation's mission. Gifts to the Fund will allow donors to leave a personal legacy to the future of the Right to Work movement.

Reed Larson Endowment Fund Provides Vehicle for Perpetual Gift

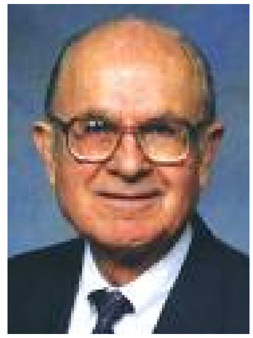
Right to Work names fledgling endowment fund to honor Reed Larson

As one of many exciting new programs relating to the launch of the Foundation's Legacy Society, the National Right to Work Foundation's Board of Trustees has recently named its small endowment fund in honor of Reed Larson. The Reed Larson Endowment Fund will ultimately have the capacity to greatly advance the Right to Work movement.

Endowment funds provide long-term financial stability to the organizations they serve, and the Reed Larson Endowment Fund can provide resources to the Right to Work Foundation every year for as far as the eye can see.

Be sure to check with your own advisor if you have any questions about the effect of a particular planned giving option on your personal tax situation. The information in this newsletter is, of necessity, general in nature.

Honoring Reed Larson



Reed Larson led the Right to Work movement for nearly 50 years. The Foundation's endowment fund will now serve as a lasting tribute to his vision and hard work.

The corpus or principal of an endowment fund is restricted. Only the investment income is generally available to support the operational needs and special projects of the Foundation.

This means a gift to the Reed Larson Endowment Fund will be a lasting tribute to the man who built and led the Right to Work movement for nearly 50 years. After successfully passing a Right to Work law in Kansas in 1958, Reed Larson was drafted by the founders of the National Right to Work Committee to become its executive vice president, and later its president. He later formed and assumed leadership of the National Right to Work Legal Defense Foundation, which has been helping workers fight for their Right to Work through our nation's courts since 1968.

Long after all current donors, board members, and staff members are gone, the endowment will continue to provide the Right to Work warriors of the future the resources to protect America from forced unionism abuses. A gift to the Reed Larson Endowment Fund is a way to make a significant difference tomorrow by doing something today.

Fund provides for Foundation's long-term work

Fighting battles on the legal front to advance the Foundation's strategic litigation program is a long-term commitment. Many cases the Foundation is involved with take years to wind their way through the court system. This is particularly true when litigating with the goal of establishing new precedents – settling cases at earlier phases (which is very common in the traditional practice of law) usually forecloses opportunities to shape the law.

When Foundation management is contemplating whether to fund a new legal case, it must not only be sure that the organization has the resources currently needed to see through the initial work, but also be confident there will be future funding available if the case takes many years to resolve. That's why the endowment fund is a vital part of the Foundation's financial plan.

The endowment fund provides a powerful tool to the Foundation. When the "payout" from the fund comes in, the Foundation is better able to meet its obligations to workers who have been abused by corrupt union officials.

What your gift could mean

The endowment fund is still in its fledgling stages, so each new gift is of immense importance. For those Foundation friends considering a special gift to the Right to Work movement, a donation to the Reed Larson Endowment fund may be the right choice.

In addition to contributing to the future financial stability of the Foundation, donors can leave their own personal legacy, and endowment gifts can be made for as little as $1000.

The endowment fund is important to the Foundation's long-term financial stability. It gives Foundation leadership a baseline of support and helps them plan for the future with greater confidence.

Supporters who would like more information on the Reed Larson Endowment Fund may mark the appropriate box on the enclosed reply device or call Elisa Sumanski at (800) 336-3600.

Join the Legacy Society

Help Defend Individual Freedom through Planned Giving

Bequests through Wills and Living Trusts

- Leave a legacy by naming Right to Work as a beneficiary of your estate
- Facilitate the management and distribution of property and minimize probate expenses
- Retain control of your assets during your lifetime through a living trust
- Sample language: I give, devise and bequeath to National Right to Work Legal Defense and Education Foundation, Inc., 8001 Braddock Road, Springfield, Virginia 22160, for its general purposes:
  a) The sum of $______________; or,
  b) __________ percent of the rest, residue and remainder of my estate, including property over which I have a power of appointment; or,
  c) all the rest, residue and remainder of my estate, including property over which I have a power of appointment.

Charitable Gift Annuities

- Fixed interest rates up to 11.3%
- Receive an immediate income tax deduction
- Receive a fixed-income stream for life
- *Not available in all states*

The Reed Larson Endowment Fund

- Receive an immediate income tax deduction for gifts to the endowment fund
- Honor Reed Larson by making a lasting gift to the Foundation's work

Pooled Income Funds

- Avoid all capital gains taxes on appreciated securities
- Receive a lifetime income stream
- Receive an immediate income tax deduction

Gifts of Appreciated Real Estate

- Receive an income tax deduction for the fair market value of your gift
- Avoid all capital gains taxes
- Reduce the amount of your taxable estate when donated through your will or living trust
- If desired, retain use of the property for life

Charitable Remainder Trusts

- Generate an immediate income stream for you or a loved one
- Receive an immediate income tax deduction
- Reduce estate taxes and probate costs
- Support Right to Work with the remainder of your gift

Charitable Lead Trusts

- Generate an annual gift to Right to Work
- Receive an immediate income tax deduction
- Reduce estate taxes and probate costs
- Designate yourself or a loved one as the beneficiary of the remaining assets

Gifts of Retirement Plans

- Minimize the taxes due on funds you are forced to withdraw from your plan
- Eliminate the huge taxes levied by the government on plans bequeathed to family members

Gifts of Life Insurance

- Designate the Foundation as a beneficiary of a new, existing, or paid-up policy and receive tax deductions
- Donate policy dividends and deduct the amount each year on your income tax return

If you would like additional information on any of the planned giving vehicles discussed in the newsletter, please contact the Foundation's Planned Giving Officer, Elisa Sumanski, toll-free at (800) 336-3600; 8001 Braddock Road, Springfield, VA 22160. You may also e-mail her at plannedgiving@nrtw.org.