

Eliminate Wage Ceilings for Unionized Workers

Workers need incentives to perform to their utmost capability. Working hard and performing your job well is usually rewarded with greater compensation. Unfortunately, this is not the case at many unionized workplaces, where collective bargaining agreements impose a wage ceiling, in addition to a wage floor. The vast majority of these agreements grant pay increases based on seniority rather than merit.

The National Labor Relations Board and the courts have held that employers with collective bargaining agreements can only deal with a union and not with an individual employee. This means in most cases an employer cannot reward a union employee for being more productive without violating the National Labor Relations Act (NLRA).

The Rewarding Achievement and Incentivizing Successful Employees (RAISE) Act, sponsored in the 111th Congress by Rep. Tom McClintock (R-Calif.) and Sen. David Vitter (R-La.), would amend the NLRA to allow employers to pay especially productive workers more than the base amount set in the union's collective bargaining agreement. If the RAISE Act becomes law, union workers' earnings could rise by between \$2,600 and \$4,300 per year, according to an estimate by Heritage Foundation labor expert James Sherk. This is a common sense idea that is long overdue.

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