

Hi Tom,

I am writing regarding the ongoing discussions on the possibility of future reductions to the Local 449 pension benefit fund. Let me first say that, among other things, I am a past president of a Massachusetts Teachers Association (MTA) Local, an MTA Executive Board Member, and a Trustee of the Higher Education Health and Welfare Fund.

I also worked as a union rep for NAGE/IBPO in Connecticut prior to going to work as an NLRB Board Member from which I retired. I have an Associates Degree in Business Management, a Bachelors Degree in Human Resource Administration, and a Masters Degree in Labor Studies from Umass/Amherst.

Given my past education and work and life experiences, although disappointed in the state of the fund and the fact that any such action may be necessary, I find your proposed resolution to be a sound and fiscally responsible one. If an action must be taken now to mitigate future actions of a more devastating nature, I support this concept for the most part.

Nevertheless, I do have one major issue with any such proposal. In the interest of full disclosure, my husband was the member of Local 449m, not I, so I write as the spouse but my husband is fully aware of and supports this correspondence and the thoughts conveyed herein. I believe the issue that has not yet been addressed is that of members like us who, primarily due to assurances of a continued full pension should the pensioner predecease the spouse, chose to allow their earned pensions to be reduced temporarily on that basis only. Given that, it is my belief that serious consideration, and a modification of some sort, must be made in any plan put into place to somehow compensate such members for this reduction that has already occurred since these were not withheld from future benefits such as those being addressed in this proposal, but from past benefits that were technically earned and provided - and only "withheld" with a belief by the parties involved that these funds were being set aside for the future - their future. They were clearly led to believe these funds were only withheld only to be later returned to their spouse after the member passes. If your plan goes into effect, and I have no doubt some type of plan must - our opinion, is yours is the fairest and most carefully thought out so far - I honestly believe it is still an injustice if no provision is made to somehow compensate those of us who have already had more taken from our pensions than newer retirees and those that either aren't married or chose to receive a full pension monthly rather as opposed to having money withheld for spousal benefits after their passing. The imbalance is greater for those who have been retired longer periods yet will not have their benefits "grandfathered" in based on age or disability but rather reduced. For us it has been approximately 15 years of having additional monies withheld for the sole purpose of continuation of full spousal benefits - yet, based on the current proposal, the reduction will be identical to others just mentioned. Here the

injustice is compounded by the fact that these reduced benefits were taken based on a now empty promise. Our group will be unique in that even later retirees who may choose this option will not be doing so based on a promise of the 2016 and earlier levels of benefits being continued - they would be based on the future reduced benefit proposed - nor would they deductions be withheld based on the 2016 dollar amounts that have been paid to this point. This means the amount withheld, even if withheld at the same ratio, will not have as steep an impact dollar-wise as the future dollar value of these benefits will be lower. To seek an adjustment in the proposal to address this imbalance is perfectly fair since the money we are not indicating the proposal should provide a higher payment for any other reason than that these past deductions were, in fact, - "paid out" funds - making it perfectly sound reasoning that they should not be subject to an equal dollar level of cuts as the remainder of the pension fund.

Add to that the fact that, should your plan go into effect when planned with all current recommendations taking place as currently planned my husband would be 74.5 years old - just shy of making any "cutoff" agewise which would provide for a lesser reduction. Of course, I understand lines must be drawn and there is no way to provide for everyone to be included or the purpose of such a delineation is moot. The fact that we fail to make the side of lesser impact in this matter is just a little ill-fated on our part and that can be much more palatable for people to deal with. Be that as it may, the spousal benefit is a very different type matter as it is a very real injustice being perpetrated. Should this proposal take place as it stands, even if older retirees receive a pension if our spouse pre-deceases us, which is obviously the original purpose of the withholding, that will never compensate for the unjust reduction of these member's benefits because this type of proposal will mean the equivalent reduced pension will be paid to those who had "delayed the receipt of these payments" and "had them put aside for their spouses" as others who have contributed a lower proportion of their pensions.

Several judicious methods that come to mind as effective methods of adjusting benefits to address the imbalance that currently would exist are as follows:

1. The clearest may be to calculate the difference in what was withheld from the member's pension over the retirement period up to the time of the "reduction," and annuitize a payment with additional annual payments until the full overpayment that had been withheld is reimbursed to any impacted members;
2. Another way would be to calculate the difference and give a balloon payout to the spouse after the death of a participating pre 2016 retiree dies - as a one-time compensatory "death benefit" after that the spouse would continue to receive the same reduced benefit as others would receive based on the provisions of your plan;

3. Calculate the full difference withheld, take a set percentage of that total and add that dollar amount to the proposed lower monthly payment so the affected members essentially would make a slightly higher monthly amount until the whole dollar amount of the difference is reached. At that time the member's monthly pension would revert to that determined in the final proposal.

I'm sure even more ideas would be generated to compensate for this difference if the level of consideration is given in the matter that i believe it deserves. It would seem that given a little time to evaluate this issue most people would see there is a clear injustice in not somehow modifying benefit payments to these members to compensate for this.

I would be happy to discuss this with you in more detail if I have not expressed myself clearly or if you have any questions in this regard. Please feel free to contact my husband, George, or I anytime.

We are sorry that we have not been able to attend any past information sessions but we live out of state and in another part of the country. We also want to thank you so much for all the time and effort you have put into attempting to correct this predicament the fund finds itself in and for trying to fix what has become a horribly broken system. When my husband retired, as is always the case, there was of course no way to foresee the future or know that union membership would decline to the current levels which of course would leave the fund with such shortfalls from lack of support, or that the economy would remain as unaccommodating for investing and ROI which might have been its only saving grace. Your efforts are admirable and as I say, we support your suggestion as an overall "fair" suggestion - if in fact, the alternative of doing nothing means the total bankruptcy of the fund's resources. That assessment is not one that can be proven at this time to anyone but those that can peruse and review the numbers but we do have faith and trust in you and your "team" of advisors that this will be handled in the wisest and fairest manner possible.

Thank you for your ear and I hope you will consider my point of view.

Have a great day!

Best,

Sheila Griffith and George Griffith