

July 6, 2017

Fund's Response to Misinformation Being Circulated

There is a lot of misinformation circulating about the Fund and the MPRA application. Unfortunately, these misrepresentations not only undermine participants' confidence in the Fund and the MPRA application process, they unnecessarily confuse and frighten participants. The Trustees cannot respond to every false statement, but there are times when the Trustees believe it is important to correct misinformation and ensure participants have the facts. It also is important for those who spread misinformation to remember that knowingly publicizing false statements not only hurts your fellow Teamsters, but also can have significant legal consequences.

Let's make sure everyone knows the facts:

- The Fund's investments have not been mismanaged and it is not true that 90% of multiemployer pension plans are in better shape than our Fund. Also, the Fund absolutely does not have 46% of its investments in alternative investments, and the Trustees do not provide any private loans let alone the alleged \$60 million private loan that supposedly has not been repaid. The Fund also did not pay \$500 million in excessive investment fees or lose \$400 million in avoidable underperformance. This false information comes from the so-called forensic audit, which we have already explained was a complete sham and by its own admission, did not review sufficient information necessary to draw any final conclusions about the Fund (but irresponsibly published false conclusions anyway). To the contrary, the Fund's investments have been audited and approved by the U.S. Department of Labor, and our investment returns have been strong and based upon the investment allocation the U.S. Department of the Treasury required the Fund resubmit its MPRA application to reflect the higher results.
- The Trustees did not stay at the Disney Yacht Club or anywhere else in Florida this past Spring. In fact, the Trustees planned to hold their Spring meeting in Syracuse on March 14-15, 2017, but had to cancel the meeting due to the nor'easter snow storm that crippled the north east. The Trustees and Fund professionals were unable to fly or drive into Syracuse.
- There is a lot of talk about whether the proposed benefit reductions are equitable. Although no cuts are fair, the Trustees took great care to consider the relative sacrifices of all populations. Until MPRA in 2016, the only tools legally available to the Trustees to address the funding issues was to reduce and/or eliminate benefits several times for those participants who were not retired. As a result, many current retirees have had no reductions in their pensions and have received retirement benefits that are greater than what was ever contributed on their behalf. And, this doesn't apply to only so-called orphans. A 34 year UPS employee who retired in the year 1999, for example, had \$134,948 in contributions paid on his/her behalf during his/her career and has received over \$1.09 million in benefits so far from the Fund. And, while UPS employees have taken money out of wage increases to fund their pensions, the reality is that the money paid is to retain the 55-and-30 year pension, which remains under the MPRA application.

- Our Fund did not have the highest administrative costs in the entire United States and Fund's payroll compensation has not gone up 122% for the senior staff or anyone at the Fund between 2009 and 2015. Although it is unclear where such false information comes from, we note that the public reporting requirements for pension plans like ours changed in 2010. On the Fund's 2009 public reporting, only wages were required to be reported for each of the Fund's staff. After 2010, and including our 2015 public report, the Fund was required to include wages, all benefits (health care, pension benefits) and all travel expenses. This explains the higher reported amounts in 2015 as compared to 2009. In reality, from 2009 to 2015, wages for Fund staff have decreased \$16,412. Also, the Trustees do not get paid from the Fund, they get reimbursed for documented and allowable travel expenses only.
- The Fund has not refused to take Tops' contributions on behalf of the Erie Logistic group. The reality is that Tops has refused the Trustees' offer to participate in the Fund. Despite what Tops' management says, they and C&S Wholesale Grocers – have done everything in their power to avoid participating in the Fund and to undermine the financial security of your pensions.