

ADDRESSING MYTHS, SHARING FACTS

2016 Negotiations – February 25, 2016

	MYTH	FACT
Retirement Benefit Security	<ul style="list-style-type: none"> • Because the B&C Pension Fund is a Defined Benefit plan, participants are guaranteed that their promised benefits will be payable for life • The B&C Pension Fund will provide secure, predictable retirement benefits 	<ul style="list-style-type: none"> • The B&C Pension Fund is a Defined Benefit plan but participants' earned benefits are not guaranteed for life. <ul style="list-style-type: none"> – The B&C Pension Fund has already imposed reductions in some benefit features. – Because the Fund is in “Critical and Declining” status, benefits for all participants, including retirees, may be reduced. – The B&C Pension Fund is projected to become insolvent within 17 years. If the Fund were to become insolvent, participants would likely see a significant reduction in benefits.
Performance of Defined Benefit Plans vs. Defined Contribution Plans	<ul style="list-style-type: none"> • Defined Benefit plans “outperform” Defined Contribution plans 	<ul style="list-style-type: none"> • How well a plan “performs” over the long term into the future depends on how financially sound it is.. <ul style="list-style-type: none"> – The B&C Pension Fund is not sound – it is expected to become insolvent in 17 years. – Under the Enhanced TIP Plan, a Defined Contribution Plan, the Company's contributions will be made directly into the accounts of employees.
“Bang for the Buck”	<ul style="list-style-type: none"> • Defined Benefit plans provide better benefits than Defined Contribution Plans, at the same cost 	<ul style="list-style-type: none"> • Much of the money that the Company contributes to the B&C Pension Fund is being applied to current debt that the Fund has accumulated. • Because the B&C Pension Fund is so poorly funded, only a small portion of the Company's contributions are being used to build benefits for active employees. As a result, active employees do not get a large portion of the value of the contributions made by the Company. • Under the proposed enhancements to your TIP Plan, every dollar that the Company contributes will be put in the plan accounts for current employees.
Healthcare	<ul style="list-style-type: none"> • The Company healthcare proposal is “gutting” workers' health care coverage 	<ul style="list-style-type: none"> • The Company has proposed a healthcare plan that will control costs and in which employees will share some responsibility for the cost of the health care coverage they receive. • That said, the proposed plan still delivers over 95% of the value of the current plan.