

# ADDRESSING MYTHS, SHARING FACTS

2016 Negotiations – February 23, 2016 – **UPDATED MAY 13, 2016**



	MYTH	FACT
<b>Impact of Market Fluctuations</b>	<ul style="list-style-type: none"> <li>Market fluctuations have caused the B&amp;C Pension Fund to underperform since 2008</li> <li>Changes in the market could decimate the Company's proposed savings plan</li> </ul>	<ul style="list-style-type: none"> <li>No investment is entirely guaranteed – even your B&amp;C Pension Fund, which has already reduced benefits</li> <li>Defined Contribution (DC) plans have performed well historically, according to numerous sources:                             <ul style="list-style-type: none"> <li>The US Department of Labor reports DC plan participants experienced average annual returns of 7.2% over the 20-year period*</li> <li>Vanguard, one of the largest investment management companies, reports participants in its DC plans experienced average annual returns of 9.9% over the five-year period ended 2010-2014**</li> </ul> </li> </ul>
<b>Company's Proposed Retirement Plan</b>	<ul style="list-style-type: none"> <li>The retirement benefit you can receive under the Company's proposed savings plan (along with your B&amp;C Pension benefit accrued to date) will be less than the benefit you will receive under the B&amp;C Pension Fund if the Company remains a participating employer in the B&amp;C Pension Fund.</li> </ul>	<ul style="list-style-type: none"> <li>The Company's proposed plan is estimated to provide at least an equivalent retirement income to what you would be entitled to receive under the B&amp;C Pension Fund</li> <li>Keep in mind that your benefits under the B&amp;C Pension Fund are potentially subject to reductions due to its critical and declining status.</li> </ul>
<b>Future of B&amp;C Pension Fund</b>	<ul style="list-style-type: none"> <li>Defined benefit plans can recover, and the B&amp;C Pension Plan is currently doing so</li> </ul>	<ul style="list-style-type: none"> <li>The B&amp;C Pension Fund's own actuary predicts the Fund will become insolvent in 14 years (by the year 2030)</li> <li>In 2012, the B&amp;C Pension Fund proposed a special arrangement to help the Fund avoid insolvency. To date, this arrangement has not been approved by the government agency responsible-- the Pension Benefit Guaranty Corp. (PBGC).</li> <li>Even if the PBGC approves the B&amp;C Pension Fund's proposed arrangement, there is no guarantee that it will keep the B&amp;C Pension Fund from becoming insolvent.</li> </ul>
<b>Company's Objective</b>	<ul style="list-style-type: none"> <li>The company wants to dismantle employees' futures... starting with pension</li> </ul>	<ul style="list-style-type: none"> <li>The Company wants you to have a healthy retirement program</li> <li>The proposed plan is estimated to provide at least an equivalent retirement income to what you would be entitled to receive under the B&amp;C Pension Fund and to provide you with more flexibility and control</li> </ul>

\* "Private Pension Plan Bulletin Historical Tables and Graphs 1975-2013," US DOL, September 2015

\*\*"How America Saves 2015," Vanguard, June 2015