

# Members UNITED!

LOCAL  
804



Informed and United Members Building a Strong Local 804  
Not an official website of Teamsters Local 804

## Pension Guarantee? Let's Get It In Writing!

President Howie Redmond and the Local 804 Executive Board sent a letter to all Local 804 members in September promising that no matter what happens on Wall Street our pensions are secure.

They say that under a Letter of Understanding negotiated with UPS, the company is responsible for making extra contributions to our pension fund as needed to maintain our benefits at the current level for the life of the contract.

Since our Executive Board made this guarantee, the stock market has continued to nosedive. Our Pension Fund could lose \$150 million in assets this year.

Our pension would then be more than \$500 million short of being fully funded. Half a billion dollars. That's quite a shortfall. With so much at stake, it's time to get this Pension Guarantee in writing from our Pension Fund.

This shouldn't be any problem if the guarantee is as secure as our Executive Board says it is.

Howie Redmond, Tony Magrene and Bill Buhlert are all

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**Our Pension Fund could lose \$150 million in assets by the end of the year. Will UPS and our Pension Fund back up the Executive Board's claim that our pensions are secure "no matter what happens on Wall St"?**

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Pension Fund Trustees and they can make a motion to have the Fund issue the statement. The other Trustees at the Fund are named by UPS—with one trustee from IAM Local 447.

### Guarantee or Crap Shoot?

If UPS's trustees block the Pension Fund from issuing a letter that verifies our Executive Board's guarantee then we know we have a problem.

It would reveal that UPS is not necessarily going to put extra money in our pension fund and that we may be in for a fight. If this issue goes to arbitration, that is no guarantee; it's a crap shoot.

This is especially true when millions of dollars are pending on a couple of vague sentences in a

vaguely worded Letter of Understanding.

If the Letter of Understanding really provides for a historic Pension Guarantee, it's strange that both the Executive Board and the company failed to mention it when the contract was being voted on—especially given how hard both sides were pushing members to vote for this unpopular contract.

Not a single other Teamster pension plan has an agreement with UPS that they will guarantee pension benefits at a certain level by hiking company contributions to the pension fund if needed.

Some Teamster Health Funds have this kind of "Maintenance of Benefits" agreement with UPS (Local 804 does not). But no Pension Fund does.

With the stock market meltdown, every single one of us is concerned about what's going to happen with our pensions. We've heard empty promises about our pension before. This time, let's get it in writing from the Pension Fund.

Sign Up For Email Updates at [www.804MembersUnited.org](http://www.804MembersUnited.org)

# Pension Fund Assets Drop

*Assets Down \$58.8 Million in First Six Months of 2008. Fund Could Lose \$150 Million By Dec 31.*

The Local 804 Pension Fund lost \$58.8 million in assets in the first six months of 2008, according to fund documents obtained by *804 Members United*. Our Pension Fund had \$736.9 million in assets at the beginning of the year. Now we're down to \$678.1 million.

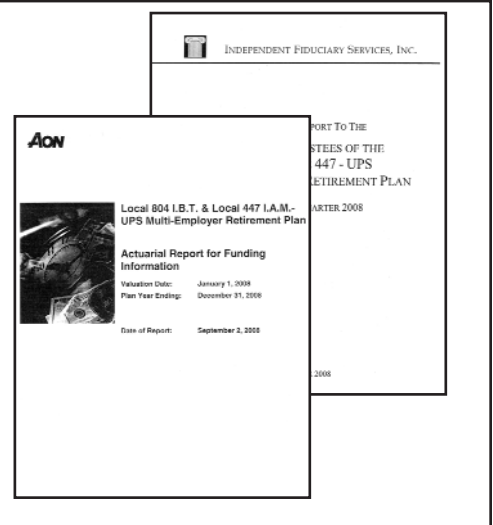
We won't know the full damage the stock market meltdown has had on our funds until we get the Investment reports for the Third and Fourth Quarter. We do know our Fund is seriously exposed to the stock market meltdown. More than 64 percent of the Pension Fund's assets were invested in stocks as of June 30.

All facts and figures come from financial documents provided by the Local 804 Pension Fund.

*Local 804 Members United* obtained these documents by exercising our rights to information under the Pension Protection Act.

The Pension Fund stonewalled for eight months but finally turned over critical actuarial reports and other documents in October.

Local 804 Members United will continue to make pension information available to the membership.



The Central States Pension Fund has a similar investment strategy with 66 percent of its assets in stocks, compared to 64 percent for the Local 804 Fund.

Central States reported major losses in the Third Quarter. Experts say our Pension Fund could lose \$100 million or more in assets in the last six months of this year.

## Local 804 Discussed Pension Cuts With UPS as Early as 2005

Documents obtained by *Local 804 Members United*, reveal that Local 804 officials were talking with the company about pension cuts as early as January 2005—nearly two years before the membership was blindsided by pension cuts.

According to the documents, our Pension Fund Trustees had actuaries running projections that included cutting benefits to as low as \$2,500 per month for 25 years of service. Other projections looked at cutting our pensions to \$3,300 and \$3,200 for 25 years of service.

The membership was never informed of these discussions. In fact, we were told that our pensions were secure and we had nothing to worry about.

Later in 2005, our union trustees on the Health Fund voted to divert millions of dollars in contributions from our Health Fund to our Pension Fund. Again, the membership was never informed.

Pension Fund Trustees have a legal obligation to consider all scenarios and act in the best interest of the pension fund. We don't fault them for having actuaries run these projections. But we do fault them for keeping the membership in the dark.

*Local 804 Members United* obtained these actuarial reports by exercising our rights to information under the Pension Protection Act.

The Fund held back these and other critical reports for eight months, but finally relented after we hired a pension attorney to pursue the issue.

The documents show what our Executive Board knew and when they knew it. No wonder the Fund tried to keep these documents out of our hands.

