

CWA/ITU NEGOTIATED PENSION PLAN

The material presented here, as well as a complete brochure on the CWA/ITU Negotiated Pension Plan, are assembled in kits and will be sent, on request, to Locals who wish to negotiate the Pension Plan with employers, or who may wish to cover their own full-time officers and employees of the Local under the Plan.

EFFECTIVE DATE OF PLAN

This Plan was officially established in 1967 by the International Typographical Union. As a result of the merger between CWA and the ITU (now called the Printing, Publishing and Media Workers Sector of CWA), the former CWA Labor Management Pension Plan merged with the ITU Plan on August 9, 1988.

TYPE OF PLAN

This is a "Multi-Employer" pension plan and has the participation of almost 800 employers across the United States. Any employer whose employees are represented by the Communications Workers of America may participate on behalf of its employees. CWA Locals may also participate on behalf of their employees. The fact that so many employers may participate provides greater financial stability than would otherwise be possible. It also provides greater security for the employees than do most single-employer plans. An employee may change employment from one participating employer to another participating employer without losing any pension credit he/she has accumulated.

CONTRIBUTIONS

An employee is required to make no contributions whatsoever to the Pension Fund. It is financed entirely by contributions which employers make on behalf of their employees as a result of collective bargaining with the Communications Workers of America.

ADMINISTRATION

The Plan is administered by a joint Board of Trustees comprised of an equal number of union representatives and employer representatives. The union representatives are chosen by the Printing, Publishing and Media Workers Sector of the Communications Workers of America, AFL-CIO, CLC. The employer representatives are chosen by the sitting employer trustees.

TYPES OF PENSION

- Normal Pension Benefit - for participants who retire at age 65 or older with at least five years of Service Credit.
- Early Pension Benefit - for participants who retire between the ages of 60 and 65, and who have accrued a minimum of 25 years of Service Credit. This benefit is reduced permanently by 5/9's of one percent for each month the prospective retiree is less than 65. (This same reduction factor is used by Social Security.)
- Vested Pension Benefit - for participants who have left covered employment prior to retirement. Vested benefits are payable at age 65 for those with at least five years of service, provided they have some service after January 1, 1989; if their service ended before that date, ten years of service are required. A reduced Early Pension Benefit is payable after age 60, for participants who have accrued at least 25 years of Service Credit.

- Disability Award Benefit - for a participant who has become totally and permanently disabled and who has accrued at least ten years of Service Credit, and is *in receipt* of a Social Security Disability Award. This benefit is payable at any age and is not reduced because of age.

AMOUNTS OF PENSION

The monthly pension benefit amount depends upon the rate of contributions made on a participant's behalf during his/her working lifetime. For all service after January 1, 1992, the Plan pays a lifetime, monthly benefit equal to three percent (3%) of all contributions credited under the Plan on behalf of the participant. The following schedule illustrates the maximum Normal Pension amount related to various contribution rates for an employee who retires at age 65 after 25 years of Future Service Credit.

Per Hour Contribution	Monthly Normal Pension
Rate	@ 3%
\$.25	\$ 390.00
\$.50	\$ 780.00
\$.75	\$ 1,170.00
\$ 1.00	\$ 1,560.00

WHY JOIN?

There are several good reasons why employers and employees alike benefit from participation in the CWA/ITU Negotiated Pension Plan:

■ Diverse Appeal

The Plan meets a variety of needs for pension coverage:

- It is available to those groups that are presently without pension coverage.
- It is easily accessible to those who already have pension coverage but want supplementary coverage to improve overall pension benefits.
- It is an attractive alternative for those who would like to merge their existing plans into a strong, proven, national Plan.

At this writing, the NPP has merged 43 local or regional plans, has some \$700 million in assets and almost 800 participating employers.

■ Equal Voice for Employees

Through their democratically determined CWA representatives on the joint Board of Trustees, workers covered by the Plan have an equal voice with management in determining Plan benefits and rules for eligibility; in directing the investment of Plan assets and in using the savings or gains from favorable actuarial experience to improve benefits. All of these steps can be taken without having to wait for the next round of negotiations.

■ **Strengthens the Collective Bargaining Process**

The institution of collective bargaining is strengthened by the joint labor-management efforts involved in establishing and maintaining the pension plan. An equal number of union and employer trustees work together to direct this worthwhile pension program.

■ **Higher Benefit Levels**

Due to economies of scale the CWA/ITU Negotiated Pension Plan enjoys, it can often provide a higher benefit for the same employer contribution made under other pension programs. In a national, multi-employer pension system, administrative costs are lower because they are spread over a larger number of participants, and duplication of legal, accounting and other professional costs is avoided. Also, national plans can obtain greater investment efficiencies because of the ultimate size of available investment resources.

■ **One Hundred Percent Portability**

Under a national, multi-employer plan, all pension credits and rights are maintained if a participant moves from one contributing employer to another. In other words, if a participant leaves one employer covered by the Plan and goes to work for another contributing employer, his pension credits are portable and travel with him. Not a single credit is lost.

■ **Greater Security**

The ultimate benefit security for employees and employers alike rests in the continuation over time of a sound program. This security is greater under a national, multi-employer pension plan because the future of the Plan is not dependent upon the economic fortunes or survival of any one contributing employer, region or geographic area.

■ **Simplified Administration**

The burden of maintaining and operating the Plan is all centralized and handled, with professional assistance, by the Board of Trustees and the Plan Office. This includes all record-keeping, application processing, communication, education and promotion, compliance with government regulations and ERISA, obtaining IRS approval and tax qualification on an ongoing basis, periodic filings and disclosures with the government and Plan participants, reviewing audit and actuarial reports, making investment decisions -- the full gamut of responsibilities. The Plan is self-administered by a staff that knows our Union well, deals regularly with the Officers and Local Unions, and understands our members' problems and concerns. Contributing employers have only to make monthly contributions to the Plan using pre-printed forms, in the amounts specified in the applicable collective bargaining agreement.

■ **Ease of Negotiation**

Instead of both labor and management getting lost in the "technical forest" associated with negotiating the types and amounts of pension benefits, eligibility rules, how to comply with pension laws and the like, there are only a few basic steps for the bargaining parties to follow in order to participate in the CWA/ITU Negotiated Pension Plan:

- Agreement on enabling language in the contract and the employer's contribution rate.
- Monthly remittance of agreed-upon contributions, using Plan-supplied, pre-printed forms.

- The supplying of information on newly covered employees when requested by the Plan Office.

■ Proven Success

In spite of complex, continually changing federal legislation, the CWA/ITU Negotiated Pension Plan continues to offer -- through collective bargaining -- an attractive retirement program on a sound and economical basis. The program has continually grown since its inception. As 1993 began, the Plan had paid out more than a half billion dollars in benefits while amassing assets of almost 700 million dollars.

FOR FURTHER INFORMATION, CONTACT:

William J. Boarman, Vice President
Communications Workers of America, AFL-CIO
501 Third Street, N.W.
Washington, D.C. 20001
(202/434-1235)

or

Judith R. Brown, Administrator
CWA/ITU Negotiated Pension Plan
Post Office Box 2380
Colorado Springs, CO 80901
(719/473-3862)

**CWA/ITUCWA/ITU NEGOTIATED PENSION PLAN - FORM
SUGGESTED LANGUAGE CWA/ITU NEGOTIATED PENSION
PLAN (U.S.) NEGOTIATED PENSION PLAN - FORM SUGGESTED
LANGUAGE CWA/ITU NEGOTIATED PENSION PLAN (U.S.)**

Section _____:

- (a) Effective _____ the Employer agrees to contribute to the CWA/ITU Negotiated Pension Plan (hereinafter sometimes referred to as the Plan) \$ _____ per shift [or per hour, or _____ percent of wages earned] for each employee covered by this agreement, for the purpose of providing pensions on retirement, death benefits, and other related benefits for covered employees of the Employer and other contributing Employers. Contributions shall be made for any shift for which an employee receives compensation (e.g.: sick leave, vacations, holidays, disability insurance, bereavement leave, jury duty). The Plan is jointly administered by Trustees appointed in equal numbers by the Union and Employers under an Agreement and Declaration of trust, and has been found by Internal Revenue Service to be entitled to exemption under the Internal Revenue Code.
- (b) Contributions shall be made by check, money order or similarly recognized medium of exchange and shall be made payable and forwarded to the CWA/ITU Negotiated Pension Plan, P. O. Box 2380, Colorado Springs, Colorado 80901, no later than the 20th of the following month, together with reports on forms to be furnished by the Plan.
- (c) Title to all monies paid into the plan shall be vested, and shall be held exclusively by the Trustees in trust for use in providing the Benefits under the Plan and paying its expenses.
- (d) The Employer recognizes that in addition to the Union's right to enforce this Section, the Union shall have the right in its discretion to take any legal action necessary to collect any contributions or monies due and owing to the Plan and to secure delinquent reports. The Employer further agrees that the Union shall have the right to collect reasonable attorneys' fees and expenses incurred in connection therewith. The Employer shall supply to the chapel chairman a copy of the union representative's copy of Negotiated Pension Plan remittance forms on a monthly basis.
- (e) Unless otherwise explicitly agreed in writing, benefits provided by contributions to the CWA/ITU Negotiated Pension Plan pursuant to this Section shall be in addition to all other benefits heretofore provided by the Employer and/or by any Plan or Trust to which the Employer has made contributions.

**CWA/ITU NEGOTIATED PENSION PLAN - FORM SUGGESTED
LANGUAGE CWA/ITU PENSION PLAN (CANADA)**

Section _____:

- (a) Effective _____ the Employer agrees to contribute to the CWA/ITU Pension Plan (Canada) (hereinafter sometimes referred to as the Plan) \$_____ per shift [or per hour, or _____ percent of wages earned] for each employee covered by this agreement for the purpose of providing pensions on retirement, death benefits, and other related benefits for covered employees of the Employer and other contributing Employers. Contributions shall be made for any shift for which an employee receives compensation (e.g.: sick leave, vacations, holidays, disability insurance, bereavement leave, jury duty). The Plan is administered jointly by Union and Employer Trustees.
- (b) Contributions shall be made by check, money order or similarly recognized medium of exchange and shall be made payable to the CWA/ITU Pension Plan (Canada) and shall be forwarded to 101 - 4190 Lougheed Hwy., Burnaby, BC V5C 6A8 (or to such other corporate trustee as may be designated by the Trustees of the Plan) no later than the 20th of the following calendar month for which contributions are due.
- Remittance Forms to be furnished by the CWA/ITU Pension Plan (Canada) shall be sent by the Employer to 101 - 4190 Lougheed Hwy., Burnaby, BC V5C 6A8, no later than the 20th of the following calendar month for which contributions are due.
- (c) Title to all monies paid into the plan shall be vested, and shall be held exclusively by the Trustees in trust for use in providing the Benefits under the Plan and paying its expenses.
- (d) The Employer recognizes that in addition to the Union's right to enforce this Section, the Union shall have the right in its discretion to take any legal action necessary to collect any contributions or monies due and owing to the Plan and to secure delinquent reports. The Employer further agrees that the Union shall have the right to collect reasonable attorneys' fees and expenses incurred in connection therewith. The Employer shall supply to the chapel chairman a copy of the union representative's copy of Negotiated Pension Plan remittance forms on a monthly basis.
- (e) Unless otherwise explicitly agreed in writing, benefits provided by contributions to the CWA/ITU Pension Plan pursuant to this Section shall be in addition to all other benefits heretofore provided by the Employer and/or by any Plan or Trust to which the Employer has made contributions.