



New York State Teamsters Benefit Funds Newsletter

Fall 2017

News and information from your Trustees and Staff

Latest Pension Information

Over a year ago, the Fund applied to the U.S. Treasury Department ("Treasury") for benefit reductions under the Multiemployer Pension Reform Act of 2014 ("MPRA"). The application was approved by the Treasury on September 13, 2017, and the benefit reductions were implemented on October 1, 2017.

The Trustees' decision to apply for benefit reductions was a difficult one. They knew the hardship these reductions would cause for so many participants. Although they tried to keep the reductions as small as possible, the Trustees understood participants worked hard for their pensions and many had planned their futures around them.

The Trustees also knew the benefit reductions would be very unpopular, and that many would oppose them. This clearly turned out to be the case. Many argued against the reductions. A number thought the Fund should wait for legislative or other potential relief.

The Trustees also knew that filing an application with Treasury was not a sure bet. A number of other pension funds like ours had applied and had been rejected. Many funds' applications were rejected because the fund had become too financially distressed to fix – even with larger cuts than ours. When the Trustees filed their application, they knew there was a possibility that the Treasury might reject ours too.

Despite these concerns, the Trustees knew if they didn't apply for benefit reductions immediately, the problem would worsen. They knew that as painful as the reductions would be, the alternative ultimately would have been much deeper cuts or potentially no pensions at all.

As time passes, the Trustees' difficult decision to apply for benefit reductions clearly was the right one. Rather than wait and hope for a potential fix from Congress that has yet to happen, we took the necessary steps now to ensure the long-term viability of the Fund.

National Pension Crisis Continues to Worsen

The national pension crisis continues to go from bad to worse. Despite some stronger investment markets this last year, there are hundreds of pension funds that are beyond repair and are simply in a death spiral to insolvency. For these pension funds, they have or will run out of money within 10 or so years. Some are already insolvent.

Absent some dramatic legislative rescue, the participants of these very troubled funds will have their pension slashed to the PBGC guarantee level (approximately \$1,072.50 for a 30 year pensioner). And, that's only if the PBGC doesn't run out of money, which it is predicted to do within nine years. If that happens, the pensioners in these troubled pension funds could end up with no pension at all.

Many of these pension funds are just like ours in the Teamster-represented trucking industry. You have heard of the Local 707 Pension Fund, with Teamster participants in the New York City metropolitan area and Long Island. Last February, that Fund ran out of money and is receiving PBGC financial assistance. All the Local 707 retirees are now receiving only the PBGC guarantee amount. We also have



mentioned before the Teamsters Central States Fund, one of the largest pension funds in the county. Central States has estimated that, without legislative assistance, they will run out of money within ten years. Central States tried to take advantage of MPRA reductions. Unfortunately, the Fund was deemed too financially distressed to even qualify for the cuts. Now, Central States is headed for insolvency.

Possible Legislative Relief On the Horizon?

As other troubled pension funds continue to run out of options to avoid insolvency, the only thing those funds can tell participants is that they "hope" legislation will be enacted to address the problem. These other funds face failure without major legislative relief.

Although certain concepts are being discussed on Capitol Hill, it remains uncertain if any of them will lead to timely legislation that can fix the problem. In fact, at this time there is no agreement on several competing legislative proposals and these competing proposals are being considered by a Congress marked by gridlock and dysfunction.

Our Trustees continue to actively participate in the legislative process and will consider any legislation that provides a better solution; that is, one that might lessen the benefit reductions while ensuring the long term solvency of the Fund. There currently is a letter being considered by the New York State Congressional Delegation that urges legislative action to address the problem. All participants should contact their Member of Congress and urge them to sign this letter.

While our Trustees will make sure the Fund takes advantage of any better legislative solution, they were not willing to gamble participants' retirement security on the "hope" that Congress may devise a fix.

The Future of Our Fund

The Trustees were determined not to allow our Fund to deteriorate to a point where it could not be saved. Now, with the MPRA reductions in place, our Fund projects long-term solvency. Additionally, the Fund now is able to reduce the amount of assets that must be transferred from investments to pay benefits. This means the Fund has more investable assets to earn more investment income.

And, the Fund's investments continue to do well. For 2017, through September 2017 the Fund has a net of fees return of 13.4%. This will help stabilize the Fund for the long term.

Continued on page 2

Trustees Take Action To Stabilize Pension Fund

Continued from page 1

The NYS Teamsters Fund did the right thing. Benefit reductions aren't easy, but the alternative would have been worse. While other funds are hoping for a miracle to avoid their participants having no pensions, your Fund has taken steps to maintain long-term solvency.

Relaxation of Post-Retirement Employment Rules

Recognizing the hardship that the benefit reductions impose on the participants, the Trustees have again modified the post-retirement employment rules to make it easier to return to work without the penalty of a pension suspension. The change was effective on September 13, 2017, and is a further relaxation to the rules announced September 1, 2016. A detailed description of the new rules was mailed to each Participant on September 13, 2017 with the notice that the MPRA application was approved and is available on our website at www.nytfund.org.



STATUS OF THE FUND

Year	Funded Percentage	Status
2012	52.25%	Critical
2013	45.60%	Critical
2014	46.50%	Critical
2015	45.60%	Critical
2016	45.80%	Critical/Declining
2017	45.20%	Critical/Declining

The MPRA law required proposed reductions that resulted in the projected solvency of the Fund, but also imposed the least amount of reductions to its participants to accomplish that goal. Therefore, participants should be comforted by the fact that the Trustees have taken the necessary action to avoid insolvency, but should not expect to see immediate increases in the Funding Percentage of the Fund. The MPRA law prohibits reductions that would generate that result.

2016 Financial Performance

The Fund's auditors have finalized the 2016 financial statements and the Pension & Retirement Fund's net assets decreased by (\$40,321,759). The Fund received \$125,026,448 in Contributions and benefit payments paid were \$281,543,943 resulting in a difference of (\$156,517,495). The yearly investment performance was a positive net of fees return of 9.332%. Total assets under management as of December 31, 2016 was \$1,184,943,017, with the following asset allocation:

- **Total U.S. Equity - 11.52%**
- **Total Non-US Equity - 23.66%**
- **Total Fixed Income - 21.53%**
- **Total Real Estate - 6.39%**
- **Total Infrastructure - 7.95%**
- **Total Private Equity - 19.98%**
- **Total Natural Resources - 8.6%**
- **Other - 0.37%**

As of December 31, 2016, the Fund had a total of 10,195 active participants, 7,928 inactive vested participants and 15,915 retired participants and beneficiaries. The resulting ratio of active to inactive participants is 0.42. Stated another way, active participants represent roughly 30% and the inactive participants represent 70% of the Fund's entire population.

Health & Hospital Fund Report



The Health & Hospital Fund continues to have a strong overall financial performance and remains in very positive condition. Based on the auditors final 2016 reports, the Fund's assets increased by \$55,417,753. This increases the net fund value to \$358.0 million with 23.23 months of reserves. Reserves approaching 24 months is considered very good, and demonstrates the sound financial condition of the Fund.

The Fund's very strong performance is despite two costly government assessments required under the Affordable Care Act. The first assessment is called the Patient-Centered Outcomes Research Institute (PCORI) fee which was \$57,435. The second is the Reinsurance Program Fee which was \$848,610. Combined, these fees amount to 9.86% of the Fund's annual expense. Fortunately, the last year of the Reinsurance Program Fee was 2016, so the Fund will not be required to make this payment again. Given the current political climate, however, it is difficult to predict if any additional charges will be assessed.

Based on the Fund's strong performance, the Trustees were able to set very competitive rate increases through 2020. While general medical inflation is running at approximately 8.5%, the Fund's rates are able to be set much lower. This will keep the Fund competitive and allow us to retain and attract more groups. The 2017 increase is 5.0%, 2018 increase of 4.0%, 2019 increase of 1.3% for all plans except the HRA plan and for 2020 the increase is 1.7% for all plans except for the HRA plan. The HRA plan's medical and prescription drug coverage will increase 2.8%, all other benefits will increase 1.3% for 2019 and 3.7% for 2020.

While the Fund continues to show strong financial performance, the Trustees believe it is important to maintain the necessary reserves and remain vigilant regarding the Fund's future performance. There is so much uncertainty in the health care area at this time, the Fund must be prepared for any possible changes.

Steady Improvement in the Health Fund Since 2008

The box below graphically shows how the Health & Hospital Fund has seen a gradual rebound from the near-depression levels of nearly a decade ago.

Ending Date	Asset Increase (Decrease)	Asset Under Management	Months In Reserve	Investment Return (Net)
12/31/2008	(\$42,790,593)	\$ 97,151,874	(24.76%)	3.43
12/31/2013	\$46,070,390	\$283,995,256	5.50%	17.61
12/31/2014	\$43,016,796	\$331,872,029	4.528%	20.16
12/31/2015	\$7,904,909	\$340,087,616	(3.241%)	19.77
12/31/2016	\$55,417,753	\$389,364,739	7.428%	23.23

The investment portfolio as of December 31, 2016 is allocated with 57.40% in Fixed Income, 23.11% in US Equities and 19.49% in Non-US Equities.



Opioid Abuse Is An Urgent Crisis Requiring National Leadership

The United States is in the midst of a national health epidemic that is ripping apart families, shattering dreams, destroying lives and weakening communities.

Lead by a class of drugs known as opioids, we are experiencing the worst drug crisis in history. Opioids include illegal heroin and powerful pain relievers including Oxycontin, Vicodin, Demerol, Codeine and Morphine.

This unprecedented rise in drug use, and the negative effects of increased addiction, are a black mark on our country requiring leadership from both elected officials and medical professionals. While medical experts disagree on the proper course of action, it is apparent that more must be done to stop this urgent health crisis.

Opioid Drug Addiction and Overdose Ravages Families

Drug addiction is an emotional battle that a person's family must confront together, which often causes more stress on them than it does the addict. More often than not, the addict is numb to the damage he or she is causing to family, friends and even other children.

Heroin, known by the nicknames Black Tar, Big H. Dog, Horse and Puppy Chow, is a highly addictive drug derived from morphine, obtained from the opium poppy. Heroin can be injected, smoked in a water pipe, inhaled as smoke through a straw, or snorted by nose as powder. An alarming number of people who began abusing expensive prescription drugs are switching to heroin, which is cheaper and easier to buy.

While there has been media coverage of the dangers of opioid abuse, most people are unaware of the true damage until it hits home. The National Center for Health Statistics reports that the rate of teen drug overdoses in the United States rose 19% from 2014 to 2015.

Most of the accidental overdose deaths were pushed by opioids, including prescription painkillers, and illegal drugs such as heroin.

Opioid overdose is an equal opportunity destroyer with deadly consequences regardless of age, race, sex or socioeconomic status. These drug overdoses now kill more men, women and children than gun violence or car accidents. Stated another way, opioids killed more Americans in 2016 than the entire 19-year Vietnam War.

A drug review by the Centers for Disease Control (CDC) says that one American dies from an overdose every 11 minutes and at

least 91 Americans die everyday from opioids. The CDC's provisional numbers on overdose deaths report that more than 64,000 men, women and children lost their lives to drug overdoses in 2016, surpassing 2015's historically high record. Even more disturbing, the CDC reports that the number of opioid prescriptions written by doctors in 2015 was three times higher than it was in 1999.

Improving Doctor/Patient Communication

The CDC's Guideline for Prescribing Opioids for Chronic Pain provides recommendations to primary care doctors about the appropriate prescribing of opioid pain medications to improve pain management and patient safety:


- It helps primary care doctors determine when to start or continue opioids for chronic pain.

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Drug Overdose Deaths At All-Time High

America's Leading Cause of Accidental Death is Now Prescription Drug Overdose

"Opioid disorders have reached alarming levels throughout our nation, and we must work together to overcome this serious public health threat"



Telemedicine Will Expand Access To Non-Emergency Medical Care

Starting on January 1, 2018, participants will be able to have on-demand access to affordable, quality health care anytime from anywhere. The Health Fund and Excellus BlueCross BlueShield, via our partner MDLIVE, will be offering another alternative to receive care. Visit with a U.S. board certified doctor right from your home, office or on the go for non-emergency medical conditions.

You will be able to use Telemedicine 24/7/365 if your primary care doctor is not available and instead of going to the Emergency Room or an urgent care center (for a non-emergency issue). Allergies, asthma, bronchitis, flu, diarrhea, ear infections, fever, headache, insect bites, joint aches, rashes, sinus infections and sore throat are some of the common conditions that can be treated.

The cost of a Telemedicine visit for you and your covered dependents will be paid by the Health Fund. Your cost will be ZERO. However, if you do not provide your Excellus BCBS member number, or if MDLIVE is unable to verify coverage, you will be charged \$49.

Participants must register at ExcellusBCBS.com/Telemedicine (e-mail confirmation is required) or call 1-866.692.5045. All covered members of your family must register if services are going to be requested. Registering requires your name, birth date, address, phone number(s), Excellus BCBS Member Number (found on your medical ID card), a unique username and password and the answer to a security question. You'll also need the name, address, fax number and phone number of your primary care provider and/or pediatrician.

Doctors have 15 years of experience and are licensed in New York state. Specialties include primary care, pediatrics, emergency and family medicine. Your own doctor may even be on the roster listing.

You will also be able to download the MDLIVE app directly to your cell phone, making this service easier and more accessible.



Download the MDLIVE App

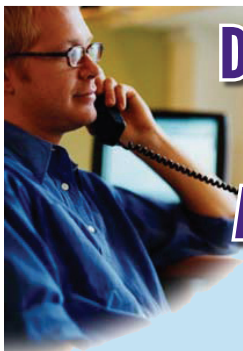
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DOWNLOAD NOW



New York State Teamsters Benefit Funds

P.O. Box 4928
Syracuse, NY 13221-4928
FORWARD SERVICE REQUESTED



DO YOU HAVE QUESTIONS ABOUT YOUR BENEFITS?

Contact the Fund Office or the
Benefit Provider directly using one
of the telephone numbers below:

NYS Teamsters Benefit Funds.....	315-455-9790
TOLL FREE	1-877-698-3863
Excelsus BlueCross BlueShield	
Customer Care	1-877-650-5840
Inpatient Admissions Pre-Cert.....	1-800-363-4658
Participating Providers.....	1-800-920-8889
Express Scripts - Medco (RX)	1-800-939-2108
Lifetime Benefit Solutions (Dental) ..	1-877-264-4861
HRA Customer Service	1-800-327-7130
Davis Vision (Vision Benefits)	1-800-783-6872
Legal Benefit Plan	1-888-697-8527
Ullico (Disability)	1-888-855-4261

HAVE YOU MOVED RECENTLY? Remember that if you change your address, you need to contact the Fund office to keep your records current.

The Fund sends out important updates on your benefits throughout the year. An incorrect address could delay your receipt of this important information.

If you have changed your address, please contact the Health Fund Member Services at (877) 698-3863 or visit the website at www.nytfund.org to fill out a change of address form and mail it to the Fund office.

U.S. Prescription Opioid Epidemic

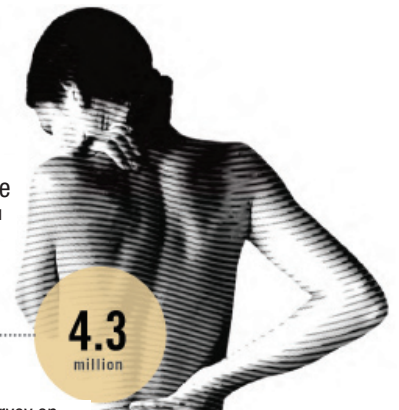
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- It gives guidance about medical dose, duration and on following up with patients and discontinuing medication if needed.
- It helps doctors assess the risks and benefits of using opioids.

Doctors and Patients Should Make Sure and Talk About:

- (1) How opioids can reduce pain during short-term use, yet there is not enough evidence that opioids control chronic pain effectively long term.
- (2) Non opioid treatments (such as exercise, nonopioid medications, and cognitive behavioral therapy) that can be effective with less harm.
- (3) Importance of regular follow-up.
- (4) Precautions that can be taken to decrease risks including checking drug monitoring

Americans engaged in non-medical use of opioids in the last month. ¹



¹ National Survey on Drug Use and Health, (NSDUH), 2014

databases, conducting urine drug testing and prescribing naloxone if needed to prevent fatal overdose.

(5) Protecting your family and friends by storing opioids in a secure, locked location and safely disposing unused opioids.

New York State Teamsters Benefit Funds



(315) 455-9790

Toll Free (877) 698-3863

FAX NUMBERS

Administration: (315) 455-1237

Finance Dept: (315) 455-9834

Health Dept: (315) 234-1046

Pension Dept: (315) 234-1047

E-MAIL: benefits@nytfund.org

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