



New York State Teamsters Benefit Funds Newsletter

FALL 2020

News and information from your Trustees and Staff

News and Information For All Pension Plan Participants

Pension and Retirement

Fund UPDATE

The New York State Teamsters Conference Pension and Retirement Fund ("Pension Fund") continues to receive inquiries regarding the impact of the benefit suspensions put into effect under the Multiemployer Pension Reform Act of 2014 ("MPRA"). Those suspensions went into effect in October 2017, following the U.S. Treasury Department's ("Treasury") approval of the Fund's application. As you know, the Pension Fund's Board of Trustees ("Trustees") applied for the suspensions to avoid insolvency.

The Trustees are pleased to report that the Pension Fund's financial health has improved and that its actuaries no longer project it to become insolvent. The Pension Fund was certified as having a funding percentage of 56.1% as of January 1, 2020 – a 22.1% improvement from the prior projections. This means that as of January 1, 2020 the Pension Fund's assets covered more than half of its projected liabilities. Prior to the MPRA suspensions, the Pension Fund's actuaries forecasted the Plan's funding percentage to be 34% on January 1, 2020. They also projected that the Pension Fund would be insolvent by 2026 and unable to pay pension benefits. Over the past three years, the Pension Fund has had strong investment returns from its diversified investment portfolio.

For 2017, 2018 and 2019 the Pension Fund's investment returns averaged 10.161% (net of fees). The Pension Fund also recovered \$98 million from an employer withdrawal liability litigation. These positive developments alone would not, however, have resulted in the Pension Fund being projected to remain solvent in the long-term. Without Treasury's approval of the MPRA suspensions, the Pension Fund still would be projected to go insolvent in 2030.

The Pension Fund continues to pay approximately \$19.7 million in monthly benefits to retirees and beneficiaries. The MPRA suspensions reduced the Pension Fund's benefit payment obligations by approximately \$4.75 million each month, for a total of \$124.3 million from October 2017 through December 2019. It is important to remember that MPRA only permitted suspen-



sions that would result in the ongoing solvency of the Pension Fund. MPRA prohibited suspensions that would generate dramatic increases in funding levels. The benefit suspensions for the Pension Fund were designed with this in mind. The Trustees anticipate that absent legislative relief, the Pension Fund will continue to recognize improvements over a long-term period of 25 to 30 years.

YEAR-END FINANCIAL UPDATE (DECEMBER 2019)

The Pension Fund's external auditors have finalized their review of the 2019 financial performance of the Plan.

The Pension Fund's total net assets increased by \$103,977,342, with net investment income of \$179,977,299, contribution income of \$142,352,771, and employer withdrawal liability income of \$23,661,335.

Benefit payments for 2019 were \$234,151,191 as compared to \$231,221,072 in 2018, an increase of \$2,930,119, with administrative expenses for the year of \$8,044,508, compared to the

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Pension and Retirement Fund UPDATE

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2018 expense of \$10,227,503, which represents a decrease of \$2,182,995.

The Pension Fund had a positive investment return of 12.591% for 2019. Investable assets under management at year-end for 2019 were \$1,320,024,847, compared to year-end of 2018 at \$1,217,193,139, representing an increase of \$102,831,708 (8.45%). The investment portfolio was diversified across the following investment categories:

- **Total U.S. Equity - 12.81%**
- **Total Non-U.S. Equity - 25.73%**
- **Total Fixed Income - 19.69%**
- **Total Real Estate - 7.78%**
- **Total Infrastructure - 4.71%**
- **Total Private Equity - 20.35%**
- **Total Natural Resources - 8.54%**
- **Other - 0.39%**

PARTICIPANT DEMOGRAPHICS

Participation in the Plan as of the valuation date of January 1, 2020 compared to 2019 reflects:

	<u>2020</u>	<u>2019</u>	<u>Difference</u>
Retirees and Beneficiaries.....	15,985	15,939	46
Inactive Vested Participants.....	7,863	7,755	108
Active Participants.....	9,796	9,912	(116)
TOTAL PARTICIPANTS.....	33,644	33,606	(38)

Ratio of actives to inactives is currently at .411. Stated differently, for every one (1) Active Participant on whose behalf contributions are being made to the Pension Fund, there are 2.43 Retirees, Beneficiaries and Inactive Vested Participants on whose behalf contributions no longer are being made.

The last four years of the Actuarial Plan Certifications and funding ratios are:

YEAR	CERTIFICATION STATUS	FUNDING RATIO
2017	Critical and Declining	41.8%
2018	Critical	57.0%
2019	Critical	55.8%
2020.....	Critical	56.1%

LEGISLATIVE UPDATE

The Trustees continue to actively engage with Congressional representatives and urge them to enact legislation that will promote the long-term survival of the multi-employer pension system.

While Congress's primary focus is, and should continue to be, addressing the unprecedented health and economic crisis caused by the Coronavirus Pandemic, it must not lose sight of the looming crisis involving the multi-employer pension system. The multi-employer system now comprises roughly 1,400 funds covering 10.8 million participants and their families, with many of those funds teetering on the verge of collapse. Not only is the system underfunded by more than \$638 billion, but the federal entity that insures these pensions, the Pension Benefit Guaranty Corporation, also is projected to become insolvent in less than six years.

More than 1.4 million workers and retirees are in plans already in "critical and declining status" and are in some cases facing benefit cuts of more than 90%. For example, in its 2019 Annual Funding Notice, the Central States, Southeast and Southwest Areas Pension Plan ("Central States") reported a funding percentage ratio of 24.8% with a projected insolvency date in 2026. Unlike our Pension Fund, Treasury denied the application filed by Central States to suspend benefits. This means that absent near-term legislative relief, Central States participants will face significant benefit reductions that would result from Central States going insolvent.

The Trustees will continue their efforts to seek legislative relief to protect the future security of your benefits.



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Health Reimbursement Account (HRA) - Retirees

The Board of Trustees for the New York State Teamsters Council Health and Hospital Fund ("Health Fund") is pleased to announce that they have approved a Retiree and Former Employee HRA Plan ("RFE HRA") with an effective date of January 1, 2021. The RFE HRA will allow members to pay premiums for health insurance not allowed under the active HRA plan. As with the active HRA plan, the RFE HRA will be administered by Lifetime Benefit Solutions ("LBS").



At the time of your retirement, you will need to notify the Health Fund and any remaining balance in your active account will be transferred over to the RFE HRA Plan.

You can use the funds allocated to

your Individual Account to pay for Eligible Health Care Expenses incurred by you or your Eligible Dependents (including your spouse and your eligible children), including premiums for the purchase of health insurance, such as premiums for COBRA, a group health plan, an individual health plan, or Medicare. In addition to insurance premiums, Eligible Health Care Expenses include, but are not limited to, charges by any doctor, dentist, optometrist, ophthalmologist, hospital, long-term care facility or other health facility, pharmacy, optical dispensing service, or hearing aid provider that are not covered by any health care plan under which you are covered. In addition, Eligible Health Care Expenses include prescription drug medications and over-the-counter medications like cold and allergy medications.

Please note that no health-related expenses will be deemed Eligible Health Care Expenses and be reimbursed under the RFE HRA Plan unless they qualify as medical expense deductions under Internal Revenue Code Section 213(d). Contact the IRS for its Publication 502, which has a comprehensive listing of these expenses; or, visit www.irs.gov. You may also contact the Health Fund or LBS for a list of Eligible Health Care Expenses. In addition, you may not receive reimbursement for any medical expense that you have taken as a deduction on your income tax return or for any medical expense which is eligible under another health care plan.

If you die and still have a balance remaining in your RFE HRA, your spouse and other Eligible Dependents may continue to apply for reimbursement of health-related expenses under the RFE HRA and use the account for payment of health insurance premiums so long as the balance in the account is sufficient to cover the claims. If you die and do not have a spouse or any other Eligible Dependents, any balance remaining in your RFE HRA will be forfeited.

The Health Fund is currently working on establishing the RFE HRA Plan. If you are a participant in the active HRA offering, you will be receiving the formal Summary Plan Description along with a Summary Material Modification by late November or early December, 2020.

New Dental Benefits Administrator Effective January 1, 2021

The Board of Trustees for the New York State Teamsters Council Health and Hospital Fund ("Health Fund") is excited to announce that it is partnering with Excellus BlueCross BlueShield ("Excellus BCBS") to begin administering your dental benefits effective January 1, 2021. We are working with our current dental benefits administrator, Lifetime Benefit Solutions (LBS), to make this transition as smooth as possible.

Rest assured, neither your dental benefit coverages nor the participating dental provider network is changing. The only change is that Excellus BCBS will now be processing claims and providing customer service for your dental benefits, instead of LBS, beginning January 1, 2021.

Excellus BCBS will be issuing a new dental member card that is scheduled to be sent out by mid-December 2020. Please note that this card provides coverage information for your dental benefits only and is separate and distinct from your Excellus BCBS medical card. Beginning January 1, 2021, you will need to present the new Excellus BCBS dental member card to your dental provider to ensure proper processing of your dental claims.

A couple of important reminders to help ensure a seamless transition:

- All claims for dental services performed before January 1, 2021 should continue to be submitted to LBS. Be sure to submit all claims as soon as possible as LBS will only be able to process claims through June 30, 2021. If you have any questions regarding dental claims through LBS please call them at 1-866-616-7216.
- Any claims for services performed by a dental provider on or after January 1, 2021 should be submitted to Excellus BCBS.
- If you receive dental services from a non-participating dental provider, you will need to submit a claim form to Excellus BCBS. The dental claim form is available online at www.excellusbcbs.com/nysteamsters.
- For dental services on or after January 1, 2021, Excellus BCBS will send payment directly to the participating dental provider. Payment for services through a non-participating dental provider can either be assigned to you as the member or the non-participating dental provider based on the preference you select on the dental claim form.
- After January 1, 2021, if you have any questions regarding your dental benefits or claims with Excellus BCBS, you will need to call Excellus BCBS Dental Customer Care at 1-800-724-1675, Monday through Thursday 8:00 a.m. to 5:30 p.m. and 9:00 a.m. to 5:30 p.m. on Friday.

We are making every effort to have a smooth transition with as little disruption as possible. However, if you require assistance, please contact the Health Fund at 877.698.3863 or through our e-mail at benefits@nytfund.org.

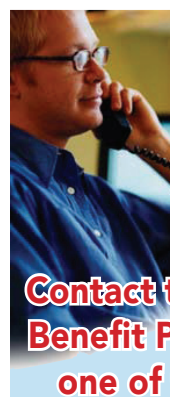


New York State Teamsters Benefit Funds

P.O. Box 4928
Syracuse, NY 13221-4928



**FORWARD SERVICE
REQUESTED**




DO YOU HAVE QUESTIONS

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

- NYS Teamsters
Benefit Funds..... 315-455-9790
TOLL FREE 1-877-698-3863
- Excellus BlueCross BlueShield
Claims 1-877-650-5840
Inpatient Admissions
Pre-Cert 1-800-926-2357
Participating Providers 1-800-920-8889
- Express Scripts 1-800-939-2108
- Lifetime Benefit Solutions
(Dental) 1-800-803-5773
- Davis Vision
(Vision Benefits) 1-800-783-6872
- Legal Benefit Plan 1-888-697-8527
- Ullico
(Disability)..... 1-888-855-4261, ext. 3040

HAVE YOU MOVED RECENTLY? Remember that if you change your address, you need to contact the Fund office to keep your records current. The Funds send 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 Member Services at (877)698-3863 or visit the website at www.nytfund.org.

WELCOME ABOARD



Union Trustee George Harrigan

George E. Harrigan, Principal Officer/Secretary-Treasurer/Business Agent at Teamsters Local 449 was elected a Trustee to the New York State Teamsters Council Health & Hospital Fund and the New York State Teamsters Conference Pension & Retirement Fund effective December 3, 2019. Then effective, March 12, 2020 George was appointed Trustee to the New York State Teamsters UPS Retiree Health & Hospital Fund.

George started with UPS in 1980 and was elected Local 449 Vice President in 1996. With over 40 years of experience, he has been the Principal Officer/Secretary-Treasurer of Local #449 since 2010 and is currently President of Teamsters Joint Council #46.

The Board of Trustees welcomes George and looks forward to his contributions to the management of the Funds.

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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Health & Hospital Fund

New York State Teamsters Conference
Pension & Retirement Fund

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