



FALL 2021

New York State Teamsters Benefit Funds Newsletter

News and information from your Trustees and Staff

PENSION FUND UPDATE

The American Rescue Plan Act of 2021

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 ("ARPA"). ARPA makes available financial assistance for certain multiemployer pension plans, as outlined in the Trustees' March 17, 2021 and July 13, 2021 communications to participants. As explained in those communications, the New York State Teamsters Conference Pension and Retirement Fund ("Pension Fund") is eligible to apply for financial assistance because it previously reduced benefits under the Multiemployer Pension Reform Act of 2014 ("MPRA").

Which agency is administering this program?

The Pension Benefit Guaranty Corporation ("PBGC") is responsible for handling financial assistance under ARPA. PBGC issued an Interim Final Rule ("IFR") in July 2021 establishing its Special Financial Assistance ("SFA") Program. The IFR also establishes the time frame and process for SFA applications, its methodology for calculating SFA, and certain conditions for pension funds that receive SFA.

When Can the Pension Fund Apply for Assistance Under the ARPA?

The IFR establishes seven Priority Groups for SFA applications. Priority Group 1 funds are those that either are insolvent or are projected to go insolvent by March 11, 2022. As of October 27, 2021 nineteen Group 1 funds have filed their SFA applications and are under review with the PBGC. They include funds in across sectors of the multiemployer universe, including Teamsters, Laborers, UAW, Bricklayers, Graphics, Milk and the newspaper industries. The Road Carriers Local 707 Pension Fund (a Teamster Fund) was the first to file on August 13, 2021. For a complete list of SFA applications received to date and summary information for each, you may visit their website at www.pbgc.gov.

The Fund Office and its professionals are closely monitoring the progress of the Group 1 applications and are working with the Trustees to prepare the Pension Fund's SFA application, for submission in 2022. The Pension Fund and other funds that

have suspended benefits under MPRA are in Priority Group 2. The application process for Priority Group 2 funds is scheduled to open on January 1, 2022. PBGC has, however, reserved the right to delay that opening based on the number of applications it receives during 2021.

What Is the Time Frame For Reviewing and Processing SFA Applications?

Once a fund submits its SFA application, the PBGC has 120 days to approve or reject the application. If the PBGC does not act within 120 days, the application is deemed approved. If the application is approved, PBGC will pay SFA to the fund within 90 days after approval.

Will the Receipt of SFA Result in the Restoration of Benefits?

If the Pension Fund's application is approved and SFA is paid, benefits suspended under MPRA will be restored. The restoration of suspended benefits would be retroactive and prospective, meaning that participants will be repaid for benefits reduced previously and have benefits restored to pre-suspension levels going forward. The retroactive payment of suspended benefits must be paid, as determined by the Trustees, either as a lump sum payment within three months of the Pension Fund receiving SFA or in installments over a five-year period.

Is the PBGC's IFR Subject To Change?

The PBGC invited interested parties to submit comments on the IFR, explaining that it would review those comments and decide whether to modify the IFR. More than 100 interested parties filed comments with PBGC, including Congressional leaders, the International Brotherhood of Teamsters and other international unions, actuaries, trustees, employers, attorneys, and industry experts. The Pension Fund submitted comments to the PBGC on August 11, 2021.



American Rescue Plan Act of 2021

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Those comments, along with all other updates, can be viewed on the Pension Fund's web page at www.nytfund.org. PBGC has not yet announced whether it will modify the IFR based on the comments received.

What Did the Pension Fund Address In Its Comments to the PBGC?

The Pension Fund commented on three areas: (1) restrictions on the investment of plan assets; (2) the calculation of SFA for MPRA Suspension Funds; and (3) benefit restorations for surviving spouses and dependents.

The Pension Fund's comments are summarized below.

Restrictions on the Investment of Plan Assets:

The IFR requires the Pension Fund to maintain one year of benefit payments in certain fixed income securities regardless of market conditions. This requirement would significantly increase the Pension Fund's current portfolio allocation to that type of investment and could adversely affect the Pension Fund's ability to recover from short term market fluctuations and potentially force the Fund into insolvency. Accordingly, the Trustees requested the PBGC to abandon this requirement to ensure the long-term solvency of the Pension Fund.

Calculation of Special Financial Assistance for MPRA Suspension Funds:

The Pension Fund's Trustees believe the current methodology for calculating SFA for funds that suspended benefits under MPRA is inconsistent with ARPA and the intent of Congress, which was to ensure the long-term solvency of multiemployer pension plans. Specifically, due to the IFR's calculation methodology, a fund with MPRA suspensions accepting SFA and restoring the suspensions could potentially put that fund in a worse projected financial position than they are in today with the MPRA suspensions in place.

The Pension Fund currently is projected to be solvent in 2051 and beyond. Under the IFR's methodology, if the Pension Fund accepts SFA and restores benefits previously suspended under MPRA, the Fund could be more likely to be insolvent by the end of 2051 - if not earlier. The Fund's Trustees urged PBGC

to provide funds that suspended benefits under MPRA with SFA in an amount sufficient to restore benefits and keep the funds solvent beyond 2051.

Benefit Restorations for Surviving Spouses and Dependents:

Under the IFR, if a participant whose benefits were suspended under MPRA dies before benefits are reinstated, the surviving spouse or other dependent of the participant will only be entitled to reinstated benefits on a prospective basis. The surviving spouse or other dependent will not be entitled to payment of the suspended portion of the deceased participant's benefit.

The Trustees believe this would be an inequitable result for the families of participants who have suffered the effects of benefit suspensions and that it is inconsistent with ARPA's intent. The Trustees requested the PBGC to revise the IFR to include full retroactive payment of suspended benefits to participants' surviving spouse (or other dependents) as part of any reinstatement of suspended benefits.

The Trustees continue to monitor the evolving situation to protect the future security of your benefits. Please continue to visit the Pension Fund's website at www.nytfund.org for updates on this process.

You can also sign up for an email alert when new updates are posted to the site.

Year-End Financial Update (December 31, 2020)

The Pension Fund's external auditors have finalized their review of the 2020 financial performance of the Plan.

The Pension Fund's total net assets increased by \$145,868,009, with net investment income of \$192,096,581, contribution income of \$161,396,567, and employer withdrawal liability income of \$37,702,050.

Benefit payments for 2020 were \$237,347,974 as compared to \$234,151,191 in 2019, an increase of \$3,196,783, with administrative expenses for the year at \$7,979,216, compared to the 2019 expense of \$8,044,508, which represents a decrease of \$65,292.

The Pension Fund had a positive net investment return of 11.742% for 2020 as calculated and reported by the Fund's Investment Custodian State Street Bank. Taking into account the alternative investment lag reporting, the Pension Fund's actuarial consultant, Horizon Actuarial Services, LLC, calculates the annual return to be 14.5%. Investable assets under management at year-end for 2020 were \$1,450,207,975, compared to year-end of 2019 at \$1,320,024,847, representing a year-to-year increase of \$130,183,128 (9.86%).

The investment portfolio was diversified across the following investment categories:

- **Total U.S. Equity - 9.39%**
- **Total Non-US Equity - 28.06%**
- **Total Fixed Income - 19.75%**
- **Total Real Estate - 7.01%**
- **Total Infrastructure - 4.20%**
- **Total Private Equity - 24.49%**
- **Total Natural Resources - 6.72%**
- **Other - 0.38%**



Health and Hospital Financial Update



The auditors for the New York State Teamsters Council Health & Hospital Fund ("Health Fund") have finalized the financial statements of the Health Fund for the year ending December 31, 2020. The Health Fund increased net assets by \$117,336,844, bringing the total net assets available for benefits at year-end to \$705,707,049.

The Health Fund's 2020 investment return (net of fees) was a positive 11.081%. Net investment income resulted in an increase of Fund assets by \$66,915,098. Operationally, employer contributions and other income was \$213,532,137. This was used to pay claims of \$148,314,951 for 11,600 members (256 of those claims were over \$50,000) and administration expenses of \$14,795,440 for a total of \$163,110,391. Prescriptions claims totaled \$42,512,802, with specialty drugs accounting for 52.5% of these costs.

Trustee's Approval For An HRA Contribution - January 1, 2022

Given the positive investment returns and favorable claims experience, the Board of Trustees ("Trustees") was able to make a number of benefit improvements over the past several years to ensure that members receive comprehensive and competitive health coverage. Some of the improvements previously communicated to you included eliminating certain spousal restrictions on eligibility and increasing benefits for hearing aids, vision therapy, and autism.

The Trustees are now pleased to announce that they are able to approve a one-time contribution to a Health Reimbursement Account ("HRA") for all eligible participants, effective January 1, 2022. Contributions for eligible participants will be made in the following amounts:

- **All full time active eligible participants in the Health Fund as of July 1, 2021 will receive a one-time contribution of \$5,000.**
- **Part-time participants in the Health Fund as of July 1, 2021 will receive a one-time contribution pursuant to the following schedule:**
 - **\$1,000 for participants with 1-2 years of participation in the Health Fund.**
 - **\$2,500 for participants with 2-3 years of participation in the Health Fund.**
 - **\$5,000 for participants with 3 or more years of participation in the Health Fund.**

Eligible individuals must, however, remain a participant in the Health Fund as of January 1, 2022 to receive this one-time HRA contribution.

HRA funds may be used to pay for Eligible Health Care Expenses, as defined in the Internal Revenue Code Section 213(d) and incurred on or after January 1, 2022. No expenses will be reimbursed unless they qualify. These 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 a participant's health care plan. You can contact the IRS for its Publication 502, which has a comprehensive listing of these expenses; or, visit www.irs.gov.

Lifetime Benefit Solutions administers the HRA benefit for the Health Fund. Their customer contact information is 1-800-327-7130, Option 2.

If you are currently participating in the HRA offering through your employer, the Health Fund's contribution will be in addition to what is provided by your collective bargaining agreement. If you are not currently participating in the HRA offering through your employer, the Health Fund will set up an account on your behalf.

The Health Fund will be mailing additional information concerning the new HRA benefit during the month of December 2021.

Divorce Notification Requirements

If you are in the process of getting a divorce and participate as a member in the Health Fund, it is important that you notify the Fund Office within sixty (60) days after the date that your divorce is finalized and filed with the County Clerk's office with the official stamped seal.

Your ex-spouse cannot remain as your dependent for health care coverage. However, he or she is eligible for COBRA continuation coverage through the Health Fund on a self-pay basis. Failure to notify the Fund Office within that time will result in you being responsible for full reimbursement of claims paid on behalf of your ex-spouse and your ex-spouse not being eligible for COBRA continuation coverage.

Also, if you have life insurance as part of your health care package through the Health Fund, you should review your named beneficiary, as you may want to change it at that time.

If you should have any questions do not hesitate to contact the Fund Office.

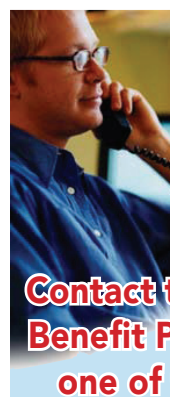


New York State Teamsters Benefit Funds

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
- Excellus BlueCross BlueShield
(Dental)** 1-800-724-1675
- 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.

Participating Dental Provider Recruitment Request

The dental benefit provided through the New York State Teamsters Council Health & Hospital Fund ("Health Fund") currently is provided through a network of approximately 1,140 participating dental providers. Claims are processed through Excellus Blue Cross Blue Shield, but it is this network of dental providers who serve Fund participants.

The Board of Trustees ("Trustees") recently undertook a comprehensive review of the schedule of allowances for reimbursement rates to dental providers. The schedule of allowances is reviewed annually and any increases in reimbursement rates go into effect July 1st of each year. That review is undertaken with the Fund's external consultant to ensure the competitiveness of those rates.

The Health Fund recently mailed notices to potential new dental providers, detailing the Fund's schedule of allowances and soliciting participation.

The objective was to grow the number of providers and grow the dental offerings for participants.

If you would like the Fund to inquire with your dental provider about becoming a participating provider, please contact us at (877) 698-3863, Option 1, or through our e-mail at benefits@nytfund.org and we will send out an information and enrollment packet.



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
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