

A M E R I C A N P O S T A L W O R K E R S



A C C I D E N T B E N E F I T A S S O C I A T I O N

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August 29, 2012

Dear Sisters and Brothers

This letter and the attached information concerning the APW-ABA retirement plan is being sent as the direct result of a commitment made at the recent APW-ABA national convention by then National Director Mike Ganino. Since Mike became National Director and I became the Assistant National Director in Jan of 2011, we have been attempting to right the ship in the retirement plan. I believe that the actions of the 2012 convention, coupled with the extensive legal and actuarial research/action commissioned by Brother Ganino, will have finally accomplished that goal. Our attorneys and the actuary advised us that we must present this information without the names and/or SSNs due to it being private information. The information is complete and up to date with the exception of the balance sheet which is done at the end of each calendar year by the auditing firm.

Since the discovery of the underfunding of the retirement fund in 2006, the ABA was required to infuse funds into the fund from the general fund. This and good management of the investments have resulted in an improving balance. The corrections which have been accomplished in righting the retirements have and will continue to reduce the drag on the fund. Repayments will go immediately back into the fund as will restitutions recovered visa via the lawsuits, insurance claims and/or bonding company. The percentage toward full funding will continue to increase each year.

The attached sheet gives a summary of the amount of retirement commitment paid to each annuitant monthly and annually, as well as the grand totals. The data is also broken down into individual retirements by management (elected directors and/or their surviving spouses) and the same information for the bargaining unit retirees. All participants in the plan must achieve 62 years of age prior to being eligible for retirement. Spousal survivorship annuities are determined at the time of retirement and are a percentage of the member's annuity, (usually 50%), and have resulted from a reciprocal reduction in the original annuity. The 2012 Collective Bargaining Agreement with OPEIU Local 6 reduces the accrual from 3% to 2%. This will serve to increase the percentage toward full funding while reducing the annual contribution required to the fund.

The removal of the elected (managers) officers from the plan in the future will insure the plan's solvency. The original intent was to provide a retirement plan for the bargaining unit, which will now be accomplished successfully. I am very appreciative of our Accounting Manager, Kelly O'Neil and Executive Assistant, Melissa Potter who have worked diligently to prepare this information in a concise yet readable format.

In Union Spirit

A handwritten signature in black ink, appearing to read 'Dave Daniel'.

Dave Daniel, National Director

Pension Payments to Annuitants/Survivors total \$22,138.43/mo or \$265,661.16/yr

2012 Quarterly Payments are \$58,842.00/qtr or \$235,368.00/yr

Payments to former Officers:

Mgr 1: 8yrs of service to ABA \$4412.10/mo (retired 1998) +came from PO +5yrs

Mgr 2: 14yrs of service to ABA \$4002.49/mo (retired 2004) *reduced from \$6011.39 eff: 6/1/11

Mgr 3: 6yrs service to ABA \$3177.92/mo (retired 2010) +came from PO +5yrs

Mgr 4: 8yrs service to ABA \$2619.57/mo (left employment 2006 retired 2011) +came from PO +5yrs

(Mgr \$1366.66 and due to QRDO sp of mgr \$1252.91/mo)

Total \$14,212.08/mo or \$170,544.96/yr

Mgr 1 : \$3,000/mo for underpayment due beginning 4/1/12 and ending 7/1/2020 total \$300,000.00

Total \$3,000/mo or \$36,000.00/yr

1 survivor of mgt receiving \$813.80/mo

Total \$813.80/mo or \$9,765.60/yr

Payments to former Employees:

EE 1: 14yrs of service to ABA \$1524.54/mo (retired 2000) **reduced from \$2068.02 eff: 8/1/11

EE 2: 20yrs of service to ABA \$2147.46/mo (retired 2006) ***reduced from \$2216.06 eff: 8/1/11

EE 3: 10yrs of service to ABA \$212.88 (left employment 1986 – retired 2004)

EE 4: 4yrs of service to ABA \$227.67 (left employment 2008- retired 2009)

Total \$4112.55/mo or \$49,350.60/yr

Adjustments:

*subject to repayment of approximately \$207,000.00

**subject to repayment of approximately \$86,000.00

***subject to repayment of approximately \$2,700.00

Managers vested not yet receiving benefits:

Mgr 5: 6yrs of service to ABA +came from PO +5yrs

Mgr 6: 2yrs of service to ABA +came from PO +5yrs

Employees vested not yet receiving benefits

EE 5: 13yrs of service to ABA (left employment 1999)

EE 6: 5yrs of service to ABA (left employment 1996)

EE 7: 3yrs of service to ABA (left employment 2003)

EE 8: 23yrs of service to ABA

EE 9: 23 yrs of service to ABA

EE 10: 22yrs of service to ABA

EE 11: 12yrs of service to ABA

EE 12: 6yrs of service to ABA

EE 13: 1yr of service to ABA

EE 14: 1yr of service to ABA

APW Accident Benefit Association - Pension Fund
Balance Sheet
As of December 31, 2011

ASSETS

Current Assets

Checking/Savings

311 - Cash

31111 - UBS Financial Cash Congress	65.22
31113 - Pension Ret Annuity checkingUBS	49,117.44
31114 - UBS Ret Money Fund - Congress	8,265.95
31115 - UBS Cash - NWQ	50.00
31117 - UBS Cash Reserves Fund NWQ	151,453.88

Total 311 - Cash 208,952.49

Total Checking/Savings 208,952.49

Total Current Assets 208,952.49

Other Assets

312 - Stocks

31202 - Stocks Owned-Congress	499,225.89
31202A - Stcoks Owned - NWQ	595,711.14
31203 - Mkt Val-Stocks Owned Congress	101,053.90
31203A - Mkt Val Stocks Owned - NWQ	-13,973.21

Total 312 - Stocks 1,182,017.72

313 - Bonds

31302 - Bonds Owned UBS Congress	389,819.37
31302A - Bonds Owned UBS NWQ	301,129.14
31303 - Mkt Val-Bonds Owned UBS Congres	42,538.52
31303A - Mkt Val Bonds Owned UBS NWQ	-2,091.06

Total 313 - Bonds 731,395.97

314 - Investment Receivables

31402 - Bond Interest Receivable Congre	3,311.41
31402A - Bond Interest Recv UBS NWQ	1,177.75

Total 314 - Investment Receivables 4,489.16

Total Other Assets 1,917,902.85

TOTAL ASSETS 2,126,855.34

LIABILITIES & EQUITY

Equity

33101 - Fund Balance	1,659,238.77
3900 - Retained Earnings	438,524.54
Net Income	29,092.03

Total Equity 2,126,855.34

TOTAL LIABILITIES & EQUITY 2,126,855.34

Value of Pension Investments

2012	\$2,199,077.08	7/31/2012
2011	\$2,138,791.64	12/31/2011
2010	\$2,098,369.11	12/31/2010
2009	\$1,874,904.99	12/31/2009
2008	\$1,457,205.42	12/31/2008
2007	\$1,847,205.47	12/31/2007
2006	\$1,551,236.47	12/31/2006
2005	\$1,574,567.93	12/31/2005