

“Pension and Benefits Reporter”

Hugh Jackson

To keep abreast of State and Federal legislative and legal developments and court cases in the health and retirement arenas, your Association subscribes to the Bureau of National Affairs *Pension and Benefits Reporter*.

This is the nationally recognized information resource in this field. Issues of the report come out weekly and we will be scrutinizing each issue for information pertinent to our situation. From time to time we will include articles, summaries or references that are of particular interest in our newsletter.

You may want to order copies of articles, pamphlets or bulletins such as the GAO report from which we take the following excerpts:

Employer Plans in Jeopardy from Continuing Cuts, GAO Reports

“Employer-provided retiree health plans are in jeopardy because employers have been and are continuing to cut benefits, the General Accounting Office said in a report released July 9.”

“Increasing health care costs are the main reason employers are shifting costs to their employees, GAO said. Health care costs are

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escalating faster than the general rate of inflation, it noted. Also, an increasing number of employees are retiring earlier and living longer. Because retirees under age 65 are not yet eligible for Medicare, employers pay three to four times more for their health care than for Medicare-eligible retirees, GAO added.”

“GAO based its report on information from the Bureau of Labor Statistics and from studies conducted by several benefit consultants ... These studies showed that a large majority of employers had changed their retiree health benefits plans over the past few years or were planning or considering changes in the near future, GAO said.”

“Examples of ... shifting health costs to [retirees] include increased retiree contributions toward insurance premiums, increased deductibles and copayments, setting limits on employers’ contributions, and requiring retirees to pay the full cost of the premiums.

ERISA Permits Reductions

“Currently, employers legally can modify and alter their health care plans under the Employee Retirement Income Security Act. ERISA originally was enacted due to congressional concern over reform of the pension system, GAO said. As a result, the law established stricter requirements for pension plans than for health benefits, it said.”

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“The report, *Retiree Health Plans, Health Benefits Not Secure Under Employer-Based System*,

can be obtained from GAO, P. O. Box 6015, Gaithersburg, MD 20877, (202) 512-6000. The first copy is free, additional copies \$2 each.”

Legislation Introduced to Preserve Benefits

“[On July 20,] Sen. Harris Wofford (D-Pa) introduced a ... bill (S1268) to prohibit employers from cutting or terminating retiree health benefits while the company’s obligations to retirees are being decided in court.

“Under the bill, employers involved in litigation over cutbacks or cancellation of retiree health benefits would be required to maintain the benefits while litigation is pending. Employers also would be required to prove in court that their health plans allow for the termination or reduction of retiree health benefits.

[Note - Current status is: The bill is in committee—*Labor & Human Resource*.]

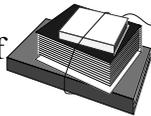
“Under present law, the burden of proof to show that benefits have been unjustly curtailed rests on employees.”

“At a July 20 news briefing, Wofford said the legislation would put the burden on employers to prove - in cases where health plan language is ambiguous - that termination or reduction of benefits is allowed. Under present law, the burden of proof to show that benefits have been unjustly curtailed rests on employees. The bill would apply to the contract currently in effect for retirees and any amendments to terminate or reduce benefits adopted on or after July 20, 1993.”

“The legislation, which would amend the Employee Retirement Income Security Act by adding a new Section 515, would also allow an employee representative of retirees to file suit on their behalf.”

Data Gathering Advisory
Fern Bengtson

A letter mailed October 6th to current members of the Manville Retirees Association requested copies of letters received as part of retirement individual agreements with Manville. Also, requested were publication dates of Benefits booklets received at the time of retirement.



Hal Olsen, a Manville retiree, heads up the committee that handles replies as they are received. Hugh Jackson and Roy Hillmer work with Hal on assembling and classifying the data.

Response to the request has been very good and there has been some very interesting correspondence submitted for review. Preliminary work has been done in sorting and cataloging the different classes of retirements and recording other information received.

We are very encouraged with the data gathered to date and these documents are being reviewed by legal counsel. Consequently, research will be ongoing and we need your input.

We are aware that, because the letter went out via bulk mail, some members did not receive it in time to return documents by October 20th.

... research will be ongoing and we need your input.

We still want your data! If you have not sent your documents and benefit books, please do so as soon as possible. Mail to Hal Olsen, 9400 E. Iliff #161, Denver, CO 80231.

We look forward to hearing from you soon—and if you have sent your data in already, many thanks.

Bulk Mail Delivery
Fern Bengtson

The recent mailing to members requesting retirement information was accepted at the Denver bulk mail facility on October 6th. Some members reported they did not receive their letter until October 22rd or 23rd.

We do get a good price break on bulk mail ...

The Denver bulk mail facility tells me that processing guidelines can take as long as two weeks. The Denver facility color codes each receipt of bulk mail and they forward it to the next sort within three days. Each sort, whether it be in Denver or in a major post office in your state or in your local post office, is done within three days. Actual delivery time depends on how many sorts this mail must pass through and whether it takes a full three days to process at each sorting.



We do get a good price break on bulk mail (11.1 cents vs 29 cents) but, unfortunately, this problem of delayed delivery appears to be unavoidable. In the future, when we ask for your input, we will try to give enough lead time so that you are able to respond within the time frame requested.

Guest Column
A Word from the Manville Employees Credit Union - Kathy Derks

The Credit Union thanks the Retirees Association for this opportunity to communicate with Manville retirees and surviving spouses. This gives us a chance to briefly tell you about the excellent Credit Union benefits package for all retirees, that you may not be aware of.

As a retiree, you automatically receive free checks (up to 300 per year) with your no-monthly service fee account, free travelers checks and a no annual fee Visa credit card.



In order to make banking as easy as possible for our members, we offer direct deposit. When you have your pension or Social Security check directly deposited into an account you have immediate access to your funds!

Eligible for membership in the Manville Employees Federal Credit Union are all Manville employees, their family members and persons retired from Manville Corporation. If you want more information on how to become a MEFCU member, just call one of our member service representatives at 978-2274, or, if you are outside Colorado, 1-800-828-2274.

Again, thanks for our opportunity to communicate with the MRA members. If you have any questions or concerns, please contact us. We always enjoy hearing from our members.

Letters to the Editor

“My most sincere and highest praise for framing such an excellent letter to Ann Henley. You couched it in as



firm language as you could, yet kept it most polite.

“Many thanks to all of you for fighting our battles; sorry I can’t be there to contribute in the effort.

Sincerely,”

*Ed Shotliff
Sun City West*

Questions and Answers



Q: In 1992, Manville invited retirees living outside the Denver area to sign up for direct deposit of retirement checks. I sent the appropriate documents but I still receive my checks. Can you find out why?

A: Marilyn Thomas, Manville Compensation Department, advises retirees to write or phone her if problems like this exist. The program is in effect and if it is not working for you, please let Marilyn know. Her address is: Marilyn Thomas, Manville/Schuller, P.O. Box 5108, Denver, CO 80217, Phone: (303) 978-3854.

Q: The August newsletter refers to a proposal in the letter to Ann Henley offering to “contribute time rather than money to help reduce Manville’s health care costs.” What does this mean?

A: In the meeting where this was proposed, the Board offered to help in reviewing data from focus groups and to participate in structuring the survey that was going out to all retirees. Also, we could all help reduce medical expenses if we were educated in the area of checking our medical statements for accuracy and making the necessary follow up calls to hospitals and doctors’ accounting offices. Some of our members who were, at one time, responsible for Manville’s benefits programs worldwide, offered to work with Manville in negotiating with health care providers. It is areas such as these

that we volunteered time rather than giving up benefits.

Annual Dues Note

A reminder will be sent by a separate mailing to those who have not sent in their annual dues to the Association.



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