

GUILD LEADER

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PENSION PLAN FREEZE:

What the company proposal means & What the Guild is doing about it

The Guild had two meetings Friday with the company regarding Belo's announcement that it intended to freeze its pension program. The Guild believes that, under our contract, the company needs our approval to make the changes, and a footnote in the company's letter to employees suggests that the company recognizes this.

The question we are exploring now is whether we approve or oppose the pension changes, and whether we can negotiate something to sweeten the deal for our members. We do this with the awareness that our contract expires at the end of next year, and anything we reject now could show up on the bargaining table next fall.

The majority of Guild members--about 325--would be affected by the proposed changes. Those are the people who are enrolled in the so-called Classic plan, which consists of your 401K, called the Belo Savings Plan, and the pension that the company wants to freeze.

Here are the basics:

The company proposes to stop making any new payments into the pension after March 31, 2007. You will only get whatever has been accrued in the plan as of that date. To soften the effect, the company proposes these enhancements:

- The company will give participants credit for five additional years of service, even if they leave the company. This applies to all 325 Classic plan members **regardless of age**. The credit will be calculated based on your current

salary, so it's not exactly the same as if the company waited five years to freeze the pension. But it's close. And to us, it looks like a good deal for anyone who plans to leave the company within the next five years. Indeed, the sooner you leave the company -- whether to retire or to take another job -- the better this deal is.

- Each year for five years the company will make additional payments into your Belo Savings Plan, your 401K. These so-called Pension Transition Supplements will be based on your age, pay and years of service. In theory, these payments should ensure that employees who retire within 10 years will end up with about same amount of retirement money as they would have gotten if the pension weren't frozen. That's the theory. To find out if it works for you, you need to first call Belo (details below) to find out how much you're getting in Pension Transition Supplements, and then consult a financial planner.

- The company will increase its contributions to your 401K, also known as the Belo Savings Plan. Currently, for Classic participants, the company pays 55 cents for every dollar you contribute, up to 6 percent of your pay. If you contribute nothing, you get nothing. Under the new plan, the company will raise that to 75 cents per dollar you contribute, up to 6 percent of your pay.

See Rules, Back Page

RULES

- Additionally, it will pay 2 percent of your eligible compensation into your 401K, even if you pay nothing. (This is the same level of contribution that the company is making to the so-called Star plan, so all company 401K plans would be the same.)

There is one other change the company wants to make. This affects all Guild members – the 325 in the Classic plan and the 80 people in the Star plan. The company contributions will come in the form of cash which you can invest however you want. Right now, the company contribution is made in Belo stock. This is the only change – some consider it a plus – that Star participants will see.

Finally, the company will give the five years' service credit to any employee or former employee who announced his or her retirement **after** Sept. 29, 2006 (the date the Belo Board of Directors approved these changes) and who is also 55 years old or older. Please note that this age limit applies only to people who are leaving or have left, not to current employees.

No one would lose what they have already earned in pension credits. The real question is whether future benefits are worth as much as the existing ones.

We want to assist Guild members in addressing their concerns regarding the changes. If you have a question regarding the company pension proposal, you can e-mail it to png@riguild.org or discuss it with a Guild Executive Committee member. We will bring your questions to the company and also use your input to determine our position. (However, we do not have the expertise to provide individualized retirement planning advice.)

You can also take your questions directly to the company. The company has told us that some of Belo's human resources officials will be coming here later in the month to run a series of forums on the changes and what they mean. The company has also set up an email address (pensionchanges@belo.com) and a phone number, 1-866-BELOBEN (1-866-235-6236) to field questions. The people in the Providence human resources department can also answer questions, but prefer that you start with Belo, and come to them only with more complicated questions.

The Guild plans to hold further meetings with the company to better understand the proposal and determine our position on it. Meanwhile, we need to hear from you.