

GUILD LEADER

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Journal asks to delay pension transition payments

Guild seeks guarantees on \$1.2 million owed to members

The Journal wants to postpone paying \$1.2 million that it promised to Guild employees on March 31.

The payments are owed to people hired before July 1, 2004, who were enrolled in the company's pension plan. In 2007 the plan was frozen so that no new pension benefits could be earned. The Journal agreed to compensate for that change by making five yearly payments into each affected employee's 401k plan. The first payment came last year. The second one was due March 31 of this year.

The company wants to withhold that payment until October.

The Guild is extremely concerned about this proposal. It shows that A. H. Belo continues to have severe cash-flow problems that it has failed to correct. Once again, the company is asking Guild members to pay the price. Already the company unilaterally stopped paying its share of our 401k plans. Guild members have also borne the brunt of the recent layoffs, leaving a highly paid, well-populated management workforce with ever fewer workers to supervise.

When the Guild sought alternatives on layoffs – such as furloughs and pay cuts – we were swiftly rebuffed. Now the company wants the Guild's flexibility on an important contractual obligation, earned by our members over many years.

The Guild Executive Committee on Wednesday

voted to allow postponement of the payments until April 30. This was to give us time to look for alternatives and to ask for a membership vote. The quarterly membership meeting will be on April 21. Please plan to be there.

The Guild has asked the company for legally binding guarantees that the money will actually be paid in October, should we agree to a postponement. One way to do that would be to place a lien on company real estate. Without such security, if we agree to the postponement and the company then files for bankruptcy, we will be unsecured creditors at the bottom of the list of people owed money, likely to see little or none of what they owe. If we can secure the money with something like a lien, we'll be in a stronger position in the event of bankruptcy, which is always a possibility.

We are awaiting the company's response to our inquiry about guaranteeing the money. We have also asked for information on how much money the company owes each member. Everyone is owed a different amount based on the employee's age, years of employment and earnings. The money is owed to people employed by the company on Dec. 31, 2008, so those who lost their jobs in the recent round of layoffs are also affected.

We will provide more information as we get it. Meanwhile, Guild Executive Committee members want to hear what you think.