



## MINUTES

### ATU Pension Committee Meeting Friday, June 26, 2020 – 4:00 p.m.

The pension committee meeting of the Amalgamated Pension/Disability Plan was held on Friday, June 26, 2020 via virtual conference.

#### **COMMITTEE MEMBERS PRESENT**

Darryl Jenkins, JTA  
Chantel Daniels, JTA  
Kelli O’Leary JTA  
Gregory Hayes, JTA

#### **JTA STAFF / ALEX BROWN/CBC**

Jelani Hooks, CBC  
Jack Sheffield, Alex Brown  
Phil Thomas, Alex Brown  
Rick Burke, Gray Robinson

#### **COMMITTEE MEMBERS ABSENT**

None

**CALL TO ORDER** - The meeting was called to order by Gregory Hayes at 4:00 p.m.

**Old Business:** Minutes were presented at 4:02 p.m. for approval from the March 6, 2020. Minutes were approved with a motion from Gregory Hayes; Kelli O’Leary seconded the motion, all in favor.

#### **New Business:**

Jelani Hooks began the meeting with presenting Bonnie Todd and Henry Griffin for the election of new pension committee members.

A motion was made by Gregory Hayes to accept Bonnie Todd as a new pension committee member. The motion was moved by Kelli O’Leary. Chantel Daniels seconded the motion. All in favor, motion carries.

A motion was made by Gregory Hayes to accept Henry Griffin as a new pension committee member. The motion was moved by Kelli O’Leary. Chantel Daniels seconded the motion. All in favor, motion carries.

Jack Sheffield continued the meeting with discussing the recession with the impact of the present pandemic. Jack Sheffield confirmed that the pandemic resulted in several fluctuations. Companies including Amazon, Apple, and Target provided a positive impact to the fluctuation due to the ability to continue business online. Thus, driving the technology stocks. Caterpillar, Exxon, and other manufacturing companies have shown an incline but are still impacted negatively on a year to date. Mid-Cap companies have declined at -17.44%. Russell 2000 Growth is down 25%. As a result, a decision was made to reduce volatility in the portfolio. Having the greatest decline, Small, Mid Cap, and International areas were reduced. Jack Sheffield then began discussing the current market and the plan going forward. Jack Sheffield confirmed the potential additional stimulus would provide a positive impact to the economy. With hopes that by the fall, the virus would have a lower impact due to adaption of the environment and the economy would then begin to positively progress. With no questions, Jack presented Phil Thomas to continue with the market performance for March.

Phil Thomas began with the overall performance. The value of the portfolio at the quarter end was down 12.32%. The weighted benchmark was down 13.57%. The inception to date was up 6.97% and the weighted benchmark was up 2.69%. The active manager strategy assisted with maintaining a positive impact during market fluctuations and decline with respect to active managers market movement on a daily basis. Phil Thomas continued the first quarter market performance following along the provided presentation to pension committee confirming the fixed income market being a challenge. With no questions, Phil Thomas instructed the pension committee to follow along with a document titled: JTA Asset Allocation as of June 18<sup>th</sup>. Phil Thomas established that JTA is on target with respect to asset

allocation. With no questions by the pension committee, Jack Sheffield concluded the quarterly reporting by Alex Brown.

Jelani Hooks moved to the next action item on the agenda, the calculation audit review. Jelani Hooks introduced Rick Burke from Gray Robinson. Jelani Hooks began discussing the calculation audits performed on approximately 10% of the retiree population by PWC versus CBC. Jelani Hooks confirmed that CBC discovered 9 retiree calculations that were in 1% of variance between PWC and CBC. 7 calculations were discovered with a greater than 1% variance as a result of PWC incorrectly applying the late retirement factor. PWC agreed to their fault of applying the late retirement factor at 25 years of service versus the correct late retirement factor at 30 years of service. This error has resulted in retiree overpayments. Specifically, Charles Kohn with a 27% over payment. PWC calculated Charles Kohn's monthly annuity to be \$4,247.00, CBC calculated Charles Kohn's monthly annuity to be \$3,085.00. Jelani Hooks added that Brown is an additional retiree payment that would need to be rectified with corrective action going forward after a review requested by Jelani Hooks of Rick Burke. Jelani Hooks also requested Rick Burke's hourly rate and hours needed to complete the assigned task.

Rick Burke stated that his hourly rate is \$495.00. Rick Burke began discussing IRS correction procedures and identifying the issues. Rick Burke explained that it would be a difficult to provide an exact number of hours to assist with rectifying the payment infractions.

Gregory Hayes provided an overview to the pension committee with background of the overpayments and determining the need of legal assistance. Gregory Hayes asked for Jelani Hooks for his suggestion on if the pension committee should make the decision on obtaining legal assistance during the current pension committee meeting. Jelani Hooks confirmed that a decision should be made during the current pension committee meeting to have Gray Robinson conduct a review of the audit with providing corrective action going forward.

A motion was made by Gregory Hayes to acquire the services of Gray Robinson to conduct the audit analysis. The motion was moved by Kelli O'Leary. Chantel Daniels seconded the motion. All in favor, motion carries.

Jelani Hooks moved to the last action item on the agenda, the submissions of Jermaine Brailsford and Joseph Jones disability pension requests. Jelani Hooks confirmed that the standard procedure for the approval of a pension disability request is for an employee to provide a Social Security disability award letter and adhering to the guidelines of the Social Security Administration certifying an individual as permanently disabled. However, Jermaine currently has not been awarded disability by the Social Security Administration. Jermaine has provided documentation to the pension committee obtained by his physician certifying his permanent disability due to heart failure and other contributors provided in the documentation. Jelani Hooks confirmed that the Social Security Administration has denied his request for disability. Jelani Hooks provided the alternative to an award letter to the pension committee. The alternative to an award letter from the Social Security Administration would be to send Jermaine to be accessed by a separate cardiologist to confirm that the physician provided an adequate assessment of his conditions. Jelani Hooks asked if the pension committee approves for a cardiologist search for Jermaine to review and confirm his condition. Kelli O'Leary asked if the plan code included the requirement for an award letter to approve the application for pension disability? Jelani Hooks confirmed that it is an assumed practice to obtain the award letter but it is not a requirement. Kelli O'Leary asked who covers the cost of the assessment of an additional physician? Jelani Hooks confirmed that it will be at the cost of the pension committee. There was a discussion amongst the pension committee on proper procedures for pension disability approvals. Chantel Daniels confirmed that Jermaine has appealed the decision of the Social Security Administration and the appeal is currently pending. After further discussion, it was confirmed that the 120-day rule could be extended under the contract guidelines. Kelli O'Leary suggested that the 120-day rule be extended until a decision has been made by the Social Security Administration on the appeal.

Bonnie Todd stated that there may be an instance where that appeal process with Social Security requires a hearing and can potentially take up to an excess of a year for a decision to be made.

Jelani Hooks confirmed that the actual application could be extended past Jermaine's employment with it being documented that Jermaine applied for disability pension prior to terminating employment. Kelli O'Leary suggested that the 120-day rule be extended and if it continues to delay the pension committee could reconvene to further discuss potentially acquiring an additional assessment from a separate physician confirming Jermaine's permanent disability. The pension committee agreed and no further action is needed during the current pension committee meeting.

Jelani Hooks continued with application of Joseph Jones' for disability pension approval by the pension committee. Jelani Hooks confirmed that Joseph Jones is currently active, has been deemed permanently disabled by Social Security Administration on December 3<sup>rd</sup> with a provided award letter, and is currently eligible to receive disability pension. A motion was made by Gregory Hayes to approve the request for disability pension of Joseph Jones. The motion was moved by Kelli O'Leary. Chantel Daniels seconded the motion. All in favor, motion carries.

Because there was no further business, the Board adjourned the meeting.

Meeting adjourned at 5:01 p.m.