

## ALCATEL-LUCENT – PENSION ASSET TRANSFER

### FACT SHEET

- Alcatel-Lucent moved approximately 20,000 retirees out of the Lucent Technologies Pension Plan (LTPP) and into the management plan along with \$3 billion in assets! This is \$1.2 billion more than is needed to cover the pension liabilities of these retirees.
- In 2004, CWA and the Company agreed to a National Memorandum of Understanding to maintain the Medical Expense Plan for Retired Employees, covering retired CWA- and IBEW-represented employees and their eligible dependents. Per that MOU, retiree health care is subsidized in part by transfers of excess assets from the LTPP. The use of those excess assets for retiree health care is integral to the arrangement. This agreement is in effect until December 31, 2019.
- Historically the occupational pension fund has been highly funded. Since the inception of Lucent, back in 1996, the company has never had to use corporate assets to fund retiree healthcare for our retirees. The ability to do so in the future is at risk.
- The diversion of assets intended for the use of our retirees diminishes the reserves the parties agreed would be used only to benefit plan participants.
- While the LTPP's excess funding was intended to subsidize the retiree health care benefits of LTPP participants, the Company is using that funding to eliminate or minimize the need to make contributions from its own coffers to the other pension plans. In other words, instead of the pension plan being used to subsidize retiree health care, its money is being used to subsidize Alcatel Lucent!
- CWA has filed a law suit contesting Alcatel-Lucent's actions. The IBEW has joined us in the suit.