

NAVISTAR PENSION RULING IS ISSUED BY FSCO, PENSION REGULATOR

The Deputy Superintendent of Pensions has released FSCO's Notice of Decision with respect to the wind-up of the Navistar Pension Plan. In it, the Deputy Superintendent has ruled with respect to the four key issues which have divided the Company and Union for many months. The CAW-Canada welcomes the Deputy Superintendent's decision. It largely adopts the submissions made by the Union.

The Deputy Superintendent has decided:

Issue 1: That the Navistar Plan be wound up with an effective date of July 28, 2011, but that the wind-up period shall extend retroactively to all workers who ceased employment at Navistar after June 30, 2009 including workers who retired or voluntarily severed their employment between June 30, 2009 and July 28, 2011.

Issue 2: In addition, and more specifically, the Deputy Superintendent has decided that workers who retired or terminated their employment **prior to June 30, 2009** will have their pension benefits recalculated to include the value of the Special Early Retirement Benefit (SERB) in Section 103 of the Plan **IF**, when they retired or terminated their employment they met the eligibility requirement of the SERB, (namely, between 55 and 65 years of age and a minimum of 10 years' service).

Issue 3: The Deputy Superintendent has decided that all workers who ceased employment after June 30, 2009, (that is they retired or terminated their employment after June 30, 2009), and all workers who were terminated on July 28, 2011 due to the plant closure, whose age and service equals 55 points or more as of July 28, 2011 are entitled to the SERB once they have met the eligibility requirements for the benefit. In other words, workers with 55 points or more on July 28, 2011 can "grow into" their SERB entitlements.

Issue 4: The Deputy Superintendent has decided that all workers who ceased to be employed prior to June 30, 2009 be granted the additional pension credit of .9 years of service under Section 7.03 of the Plan if at the time they terminated employment they were eligible for the benefit.

Finally, the Deputy Superintendent ruled that workers who terminated their employment after June 30, 2009 should be entitled to the .9 pension credited service if on July 28, 2011 they met or would have met the eligibility requirements under Section 7.03(b) of the Plan.

This ruling is obviously very positive for the workers. This decision may be appealed to a tribunal within 30 days; the CAW will not appeal the ruling. Navistar should immediately accept the ruling of FSCO.

In total, this ruling as it stands means an additional \$25 million in pension income for CAW members and their families. The CAW will continue to demand that Navistar provide for and respect all of the legal rights and entitlements for the Navistar employees. These rights as outlined in the decision are entitlements for workers that every employer in Ontario must provide. Navistar has an obligation to respect the laws of Ontario and worker's rights.

We will of course wait decision of Navistar and will continue to communicate with the membership.

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