



LOCAL 2-21 C.A.T. Letter

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Many people in our mill are aware of the delicate situation we face regarding our defined pension plan. We (local 21) hired attorney Peter Strom to assist us in some areas. Mr. Strom explained what could impact our lump sum and what we needed to be looking for. Naturally having the fund dip below 80% funding would affect us in the way we collect our lump sum. Anything below 80% would prevent us from collecting a lump sum in it's entirety. We would only collect 1/2 the lump sum and take the other 1/2 in a monthly annuity.

I have been working with Rox for the past 3 weeks to find out from corporate how well our pension is funded for this next year.....remember, we needed it to be 80% or more to continue getting our full lump sum. **We'll guess what, the number came in at exactly 80%.**

Below is a copy of an e-mail sent by Mike Nantelle to Glenn Grill, the head of HR at corporate. Glenn used to be the head of benefits until he recently got promoted.

Glenn,

We have all been nervous since we received the latest defined pension benefit letter. As you are aware, NewPage Escanaba is the only mill in the corporation that allows a lump-sum pension payout. We also know that once the funding for the pension falls below 80% the lump-sum payout could be affected. We in Escanaba have inquired why the latest funding number for 2011 has not been released. We have not been given an answer why this number has not been released and we have also not been given when or if the number will ever be released. As you can imagine this is causing great frustration for people that are close to retirement. Our negotiating committee has been fielding calls daily. I know our HR department here in Escanaba has also been fielding calls. Can you provide and explanation for the delay in the release of this number and or the day or time the number will be released?

On a personal note:

I find it totally unacceptable for a company (NewPage) to not provide some sort of explanation. We have people here in this mill that have worked here over 40 years and are now questioning their retirement. It is embarrassing to me to have to write this email and beg for information that our retiring members need.

Respectfully,

Mike Nantelle

USW Local 2-21

Insurance Advocate

Below is Glenn's reply which we received at 4:20 on Wednesday afternoon.

Mike,

I can understand your concerns about the plan's funding level and the potential impact on lump sum benefits. Please see the information below regarding the current funding status of the plan.

The Pension Protection Act of 2006 requires that pension plan sponsors distribute an Annual Funding Notice no later than 120 days after the end of each plan year, which is April 30 for the NewPage pension plans.

The information that was contained in the Annual Funding Notice sent in April 2011 shows the Plans Adjusted Funding Target Attainment Percentage (AFTAP) for the 2010 plan year (January 1, 2010 - December 31, 2010). The AFTAP is 87.65% and since this amount is greater than 80%, that means there were no restrictions on distributions from the Plan (i.e. lump sum restrictions) through March, 2011.

The AFTAP for the 2011 Plan Year (January 1, 2011 - December 31, 2011) is 80%. The AFTAP decreased from 2010 due to an increase in the liabilities as a result of a decrease in the IRS required interest rates. Since the AFTAP is at least 80%, there will be no restrictions on lump sum distributions from the Plan through March 31, 2012. The 2011 AFTAP will be reflected in the 2011 Annual Funding Notice that will be sent in April, 2012 as legally required under the Pension Protection Act.

I hope this answers your questions pertaining to our pension, its funding and the lump sum availability. If you have any questions about this, please contact me or Mike Nantelle.

In Solidarity,

Bryon Branstrom