United Textile Workers of America

Pension Rights Center National Training
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Employment Facts

- Client worked for UTWA from Oct 1972 until late 1981, when she went out on maternity leave.
- Remained on unpaid leave through November 1982.
- Extensive client paperwork documenting pension
  - Multiple annual statements
  - 1983 CIGNA statement said she was 100% vested an had monthly benefit of $138
  - 1995 letter from UTWA regarding plan merger with UFCW

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Three issues

- What happened to the UTWA plan?
- Was our client included in a group annuity contract that was held as a plan asset; or a group annuity contract that removed her from the plan?
- How did vesting rules apply to our client's service?

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What happened to the plan?

- United Textile Workers of America AFL-CIO Retirement Income Plan
- In 1995, merged into the United Food and Commercial Workers International Union Pension Plan for Employees, which continues to pay premiums to the PBGC
- NOT United Food and Commercial Workers International Union Employees Annuity Plan
  - This second plan completed a standard termination in 2015

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What type of Group Annuity Contract?

- Client had 1983 document from CIGNA identifying the Group Annuity Contract number
- In claim denial, UFCW argued they no had no liability for the benefit because our client was included in this Group Annuity Contract
- We submitted a FOIA request to DOL for the Form 5500 from 1995, date that UTWA merged with UFCW. This 5500 listed the CIGNA Group Annuity Contract as a plan asset.

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Prudential Group Annuity Contract?

- When UTWA merged with UFCW in 1995, Prudential assumed pension liabilities through another group annuity contract.
- In 2012, our client worked with a former colleague to try to locate her pension.
- Prudential letter to the colleague said that Prudential had a record of a distribution to the colleague.
- Prudential letter to our client stated, "**we are unable to determine that a benefit was purchased for you through United Textile Workers of America**." No record of a distribution.
- We confirmed with Prudential that they did not have a record of our client.

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Vesting puzzle

- Client worked for UTWA from Oct 1972 until late 1981, when she went out on maternity leave until November 1982.
- Plan had a graduated vesting schedule, so even if the maternity leave did not count, she was still 90% vested.
- All statements she received from the Plan in the early 1980s indicated that she was 100% vested.

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Nine Years = Ten Years of Vesting Credit

- Service from 1972-1981 included pre- and post-ERISA plan
- Plan calendar year changed in 1976, and again in 1980
- 1975-1976 effectively counts twice, giving the client an extra year of vesting credit

(we do not have the plan document, so we do not know the details of how the plan calculated our client's vesting credit)

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Nine Years = Ten Years

Y1: Oct. 1972-Sept. 1973
Y2: Oct. 1973-Sept. 1974
Y3: Oct. 1974-Sept. 1975
Y5: Oct. 1975-Jan 31, 1976 (LAST PRE-ERISA PLAN YEAR)
Y6: Feb. 1976-Jan. 1977 (FIRST POST-ERISA PLAN YEAR)
Y7: Feb. 1977-Jan. 1978
Y8: Feb. 1978-Jan. 1979
Y9: Feb. 1979-Dec. 1980 (PLAN YEAR CHANGED AGAIN)
Y10: Jan. 1981-Dec. 1981

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Appeal Granted This November

$250/month

$25,000 retro

Total value on cash accumulated basis is around $50,000

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Questions

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