A Special Meeting of the Retirement Allowance Committee was held on Tuesday, January 10, 1984, at 9:30 A.M., in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

- Mr. C. Andersen
- Mr. R. Andrzejewski
- Mr. E. Flowers
- Mr. J. Gallagher
- Mr. A. Kasmer
- Mr. D. Perk
- Mr. J. Weatherspoon

Mr. R. Bartkowicz, alternate for Mr. P. Kole, was present.

Mr. L. Morris, alternate for Mr. I. Thomas, was present.

Mr. R. Goldman, alternate for Mr. C. Hall, was present. Messrs. L. Brown, R. O'Connor, R. Janis, H. Reddrick and H. Hegarty were present. Messrs. G. Nagle, J. Mullen and Ms. C. Cox were present.

Mr. W. Ashley was also present. Messrs. M. Cardilli, B. Ford and S. Miller were also present. Messrs. J. Fitzpatrick and M. O'Leary of Continental Bank were present. Mr. R. Burke, the Plan Attorney, was present. Mr. J. Baratka, The Wyatt Company, was also present.

The Chairman called the meeting to order at 9:35 A.M. and informed the Committee that the meeting was being held at the request of Mr. E. Flowers, President of Local Union No. 308, who was seeking clarification as to why pension contributions had not been withheld from Local 308, General Office, and Craft employees' last paycheck.

Mr. Flowers expressed concern as to how this could occur without the knowledge and direction of the Retirement Allowance
Committee as they are the overseers of the Retirement Plan.

Mr. Flowers asked the Plan Attorney to read the correspondence which was initiated as a result of the occurrence. The Plan Attorney stated that he received a letter from Mr. Flowers, dated January 5, 1984, regarding the matter and recommended that all pertinent correspondence be made a part of the meeting Minutes so that it is a matter of record. (A copy of each is attached to these Minutes). The Plan Attorney then read the letter written to him by Mr. Flowers. The Plan Attorney stated that upon receipt of the letter he contact Mr. Ford, the Executive Director of the CTA, and on January 6, 1984, he received a letter from Mr. Ford explaining how the error occurred. The Plan Attorney then noted that he received a second letter from Mr. Flowers, dated January 6, 1984, in which Mr. Flowers requested that action be taken to collect from the Authority whatever interest was lost by the Fund as a result of the non-withholding of pension contributions.

A discussion ensued between the Vice Chairman, Plan Attorney and Assistant Secretary during which the Assistant Secretary informed the Committee that the contributions in question are to be remitted to the Trustee on February 28, 1984 and if a double deduction is taken from the employee's paycheck there would be no loss of interest by the Fund. The Plan Attorney called the Committee's attention to the point that the Assistant Secretary made, i.e., when contributions are withheld they are not remitted to the Trustee until the last day of the following month, therefore, there was no monetary loss by the Fund. Mr. Bartkowicz stated
that this being the case, there is no legal obligation involved it was an administrative misunderstanding causing no harm.

Mr. Kasmer stated he had received a flood of telephone inquiries from members of his union regarding the matter to which he had no answer and further stated that he was extremely disturbed about it.

Mr. Flowers stated that in view of the fact that the Executive Director had corrected the error, perhaps he could be invited to the next Committee Meeting on January 16, 1984 to enlighten the Committee on how the error occurred. Mr. Gallagher recommended that an attempt be made to have the Executive Director come in to this meeting. The Chairman asked for a brief recess in order that the Executive Director could be contacted.

Upon the reconvening of the meeting, the Chairman informed the Executive Director that this meeting had been called with regard to the non-withholding of pension contributions from the last paycheck of those employees in Local No. 308, General Office, and Craft unions and requested that he respond to the matter. The Executive Director stated that this was an inadvertent processing error and that no order had been given from his office to stop the deductions. Further, he could not specifically place the blame as that was a management responsibility. He reiterated that no order was given from his office and stated that upon finding out about the matter he immediately wrote to Mr. Burke and instructed the Payroll Department, through Mr. Miller, to ensure that the deductions are made in the future.
The Executive Director stated that the deductions from the Surface Line payroll will be made this week and, as stated in his letter, double deductions will be made from the payrolls which were missed. A discussion ensued between Mr. Flowers and the Executive Director during which Mr. Flowers expressed his concern over the possibility of something of this nature reoccurring without the Committee's knowledge and approval. The Executive Director responded that it was an administrative error which has been corrected and will not happen again.

The Plan Attorney recommended that some type of communication be sent to the employees explaining the reason for the double deduction of pension contributions from their next paycheck. The Executive Director stated that Mr. Miller had already been instructed to put together some suggested language for a communiqué to the employees to be included with the paychecks and would be most pleased to have the Committee be the signatory. Mr. Flowers stated that he agreed with the method but had reservations with regard to the Committee being signatory. Mr. Gallagher recommended that since the Committee is an objective party with respect to negotiations and whose responsibility is to enforce the contract it should be noted in the letter that the Committee as a whole looked into the mistake and took steps to assure that it would not occur again. The Chairman directed the Assistant Secretary to meet with the Plan Attorney and a representative from the Executive Director's office to get the letter drafted and made available to the membership prior to the next payday.
There being no further business, on a motion by Mr. Kasmer, seconded by Mr. Gallagher, the Committee unanimously agreed to adjourn at 10:00 A.M.

ASSISTANT SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED