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## AGREEMENT REACHED ON BUYOUT PLAN

Feb. 18, 2008

The Guild has agreed to be a part of the Sun's voluntary separation plan (otherwise known as a buyout), which means that eligible employees -- and those who are interested in exploring the package -- could receive plan documents as early as today.

Staff reductions are never desirable, but we do believe that it is better in most cases for employees to choose to leave, as opposed to being forced.

To cut costs, here's the basis of what The Sun is planning to offer to eligible employees: one week of base pay for every 6 months of service, plus an additional 3% of the buyout amount to help cover some taxes.

The Sun will not pay this buyout in bi-weekly payments as it has been done in the past. Instead, eligible employees can choose to accept their payout in one lump sum, roll it over into another retirement fund of their choosing (which may be tax-free), or purchase some kind of annuity plan. You can find out more details about each option by calling the Benefits Service Center at 1-800-872-2222. That office will be better able to offer specific details related to your personal retirement benefits when the buyout package has been signed and accepted by you.

Under the terms of this separation plan, medical benefits will continue for as long as your pay does, with a minimum duration of 12 weeks and a maximum of one year. Those who accept the plan will be billed quarterly for their share of the premiums during continuation of medical benefits.

We learned Friday that The Sun also will continue to offer life insurance for employees who take the buyout, and will offer job counseling for those who are affected. This is the first time, to our knowledge, that the company has offered that.

Also, this package is slightly different than plans in the past. Those who take the buyout will be able to accept work at Tribune

companies after a period of two (2) years. Usually, the provisions of the buyout prevent such an arrangement indefinitely.

Remember, any employee who is interested in finding out more about the buyout plan can request a package from Human Resources for review. The Sun has the right to refuse or accept any employee whose name or job title is not on the list.

If you request a package, you must sign to indicate your interest. That does not mean you have accepted the plan. It just means you want to take a look at your options.

The last day of work for employees who accept the buyout will be determined by The Sun, but will be no later than March 31, 2008. For Finance department employees that date is extended to April 30, 2008.

As we mentioned before, this buyout plan is being funded using the Tribune pension plan, which is currently over-funded by about \$400 million. We checked and determined that The Sun is within its legal rights to do that.

But we still have some questions about the prudence of such a move, and we've requested some detailed information so our lawyers and pension specialists can analyze it.

The window to apply for the voluntary separation program is expected to open today, and closes at noon on Friday, February 29 -- leaving just two weeks for you to decide if this is a plan that can work for you and your family.

We have asked The Sun for more time. These are complicated issues with tax consequences, nuances, pitfalls and possible ramifications -- all which require careful consideration.

But the deadline, we have been told, is firm.

Tanika White  
Unit co-chair