



ADDING VALUE TO EMPLOYEE BENEFIT PLANS

This edition of the MCG Journal highlights organizations that are adding value to Employee Benefit Plans. These groups provide services that enhance and ensure benefits for employees and their families through educational programs, influence on governmental policies, and involvement at a corporate level. Collectively, they aid multiemployer plans in achieving their investment and non-investment goals.

The International Foundation of Employee Benefit Plans (IFEBP)

The International Foundation of Employee Benefit Plans (IFEBP) is the largest educational association serving the employee benefits and compensation industry. A non-profit organization, the IFEBP is a resource for objective, accurate and timely information.



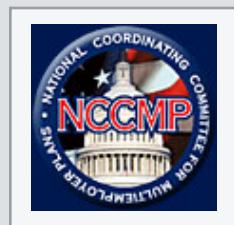
The IFEBP's roots stem from jointly-trusted plans, which were established with the passage of the Labor-Management Relations Act of 1947 (Taft Hartley Act). Among its provisions, the act made fringe benefits part of collective bargaining and allowed tax-free employer contributions to employee benefit trust funds operated by boards of trustees on which labor and management are equally represented. The trustees responsible for these funds quickly realized they faced a challenge to manage large sums of money and effectively provide benefits for covered employees and their families. Thus, the IFEBP was formed.

IFEBP provides education, information and research services, and networking opportunities for individuals and organizations that work with employee benefit and compensation plans. Available educational programs include the topics of investment management, benefit programs, multiemployer trust fund administration, trustee networking and management, and employer health/retiree plans. Programs come in multiple formats including certificate programs, conferences, web based programs, as well as E-learning courses.

For further information please contact:
International Foundation of Employee Benefit Plans
1 (888) 334-3327, option 7
E-mail: infocenter@ifebp.org
Web Site: www.ifebp.org

National Coordinating Committee for Multiemployer Plans (NCCMP)

The National Coordinating Committee for Multiemployer Plans (NCCMP) is an organization of national, regional and local multiemployer pension, health and welfare plans, International and Local Unions, national and local employer associations, individual local employers, and multiemployer fund professionals. For all the mentioned multiemployer plan participants, the NCCMP provides a legislative voice in the halls of Congress and in the courts.



The NCCMP is a non-profit membership organization founded in 1974 in response to a lack of understanding of multiemployer plans demonstrated by lawmakers during the enactment of ERISA. It is dedicated to the advocacy and protection of multiemployer plans, their participants and their families. Their mission is to assure an environment in which multiemployer plans can continue in their role of providing benefits to workers with a minimum of regulatory interference. The NCCMP monitors legislative and legal developments from inception to enforcement, representing the interest of multiemployer plans and participants every step of the way.

The NCCMP communicates with government officials and members of Congress about the unique characteristics of multiemployer plans. The goal of this communication is to minimize regulatory and administrative costs, maintain the ability of plans to establish and administer benefits in a free and flexible manner, and prevent proposed regulations from interfering with the ability to design ideal benefit programs.

An example of NCCMP at work is with regard to would be The Pension Preservation and Savings Expansion Act of 2003. Mature investment plans depend primarily on investment



returns for funding. While the funding rules were created in 1974, they did not anticipate prolonged periods of negative market performance (2000-2002). In 2003, affiliates of the NCCMP reported that they were facing short-term funding problems that would result in a violation of minimum funding requirements if some form of relief was not available. Trustees could have been forced to assess contributing employers for additional funds. In addition, contributing employers could have been hit with excise taxes based on the amount of underfunding. NCCMP launched a study to investigate the potential underfundings, while at the same time retained legal counsel regarding possible regulatory and legislative relief. The studies revealed the assumptions to be true. NCCMP proposed an approach to postpone the time frame during which plans would fall below minimum required funding amounts and to extend the amortization period from 15 to 30 years for losses incurred during this isolated period. As a result, Congressman Rob Portman introduced The Pension Preservation and Savings Expansion Act of 2003 which contains the relief proposal advocated by the NCCMP. This is still being debated today.

For further information please contact:
National Coordinating Committee For Multiemployer Plans
 E-mail: nccmp@nccmp.org
 Web Site: www.nccmp.org

Council of Institutional Investors (CII)

The Council of Institutional Investors (CII) is an organization of large public, corporate and multiemployer pension funds that strives to address investment issues that affect the size or security of their plans assets. Its objectives are to encourage member funds, such as large shareholders, to take an active role in protecting plan assets and to help members increase the return on their investments as part of their fiduciary obligations.



Founded in 1985 in response to controversial takeover activities that threatened the financial interests of pension fund beneficiaries, the group began with 20 member funds. The 1980's were the era of corporate takeovers, followed by anti-takeover laws, increasing dominance of CEOs and insulation of boards of directors from responsibility for their decisions. All of this was at the expense of the shareholder who had minimal or no say on most corporate decisions.

The Council operates to the following guiding principles: expectations that corporations will comply with all applicable laws, regulations and stock exchange listing standards, shareholder participation in corporate decisions, corporate accountability and responsible business and governance practices. Corporations are monitored and should their performance or business practices become an issue of concern, the Council notifies the firm and requests an explanation, giving the company an opportunity to justify their actions. Thereafter, the Council may offer appropriate guidelines and recommendations. Finally, when necessary, Legislators are made aware of the Council's findings and recommendations.

CII has been the catalyst for shareholder empowerment. Issues that they have successfully addressed include the following: the repeal of classified boards, elimination of supermajority votes, limitations of poison pills and review of golden parachutes. At one point, all of these structural issues put common shareholders at a disadvantage. CII contributed to the important changes made in this area of corporate governance.

Today the Council has over 140 pension fund members whose assets exceed \$3 trillion.

For further information please contact:
Council of Institutional Investors
 (202) 822-0800
 Web Site: www.cii.org

Save the date for the following MCG Events:

Sunday October 8, 2006
 IFEBP Breakfast
 Las Vegas, Nevada

February 2-6, 2007
 MCG Client Conference
 Walt Disney World
 Orlando, Florida