

CORBE, INC. Letter to Members - Spring 2023

Greetings from the CORBE, Inc. Trustees. We hope this letter finds you and your family healthy and safe. The 2022 Annual General Meeting (AGM) was held on October 27, 2022 in “virtual” format using Zoom technology. More than 90% of the 100 plus members participating maintained their internet connection for the entire two hours of the meeting. The Trustees that served during 2021-2022 were reelected to serve for 2022-2023 and draft minutes of the 2021 AGM were approved. After the AGM the Trustees elected the following Officers for 2022-2023: President- Rob Fredericks, Vice-President - Howard Lemberg, Treasurer- Bob Sesko and Secretary-Tom Browne.

The following is a brief on some of the matters that will be discussed, with detailed presentations, at the 2023 Annual General Meeting on October 25, 2023. Save the date!

Pension Transfers

By purchasing Group Annuity Contracts (GAC), the Ericsson US Pension Plan transferred the pension obligations for some retirees to Banner Life Insurance Company in 2019 and 2020, and to Athene Annuity and Life Company (Athene) and Banner Life Insurance Company (Banner) in 2022. Some elements of the transfers were discussed in the 2022 AGM, and the Trustees are working to continue to deepen our understanding of the State legislation and regulatory practices that govern group annuities.

We are also continuing to monitor Federal pension legislation (ERISA) and regulations that govern the Ericsson US Pension plan since some CORBE members still participate in that plan.

Annuity Certificates

In an August 2022 letter, Athene notified the people whose pension obligations were to be transferred on September 1, 2022 that they would receive their Annuity Certificates (AC) from Athene and Banner in early 2023. These certificates are the record of benefits that transferees are legally entitled to, and the annuity company is obligated to pay. Delivery of these certificates was delayed by the process of securing approval of the GACs by the fifty State Insurance Departments. Members began receiving their certificates in April, and all the certificates should have been received by this time. It is important that you verify that all the information on the certificate is correct: including your name, birth date, monthly payment amount, form of the annuity (e.g., single life, joint and survivor, period certain and life), and the amount of the Lump Sum Death Benefit if you are entitled to it. See below for more on the Lump Sum Death Benefit.

If you are expecting certificates and have not yet received them, call Athene at (833) 480-8672, and let me know. Athene states that they: *“recommend keeping your certificates with your other important documents for safekeeping.”*

Athene and Banner Group Annuity Contracts

CORBE Trustees obtained a copy of the GACs that are the basis for these transfers. We are analyzing the language in these GACs and the Annuity Certificates (AC) to verify that the benefits provided in the Ericsson US Pension Plan are provided by the ACs issued to retirees.

We are framing specific questions for discussion with Athene and Banner to gain deeper understandings of some of the language in the ACs and GACs. Overall, this initial analysis indicates the ACs and GACs provide reasonable continuity of our rights and benefits from the Pension Plan.

Lump Sum Death Benefit

The Bellcore/Telcordia/Ericsson Pension Plan included a “Supplemental Death Benefit” that covered many, but not all, participants in the Plan. This Benefit is included in the obligations transferred to Athene and Banner under the GACs (where it is referred to as the Lump Sum Death Benefit) for participants that had it under the Ericsson US Pension Plan. When contacting the Athene hotline, (833) 480-8672, to discuss this matter you should ask about the “Lump Sum Death Benefit,” since that is the way it is identified in the online tools available to Athene hotline representatives.

Athene and Banner Regulatory Financial Filings

Athene and Banner make annual filings to the State Insurance Departments in each State where they are licensed to sell insurance. Trustees have begun to extract and analyze data from annual filings for the separate accounts that contain our benefits. To date we observe that historically:

- a. assets equal or exceed liabilities,
- b. the asset portfolios are not inconsistent with an expected risk profile of an insurance company holding pensioners’ annuities; and
- c. liabilities are calculated with typical discount rates and mortality tables.

Also, from other public domain information sources we observe that the general accounts of Athene and Banner’s parent companies have assets greater than liabilities.

Ericsson US Pension Plan April 2023 Annual Funding Notice

The Ericsson US Pension Plan will continue to be the source of retirement benefits for many former Bellcore/Telcordia/Ericsson colleagues, including CORBE members who are still participants in the Ericsson US Pension Plan. These approximately 3000 people are either (a) currently employed or (b) have left Ericsson but are not yet receiving their pension payments. At the end of April 2023, Ericsson mailed the Annual Funding Notice (AFN) for the Ericsson US Pension Plan to these participants.

The 2023 AFN provides the Plan’s Market model of assets and liabilities, and shows that assets continued to exceed liabilities on 12/31/2022. Assets are about \$499M and Liabilities are \$452M or a ratio of Assets/Liabilities of about 110%, which is consistent with the ratios of former years.

As indicated earlier, these matters will be addressed at the Annual General Meeting (virtual format) on October 25, 2023. Your Trustees sincerely hope that all Members remain healthy, and that you will be able to participate in the Meeting. Please contact me with questions or concerns, and any topics you would like to see addressed at the Meeting.

Thank you for your continued support for CORBE.

Rob Fredericks
President, for the CORBE Board of Trustees
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