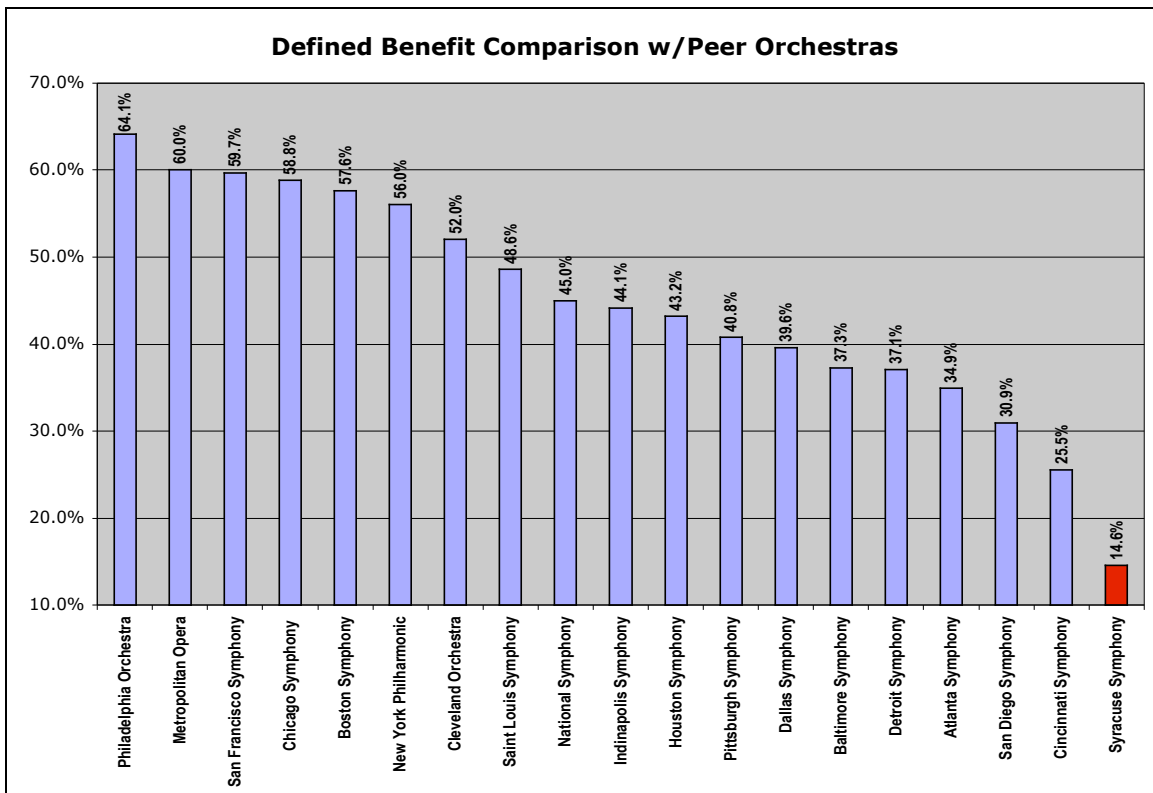


PENSION

Early in 2001, the musicians of the Syracuse Symphony Orchestra agreed to an early, unprecedented long-term contract. At that time, the musicians were told that the orchestra management would pay down an accumulated debt, and the board would begin a major endowment drive during the term of the contract. The contract allowed for only minimal wage increases, and a significantly increased burden on the musicians for paying health care costs. Musicians were led to believe that if they agreed to the contract, the orchestra would begin to grow at a rate more comparable to its artistic peers in the next contract cycle. Now, five years later, the orchestra management has given a final offer to the musicians. Management's final offer again provides only minimal wage increases that will not keep pace with inflation, a health care burden larger than that of any other major orchestra, and no improvement in the musicians' pension.



Syracuse Symphony Orchestra musicians earn the smallest pension of any artistically comparable orchestra. The musicians' pension is calculated using a formula, which averages the highest salary earned during five of the ten years before retirement. Normally, the pension will pay 14.6% of a musician's salary when he/she reaches retirement age. For a musician who has worked for thirty years and earned base salary, the pension only amounts to \$366 per month.

Many musicians work well beyond normal retirement age in an effort to increase the amount of their pension. When musicians continue to work past 30 years, the amount of their pension benefit increases slightly by taking into account deferred compensation, which was owed to them after 30 years of service. Unfortunately, even after forty years of service, many musicians will not receive a payment from the pension that makes retirement possible. Consequently, musicians are forced to save the bulk of the income for their retirement from their already low salaries, which are reduced even further by health care co-payments.

**Orchestras that Contribute to AFM-EP and Other Defined
Contribution Plans as of 2005-06**

<u>Orchestra</u>	<u>AFM-EP Contribution</u>	<u>Private Plan Contribution</u>
Alabama Symphony	5.00%	
Buffalo Philharmonic	8.00%	
Charlotte Symphony	8.00%	
Colorado Symphony	3.00%	4.00%
Columbus Symphony	7.00%	
Florida Orchestra	5.00%	
Honolulu Symphony	6.00%	
Jacksonville Symphony	6.50%	
Kansas City Symphony	5.00%	1.50%
Los Angeles Philharmonic	7.00%	
Louisville Orchestra	5.50%	
Milwaukee Symphony	6.50%	
Minnesota Orchestra	7.00%	
Nashville Symphony	6.00%	
New Jersey Symphony	10.00%	
North Carolina Symphony	n/a	9.00%
Oregon Symphony	8.50%	
Phoenix Symphony	4.00%	
Rochester Philharmonic	n/a	5.00%
Utah Symphony	8.00%	
Virginia Symphony	6.00%	

The Syracuse Symphony Orchestra pension is a defined benefit plan. Some orchestras have that type of plan, but many orchestras fund their musicians' pensions through the American Federation of Musicians Employers Pension Fund (AFM-EP). Musicians who work for orchestras in the AFM-EP fund receive contributions from their employers at a defined percentage of their salaries. The Syracuse Symphony Orchestra has recently been budgeting \$80,000.00 per year for the musicians' pension. That amount is approximately 3.2% of the total payroll for musicians. The chart above shows the commitment other orchestras have made to their musicians.

The Syracuse Symphony Orchestra musicians' pension is currently under-funded. The orchestra management has chosen not to spend the money saved during the last contract to pay off the under-funded amount. Instead, they have reduced their commitment to funding the orchestra's musicians (please refer to the "SALARY" sheet). Because the Syracuse Symphony Orchestra is already paying salaries lower than any artistically comparable orchestra, the musicians are unable to continue to fund their own retirements.