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CSO MANAGEMENT CLAIM IT CAN'T AFFORD MUSICIANS' PENSION IS UNTRUE – AND MANAGEMENT FINALLY ADMITS IT

March 17 – (Chicago, IL) – After a weekend of negotiations, while no settlement was reached, CSO Management did admit that keeping the guaranteed benefit plan as the Union suggests, is far more cost effective than Management’s proposal to end it and replace it with a defined contribution plan. CSO management’s proposal, as the chart below indicates, would cost \$47.5 million over 10 years which is 30% more than keeping the existing \$36.5 million plan over the same period of time and would maintain the Musician’s pension plan with its guaranteed benefits.

“I don’t dare second guess what the Zell-Alexander Board’s real agenda is,” says Steve Lester, bassist and chief negotiator for the CSO Musicians. “But I know that the package the Musicians are fighting for protects our members, saves the CSO money, and secures the future of the Orchestra,” Lester added.

**Chicago Symphony Orchestra
 10-yr. Cash Cost Comparison – Proposed DC vs. Current DB**

FY Ending 6/30	Current Plan	Frozen Pension Plan	Basic DC Allocation 7.5%	Points-Based Transition Allocation	Lump Sum Make-Whole Payment ²	Proposed Plan Total
2019	\$3.8M	\$3.8M	\$0.0M	\$0.0M	\$0.0M	\$3.8M
2020	5.4	5.3	1.2	1.3	0.9	8.7
2021	5.5	4.4	1.2	1.2	0.0	6.8
2022	5.5	4.6	1.2	1.2	0.0	7.0
2023	5.9	4.9	1.2	0.0	0.0	6.1
2024	5.3	4.6	1.2	0.0	0.0	5.8
2025	3.9	3.5	1.2	0.0	0.0	4.7
2026	1.2	1.0	1.2	0.0	0.0	2.2
2027	0.0 ¹	0.0	1.2	0.0	0.0	1.2
2028	0.0 ¹	0.0	1.2	0.0	0.0	1.2
Total	\$36.5M	\$32.1M	\$10.8M	\$3.7M	\$0.9M	\$47.5M

¹ Cost of DB accruals “paid for” through asset returns (7%) in excess of the funding interest rate (5.07%)
² For retirement at age 67

- For cost projection assumptions and caveats see Segal’s April 13, 2018 presentation to the Musicians Union Negotiating Committee, unless otherwise noted
- For proposed DC benefit provisions and assumptions see Segal document # 5837723v2 dated March 15, 2019
- Assumes DC Plan 7/1/2019 effective date

March 15, 2019

★ Segal Consulting 1

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-MORE-

Add 1/CSO Strike Reality

“An analysis of the chart put out last week by CSO Management (below) illustrates they are misleading the CSO Musicians and the negotiating process,” said Jim Smelser, second horn, and Vice-Chairman of the Negotiation Committee. “This is damaging the credibility of the CSOA,” added Smelser.

THE ISSUES OF THE CSO STRIKE - Management Myth Vs. Facts

CSO Management posted a graph purporting to compare CSO musicians to those of other orchestras. Sadly the creators used visual tricks to create misimpressions. Here are the facts.

ANNUAL BASE PAY

As you can see, the truncated graph starts their comparison at 100K, rather than 0. This makes the differences between orchestras appear greater than they actually are. The normal, non-manipulated chart provides an accurate comparison of pay between orchestras.

Management Myth



The Facts



GUARANTEED PAID TIME

Again, the Association graph begins at 8 instead of 0, making it seem as if the CSO musicians are guaranteed far more paid time off. In reality, CSO musicians' paid time off is about the same as its peers.

Management Myth



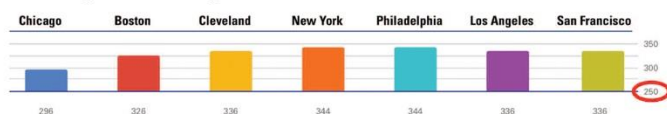
The Facts



MAXIMUM REQUIRED SERVICES

At first glance, the CSO chart appears to show Chicago as significantly lower than its peers. In reality the CSO is about even with other orchestras in terms of maximum required rehearsals and concerts. In fact, what's more – the CSO plays more concerts than any other symphony orchestra in the country.

Management Myth



The Facts



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