

July 5, 2016

Fellow DuPont Pension Plan Participants

As many of you know, Paul Kende has summarized the risks and the associated concerns about the security of our pensions in a letter to DuPont senior management on 3/25/16, which was endorsed by over 400 DuPont retirees. The letter was followed up with a few phone conversations, email correspondence and a personal meeting. We believe this communication may have had some influence on management's decisions and actions; in any case, an SEC filing on 5/25/16, made the kind of definitive, written corporate statement of commitment to meet DuPont's pension obligations that we have been requesting. While this may have eased some concerns, not all questions are resolved, and we will stay focused on the ongoing significant risks to our pension security, particularly Pension Trust funding, as the proposed corporate merger and split evolve, and beyond that, as pension restructuring may occur in the future.

The DuPont Pension Plan is just one of many such defined benefit plans operating under the 1974 Employee Retirement Income Security Act (ERISA) statute. ERISA established minimum standards for pension plans that protect both employees and employers but does not require employers to offer pension plans. ERISA permits Pension Trust re-structuring, and benefit changes on a forward going basis, all subject to legal constraints. This is a complex legal arena, requiring expertise not only to correctly interpret the law, but to also to upgrade it, in order to improve retiree income security, when gaps, weaknesses, or inconsistencies are recognized. So, while DuPont and its successors may do everything required by ERISA, this does not mean that our pensions are absolutely secure, either now, or as the merger and business separations unfold. For example, one particular area of concern relative to our DuPont pension is that the current funding level of the pension trust requires continuing contributions from DowDuPont and then the proposed three spin-off companies. Business performance may affect the ability of these companies to continue to make contributions.

In addition, Social Security, Medicare, the cost of prescription drugs and healthcare costs in general, all represent aspects of our income security which need improved protection in the framework of national policy, laws and regulations.

To address these broad needs, we have been looking for an efficient and effective way to support our pension and general income security, beyond the specific issues we have raised with DuPont management, as summarized above. To this end, we have been working with the National Retiree Legislative Network (NRLN) to decide if we should create a DuPont Retiree Association or Chapter, under their umbrella, as many other retiree groups from various major companies have done across the U.S. We have reviewed their extensive web site, spoke and corresponded with their President and Vice president numerous times, talked with a couple of other Chapters' officers, and reviewed the proposal below, with over 30 DuPont retirees, who have provided strong support to our efforts in the last four months.

On the basis of this background work, and the positive response we received, we have established the NRLN DuPont Retirees Chapter, with a few members, in order to provide a start-up structure that all DuPont retirees can join if they wish – as we hope and expect. In summary, the potential benefits are valuable, its operation would be simple, and contributions are voluntary (suggested level is \$25 per year, but any contribution is welcome). Below is an overview of the NRLN, the benefits of being a member of the NRLN DuPont Retirees Chapter, and how to join the Chapter.

The NRLN Mission and Structure (extracted from the NRLN Website)

The mission of the National Retiree Legislative Network is to develop, identify and rally support for federal legislation that guarantees fair and equitable treatment of retirees and future retirees. We work to protect earned employer-sponsored pensions and benefit plans and Medicare and Social Security that Americans worked many years to earn and expected to be available throughout their retirement. We will oppose legislation and regulations that will do harm to the quality of retirement life.

As a non-partisan coalition, we utilize the strength of our Board of Directors, Washington, DC staff, Regional Vice Presidents, Retiree Associations, Chapters, and individuals in our Grassroots Network, in all 50 states, to represent and lobby for the interests of the millions of men and women, who retired from the private and public sectors. NRLN collaborates with and serves on various levels with national advocate organizations headquartered in Washington D.C. and elsewhere. The NRLN does not offer campaign contributions or other forms of inducement but relies upon factually developed proposals and appeals for change in Washington D.C. and in congressional district across the U.S.

The NRLN does not negotiate with any specific employer, nor is it a mechanism to represent its Associations and Chapters in legal action against their former employer. It is a national lobbying organization to advocate and strengthen broadly applicable pension and other income security rights and regulations.

NRLN's strength is based on a competent staff and a nationwide network of retirees from over 150 U.S. companies and public entities who lobby a common agenda in every state and in 75% of the U.S. Congressional Districts. The NRLN focuses on current and future retirees only and on income and healthcare security only.

NRLN Accomplishments

The NRLN has conducted extensive research on tough issues and pioneered the use of whitepapers in advocacy lobbying that has enabled it to gain access to Congressional Committees of jurisdiction, the Departments of Labor, the Employee Benefits Service Administration, Treasury and the Pension Benefits Guarantee Corporation.

- **NRLN recently led a coalition lobby that resulted in The Harkin/Wyden letter** to protect retirees affected by corporate de-risking faced by retirees from General Motors and Motorola. This letter and follow up diligence influenced the Treasury/IRS announcement on July 9, 2015 that lump sum buyout offers are banned for retirees already receiving pension payments.
- **Important prescription drug bills advocated by the NRLN have been introduced:**
 - **Medicare Prescription Drug Price Negotiation Act (S. 31 and H.R. 3061)** would empower Medicare to negotiate for the best possible price of prescription medication.
 - **Safe and Affordable Drugs from Canada Act (S. 122 and H.R. 2228)** would allow individuals to import safe prescription drugs from our northern neighbors.
 - **Fair and Immediate Release of Generic Drugs Act (S. 131)** would help put an end to the practice of brand-name drug manufacturers using pay-for-delay agreements.
- **Other legislation, aimed at retiree health care and/or income protection, advocated by NRL:**
 - **H.R.290 would eliminate Medicare's 3-day inpatient requirement to qualify for payment of skilled nursing facility services.** This practice has caused many to have to pay for expensive rehab benefits.
 - **Older Americans Act Reauthorization Act (S. 192)** was passed on July 16, 2015.
 - **S.1362 Program of All-Inclusive Care for Elderly (PACE) Innovation Act** was passed.

- **H.R. 2704 & S. 704 COMMUNITY BASED INDEPENDENCE FOR SENIORS ACT** was passed.
- **S. 192 would establish home and community-based care** to eligible Medicare beneficiaries.
- **S. 1362 would allow the Department of Health and Human Services to conduct pilot programs to enable more seniors with chronic conditions to participate.**
- **S. 704 and companion bill, H.R. 2704, would direct the Secretary of Health and Human Services to establish a Community-Based Institutional Special Needs Plan demonstration program** to target home and community-based care to eligible Medicare beneficiaries age 65 or older.

Top NRLN Legislative Initiatives (from NRLN website – Legislative agenda – 2016)

Each year, agenda proposals are fully reexamined and prioritized and the top six to eight proposals are supported by detailed White Papers and brief Executive Summaries or Position Papers that are posted on the NRLN website at www.nrln.org. Unlike other national advocate organizations the agenda is created from the bottom up. Associations and Chapters are part of the process. A set of one-page Talking Points is also developed for each of the Top Priorities and they are used as a lobbying aid in Washington, D.C. and throughout our Grassroots Network in all 50 states. Below is NRLN's Legislative Agenda Table of Contents, indicating the scope of NRLN's strong and comprehensive legislative efforts for 2016. If you wish to explore these in more detail, each element is fully described on the NRLN website's Legislative Agenda page.

Protection and Enhancement of Retiree Income Pension Asset Protection Proposal

- Pension Benefit Guaranty Corporation Reform
- Bankruptcy Reform
- Protection of Retirees in Mergers and Acquisitions
- Protecting Vested Pension Benefits from Plan Asset Transfers
- Pension Annual Funding Notices – Disclosure Improvements
- Pension De-risking by Companies
- Social Security Protection

Protection and Enhancement of Retiree Health Care Benefits

- Protection of Medicare/Medigap/Advantage Benefits
- Maintenance of Cost Protections (“MCP”)
- Inclusion of Catastrophic Coverage in Medicare
- Legislation Necessary to Reduce the Cost of Prescription Drugs
- Other Cost Reductions for Retirees

Retiree Income and Health Care Benefit Tax Reform

- Taxes Affecting Retiree Income Sources
- Taxes Affecting Retiree Health Care Benefits

Benefits to NRLN DuPont Retirees Chapter Members

- We get the benefit of professional representation by NRLN, the only national lobbying organization dealing with all retiree income security issues (Pension, Health Care, Social Security, Medicare, Prescription Drugs).
- We benefit from having a dedicated Washington lobbyist and strategist, who advocates NRLN's legislative initiatives with key Congressional Committees.
- NRLN supports and guides us, as active grassroots members, to communicate with our Representatives and Senators about what they should be doing for retirement income security and reducing the cost of health care.

- NRLN expertise is a Chapter and Association resource for education, information, guidance and contacts – for all general and specific retiree income security issues.
- The NRLN DuPont Retirees Chapter will have a dedicated page/tab on the NRLN website for events and updates and major communications relevant to us.
- Members with email addresses entered in the secure database, will receive NRLN Action Alerts and other retirement-related messages from NRLN President, via email. Chapter Officers can broadcast messages to all NRLN DuPont Retirees Chapter Members on important issues, developments and events, through an efficient communications mechanism. Individual Members can respond to the sender through the “contact” feature in each NRLN email, or by regular email, outside the NRLN mail system.
- Members, with street address information in the NRLN database, who contribute to the NRLN, will receive the NRLN FOCUS Newsletter three times a year, with a page/insert for information, specific to DuPont. Those who have an email account will be able to read and download copies of the FOCUS and other items of interest including relevant news articles.

Additional Information About NRLN

[The 3-page NRLN Future Directions Survey Results Article](#) (based on nearly 7,000 responses) is just one small example of the value we can expect to derive from NRLN membership. Also, feel free to browse the NRLN website.

Joining the NRLN DuPont Retirees Chapter

If you believe, as I do, that our pensions need and deserve protection by supporting proactive and professional legislative advocacy, please join the NRLN DuPont Retirees Chapter, which is already up and running with a few members, to provide a start-up structure. Please go to www.nrln.org and click on the Chapters tab, then click NRLN – DuPont Retirees Chapter to see our web-page. One of two steps will permit you to join:

- For those who receive this email directly from Paul Kende, we will upload your email address to the NRLN DuPont Retirees Chapter data-base, unless you opt out, by sending an email to paul.kende@gmail.com and ask to delete your address from the list, before July 13, 2016 (please copy me also).
- For everyone else who receives this proposal (forwarded to you by someone else, or read it as a Facebook posting), we may not have your email address; therefore, please self-register: go to www.nrln.org, and under the NRLN Chapters tab, select DuPont Retirees Chapter; at the bottom of the left column follow the simple Enrollment instructions.

NRLN assures us that its database is secure and will not be shared with anyone, and that you will not get spam. Solicitation for voluntary contributions will be delayed for 3 months, so you could begin to see value in the work of the NRLN DuPont Retirees Chapter and the NRLN before you actually contribute. And every email you receive will have an “unsubscribe” option, to permit you to drop out of the group for any reason.

Joining the NRLN DuPont Retirees Chapter supports the effort to strengthen the national legislative/legal infrastructure underlying our retiree income security; it adds another dimension to, but does not replace, our efforts to continue to communicate with DuPont management around our pension security concerns – which remain our top priority.

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