

**Here are the [latest Pension Comments](#) from [IBM employees](#):**

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**Comments 02/20/06:** After finding a major problem with the "official" retirement estimate payments, late November, I retired at the end of November 2005. I was unable to get "correct" payment numbers for over 30 days. The Netbenefits estimator kept giving me lower numbers for waiting to collect. I was later told that the Netbenefits estimator, does not get updated interest rates for calculations, nor the correct information for your salary until 20 days after you have left. I personally received multiple iterations from the IBM Benefits people (Fidelity) which gave me different payments for the same retirement dates using the same options. I finally got a set of numbers that was satisfactory to me and applied for them. I made IBM put the amount they had agreed on the document as a minimum amount I would receive.

( You cannot change what you selected after a payment has been made to you.) They tried to have me accept a smaller amount (after making their "official" calculations and I refused. After much conversation and my pointing out their mathematical errors, I again had the amount put into the official contract stating I would receive that amount or more. I have been told that everything I gave them has been accepted and is being "processed", whatever that means. I hope to receive my first payments (effective last year) in March of 2006 (over 3 months after I retired). I had done my due diligence ahead of time and current retirees told me to have at least 3 months living expenses, as it may take that long to get your checks. I thought it was crazy, but had the funds available, just in case. This must be the JUST-IN-TIME processing; Just-In-Time to avoid a lawsuit. *-Anonymous-*

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**Comments 02/15/06:** Just a little piece of history....from PressConnects.com on June 8, 2003.... In July 1994, IBM's director of total compensation advised Gerstner that a new pension plan -- what employees were told later that year was a new pension credit formula -- might produce \$117 million in savings the first year and \$2 billion over 10 years. A further reduction in the company's retirement expenses occurred in July 1999 when a cash balance pension plan was created. Employees younger than 40 with less than 10 years of service were automatically put into this plan The estimated savings from the second round of changes turned out to be larger than those the earlier round had garnered. In February 2000, seven months after the conversion, future savings were calculated at \$140 million in 2000 and \$3 billion over 10 years. The 1994 memo to Gerstner, who had joined the company in April 1993, pointed out that Big Blue had no separate retirement plan for executives. Company expenses for retirement benefits could be cut even if the employee match for the 401(k) plan were increased from 1.5 percent to 3 percent of pay and the executives' retirement package were boosted with two new plans. IBM executives earning more than \$150,000 annually would be able to put up to 12 percent of their annual pay into a so-called "top hat" plan, a type of 401(k) not available to other employees that would provide a 3 percent company match. And a supplemental executive retirement plan was designed to "meet the income replacement objectives" of executives because of their worry about cuts in their pensions. A 1999 company document made public in the lawsuit shows that 1,186 top executives were eligible for participation in the supplemental executive retirement plan (SERP). Court documents reviewed by Gannett News Service didn't indicate how many executives were eligible for the top hat plan. The employee 401(k) was improved in 1995. FULL ARTICLE AT

<http://www.pressconnects.com/special/ibmpensions/stories/story6097.shtml>

*-Anonymous-*

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**Comments 02/07/06:** All, Attached below is the Legal notice attached to the new pension materials. (note: if you read this, you will see) "The Company" doesn't owe us squat..!! and "The Company" can change or TERMINATE things at their own discretion at ANY TIME...!!!  
Bottomline - We're F@@ked..!! Congratulations to us all. *-Anonymous-*

----- Legal notice -----

These materials are intended to provide an overview of certain plans and programs in which you may participate. These materials are not an official Summary Plan Description and do not provide full details. Complete details are found in the formal plan documents, which are the complete and exclusive statement of the Company's obligations under the plan. The official plan document shall

govern in the event of a conflict between the information contained in these or other documents or statements. The plan administrator retains exclusive authority and discretion to interpret the terms of the benefit plans and programs described herein. The Company reserves the right, in its sole discretion, to amend, change, suspend, or terminate any benefit or other plan, program, practice or policy of the Company at any time. The Company does not have any obligation to, and nothing contained in these documents shall be construed as creating an express or implied obligation or promise on the part of the Company to, maintain, continue to offer, or make available such plans, programs, practices or policies. Eligibility to participate in a plan or program or receipt of benefits does not constitute a promise or right of continued employment or render any person an employee of IBM. Any statements in these documents that refer to the performance of, or rates of return on, certain investments are for illustrative purposes only and are not indicative of expected current or future rates of return.

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**Comments 02/03/06:** I'm happy to see some one from Canada, hope a union for us will be created - *Anonymous-*

*Alliance reply: We will be announcing contact information for our co-workers in Canada very soon.*

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**Comments 02/01/06:** I didn't see a lot of comments from employees of IBM Canada. I've read a lot of comments from IBM us employees. So as I'm an IBM Canada employee let me tell you that a lot of them share your concerns. About 700 hundred employees from IBM Canada have been touched by the same legal theft. IBM is no more a top value in our mind. We don't know exactly how many of us as been touched .The info is very controlled from inside. We don't know the name of employees who as been affected by the pension theft. Most of us are very angry. Not sure there will be a high productivity and flexibility from us. The dedication of all employees is gone for a long time. I'm not sure it will be the best investment IBM made by this pension reduction. The high management tries to get people to accept the situation by confronting people to go to meeting that I see as a therapy group. Individually managers meet employees one by one to explain the same cassette. Everyone knows they should resign but never accepted. WE don't have union here. We never know what's the next step. Some people feel better now with a union watching things .So do you know if the "Communication Workers of America " have an associated union into Canada? -*Anonymous-*  
*Alliance reply: We are working with CWA staff to get Canadian unions involved in this pension fight. Will let you know future developments. Please contact us: [endicottalliance@stny.rr.com](mailto:endicottalliance@stny.rr.com)*

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**Comments 01/31/06:** The reason for American's having pensions frozen or eliminated is being caused by, the "global economy"; which is used against Americans to take jobs offshore and to water down our salaries and benefits, for the sake of business. The "global economy" means give much of middle class Americans wealth, to those poor forsaken 3rd world nations. Who doesn't want the 3rd world standards of living to increase but the greedy are using it against Americans for the sake of profit, so the global economy does us more harm than good. Our congress needs to know that war has been declared on the middle class and we are paying the price with our jobs and retirements! Defend us or we vote you OUT of office! -*Anonymous-*

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**Comments 01/31/06:** The below comment about new pension legislation sounds scary to me. I really think this has no chance of passing. There is no way that the American people are going to allow tax payers dollars pay to shore up private companies pension funds. Not a chance. -*Anonymous-*

*Alliance reply: Better be proactive now and tell congress what you think instead of believing it won't happen.*

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**Comments 01/30/06:** NEW LAW PENDING IN CONGRESS TO PREVENT PENSION FREEZES - PLEASE PASS AROUND. I just received this information from a legislative aide in Washington DC: The bill is named The Pension Security and Transparency Bill. If passed, it will protect employees from pension freezes by companies who are not under funded. It will also provide for gov's aide to those companies who are under funded so that they do not have to freeze their pensions. The progress of this bill can be tracked on thomas.loc.gov. To help this bill pass, we need people to call their senators and house representatives to show their support and interest. -Anonymous-

*Alliance reply: This is, for the most part, the enemy's bill, and NOT something we would be in favor of. Our goal has been to either neutralize it with a number of worker protections, or to generate enough controversy that Congress will figure out they should just leave it on the shelf and not pass it... (always beware of nice sounding legislation).*

*We DO want people to call Congress, and to make the following points:*

*- We are concerned about upcoming pension legislation in both houses of Congress as it could seriously hurt workers. We want Congress to strengthen ERISA pension protections, not weaken them.*

*- Early retirement subsidies, once vested, and especially once being collected, need to be fully protected.*

*- Plans that are under funded need to be fixed by forcing companies to increase their contributions to those plans, NOT by forcing them to cut benefits to current and future retirees.*

*- Do not reduce the size of a lump sum distribution that can be offered in place of a promised annuity and make sure the promised annuity stays an option.*

*- Strengthen plan termination rules so that excess funds have to be used for the sole benefit of plan participants and cannot be returned to the company or to the corporate executives.*

*- Currently, neither the house nor the senate bill retroactively legalizes cash balance conversions.*

*We will be outraged if we lose a large share of the Cooper settlement because Congress retroactively legalized what IBM did. If Congress must legalize cash balance conversions, they should include all of the protections for older employees that are in the senate bill.*

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**Comments 01/30/06:** I think that a case can be made in saying that IBM may have used misleading and deceptive business practices when representing the value of the pension benefit to their employees. (Correct me if I'm wrong, but aren't there laws against deceptive business practices?) It certainly isn't by accident that every employee believed that there was no need to have a backup plan in case their accrued pension benefit was reduced or taken away. The concept and importance of the pension benefit was continually reenforced by partners such as Merrill Lynch if they helped us with our retirement plans (with IBM's support and approval) and by tools that IBM provided for the same purpose. But I may be wrong about this. Can someone else comment? -Anonymous-

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**Comments 01/30/06:** For those IBMers that think that IBM will keep the \$1 for \$1 match for long after 1/1/2008 you are absolutely fooling yourself. IBM might even slash the match before they institute the 401k+ plan. Has IBM kept any PROMISE made to employees and retirees since the Gerstner regime? TIME TO THINK AND THINK TWICE!!! -Anonymous-

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**Comments 01/27/06:** I just sent my congressman and senators plus the President the sample letter. I have encouraged everyone I know to do the same. It's time NOW to revolt. Do something, don't just post and blow off steam. Thanks to the Alliance for the sample letter! -Anonymous-

*Alliance reply: Thank you for sending your letter. It is important to note that politicians NEED to hear from people angry about this. Don't assume they know. We have also been faxing letters to congress.*

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**Comments 01/27/06:** Am I looking at this correctly? There are 30,000 active employees on the old plan. Let's say on average, each one stands to lose \$1000 per month (\$12,000 per year). For the 30,000 old plan active employees, that comes to a total of \$360,000 per year. Sam's pension will cost IBM \$4,000,000 a year. Seems like if Sam gave a little back, none of the rank and file employees would have to suffer. A true leader who honestly felt that the company needed to eliminate the pension plan in order to stay competitive would lead by example. *-Anonymous-*

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**Comments 01/27/06:** We need to tell our GOVERNMENT, that if IBM'ers lose their pensions; we'll do everything in our legal power to have them VOTED OUT of office. President, Senators, Congressmen, etc. Plus, try and get legislation passed where they will receive "less benefits, retirement, etc". Let's see how those people - would like it. Let's SAY it, MEAN it and DO it.. Rights for the everyday worker. *-Anonymous-*

*Alliance reply: We assume you have already contacted your political reps--right?*

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**Comments 01/26/06:** The Independent, out of the UK, reports IBM UK employees fear that IBM has a pension freeze in the works for them. The Independent in the story reports that the IBM US pension has a \$7.4Bn deficit! How could this be? Does the US pension plan really have a \$7.4Bn deficit? If so, why? What's wrong at IBM!? *-Anonymous-*

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**Comments 01/26/06:** I'm on the old plan and have 25+ years of service. The good news is that I don't think the pension freeze will impact me at all. The bad news is the reason I think the freeze will have no impact on me is because I think IBM will outsource my job to India before 2008. *-Anonymous-*

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**Comments 01/26/06:** What most employees getting the screw job don't realize is that the execs aren't on the same retirement plan as we are. We get Max 38% if ya work all the way to 65, like any of us won't be forced out before that time. We also have to pay for medical and many retirees are no longer on IBM medical. Its too expensive for their spouses. Execs when they retire get full medical. Add to that the lovely option prices they get and now ya understand why the employees who make the money only make the money for the execs. Look at insider trading, IBM Exec just exercised at 31\$/share and sold them for 83\$ for a cool 1.3M. Oh and they only have another 40K shares...Man, I feel sorry for them having to live off a measly 1.3M *-Anonymous-*

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**Alliance Comment 1/26/06:** *The comments below show that IBM employees are unhappy and even angry about what IBM has done and has been doing for so long. These comments would be better said in person, at a meeting, or a conference call of employees in their respective locations. Don't you think it's about time we tried to meet each other and share these ideas and thoughts? Why not contact Alliance@IBM and seek information that can help you set up a meeting, or a conference call? There have been attempts by Alliance@IBM to hold meetings in the past, but the attendance was light... for whatever reason. What reasons are greater than the reasons IBM has given you to organize? IBM reads this web site every day. They know how you feel. They know you are upset; but they also know that, so far, you are not doing as much about it as you could! Contact Alliance@IBM and we can help you make things happen.*

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**Comments 01/26/06:** Unfortunately, just like it did in the *job cuts* and *general comments* sections, the number of entries in this section appear to be dying off as time wears on. As a former employee any current employees out there reading this site needs to wake up start passing the word on to others about this site and the need to unionize. I didn't and I got the door after 26 yrs of good ratings. Don't think it can't and won't happen to you! *-Anonymous-*

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**Comments 01/25/06:** *From yahoo Group IBMUnion: Un-spinning ibm's pension numbers reveals some drastic news for old plan pension employees. Some back of the envelope calculations indicate*

that the majority of the people in the old plan are currently in the 25-30 years range with the company or they would already have been forced in to the CB (cash balance, corrupt balance, company blasted,... take your pick) pension plan. As such, old plan people are currently vested at around 18-23% out of what would be a 38.9% vesting when they got to age 60. There is some kind of 25% kicker if you reach a 'milestone' like 30 years or age 55 which means you might get boosted to from the 18-23% range to 23-28% range.

When first read, the company says the average person is losing 12% of their pension it seems like a significant but survivable amount if it were 12% out of a 100% amount, but it seems that it's 12% out of a possible 38.9% maximum pension vesting amount or between a quarter to a third of old plan pensions have just been vaporized!!!!

So using this translation, let's see what this means in dollars for some average employees in the 'old plan'. I'll use a thousand dollar a week person and you can adjust accordingly for other salaries. So if you were making \$50—52k per year roughly, you might have been expecting to collect a pension starting at between age 55-60 of around \$380-420 per week / 1500-1600 per month/ 18-20k per year depending on what age you started, age 55 is 35% vested, age 60 is 38.9% vested average of last 5 years pay....

So now with the pension frozen and the increase in vesting percentage stopping, and leaving out the little piece of gambling money the company is putting into the 401K (kasino), lets see how these numbers work out over time. With pension dropping into the range, as the company says of an average of 12% loss, (out of 38.9% max) the average pension will be vested at around 25-27% of the average of last 5 years pays, so for our \$50-52k salary retiree what does it mean in dollars. Well let's see: 26% of \$52k is \$13.52k per year or \$1,126 per month or \$280 dollars per week! If that person retires at age 55 and lives to age 85, (rather likely these days) that 12% the company is claiming is the average loss, added up over 30 years adds up to 12% \* \$52,000=\$6,240 x 30years=\$187,200!!!!!!!!!!!!!!!!!!!!

Of course many of those impacted are making a lot more than this \$52,000 example. If we multiply \$187,200 x 20,000 US employees (not sure how many are in the old plan) we get a ballpark figure of 3.7 billion which is in the ballpark of what the company says it is 'saving' in pension costs by freezing the pension.

The most important point though is understanding that the 12% loss isn't out of a possible 100% of old plan pensions it's out of the max 38% vested amount, or closer to a third or quarter of old plan pensioner's pensions being taken away! It sounds a lot better, aka: spin, the way they say it but in reality, old plan employees are getting royally screwed. They are 25/30th of the way through their careers, some even 29/30th of the way there and are losing a quarter to a third of what they've already worked for and been promised. In short, this screw jobs makes it clear that ibm as a company is one of the biggest liars on the planet! Of course it would seem the vast majority of old plan employees have no clue what they lost or there would be a much greater cry of pain in the hallways, ignorance is still bliss it seems. -Anonymous-

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**Comments 01/24/06:** Palmisano will receive an annual pension of \$4 million when he retires at age 65. That works out to \$75,000 a week -- or more than \$10,000 a day, including weekends. And for what?? What has he accomplished, other than screwing over IBM's employees and setting this poor example for other companies so that they can do the same for their employees? It certainly can't be compensation for great leadership. Take a hard look at these numbers, People. Something is wrong with this picture. It isn't just Palmisano. It's all of these top brass executives. There is NO WAY that ANY individual is worth that kind of annual salary, let alone retirement salary!! Nobody is. - Anonymous-

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**Comments 01/24/06:** I can understand if this company needs to make some long term changes so that it can continue to be profitable. After all, this company has many employees and retirees that need to be taken care of. What is NOT fair, is changing the rules on those employees closest to age 65 that do not have a decent runway to recover. I'm sure that many of us took planning for



retirement very seriously and used the financial planning services that IBM has provided (including planners and the financial engines tool). The first question always asked is, "about how much will your pension be?". This answer was the cornerstone to any retirement plan. What's the point of doing financial planning if the rules change without enough time to recover? It seems that IBM could have at least come up with a pension plan change that had a graduated impact with the least impact on those that are closest to the retirement age of 65. *-Anonymous-*

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**Comments 01/23/06:** After he retires, Gerstner will become a consultant to IBM for a period of 10 years. He will receive a consulting fee based on his daily salary rate at the time of his retirement, plus expense reimbursement. Using his \$2 million salary as a base, Gerstner will earn roughly \$7,692 for each day of consulting.

Gerstner will also continue to enjoy such perks as access to company aircraft, cars, office and apartment. He will receive financial planning, home security services and will be reimbursed for club expenses for company business.

Gerstner also stands to earn up to \$382.1 million from 5.8 million shares of stock options that he held Dec. 31. *-Lest we forget-*

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**Comments 01/23/06:** I think that there are those that forgot that IBM told it's employees in the USA that the "pension and retirement health benefits, was part of the "total compensation package" offered. So, even if IBM wages were lacking some, we were told, the wonderful IBM pension and retirement, more than made for lower wages and long work weeks. Frankly, half the reason I joined IBM 24 years ago, was for the pension and retirement! So, in my mind IBM owes us what was promised. Why, it's the decent thing to do! You have all been cheated as if your life's work was no big deal, as far as IBM is concerned. I'm sick of hearing from IBM that these immoral ripoffs are OK, if it boosts IBM profits or that other companies do it! How will IBM cheat you next? Will doing nothing and being passive make you feel better, when you retire and you barely can make ends meet.. You can't blame IBM, you should not have trusted IBM and invested your 2% bi-yearly raises better! Maybe you need to fight back now or the worst is yet to come. Sam has a contract with IBM, why does he? Why don't you? *-Anonymous-*

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**Comments 01/23/06:** "What if? What if 5 years from now, IBM stops matching the 401K, because, today YOU did nothing." No, it's not just IBM who will chisel at the matching contribution and 401K fund quality. All companies will. The bottom line is why do anything for employees if you can get cheaper workers offshore. All jobs that can be done with a phone and computer are at risk. Those of us who are not in the top management ranks will be at their mercy. The divide between the rich and poor will grow. *-Anonymous-*

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**Comments 01/23/06:** Just watch after the Pension freeze! You will now find the IBM has newly found record profits from transferring "Pension Blood Money" to profitable accounts, while appearing to a share holder that total Company profits were up! *-Anonymous-*

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**Comments 01/21/06:** I got out of the IBM dumpster in 1993, and have never looked back. I now make more than I ever would have if I had been so foolish as to remain with the company. The saddest comments I've seen are from people who claim that they put in all those extra hours, for no compensation, and worked while on vacation, and accepted abuse and exploitation that no Roman galley slave would have tolerated. All for what? Nothing! The hours and hours you toiled availed you exactly that - nothing. And now you're getting IBM's thanks in return by having your pension and your take-home pay slashed simultaneously. My advice to you, and since I've already done it, is to get out, and get out now. It will only get worse, as Sam Palmisano and his criminal cronies continue to raid and rape the employee pension fund in ways yet to be realized. Their ultimate goal, in case you haven't realized it by now, is to completely terminate all pension payments, by whatever criminally funded legislative action they can buy to enable this. They are ardently striving to find a way to avoid payment of all pension and health benefits for employees in the nearest possible future. If you continue working for them, you will get to witness this first hand, but alas, too late. Don't worry about what color your parachute is, just bail out now. *-Anonymous-*

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**Comments 01/21/06:** *"What if? What if 5 years from now, IBM stops matching the 401K, because, today YOU did nothing."* I'm sorry but you need to get a grasp of the basics here. Why does IBM offer a compensation package to employees? Because they desire to employ people who will help them succeed in business. Why does that package include a 401(k) plan? Because they have to include that to remain competitive with other employers seeking the same people. You act as if IBM is sitting in some ivory tower making evil arbitrary decisions to punish you. It's not personal. It's business. Keep this industry growing and vital and the employee benefits will continue to flow. If it stagnates and the profits aren't there, it's up to management to move into areas that are profitable. We've seen that happen several times in our careers.  
Bottom line: Your 401(k) will be just as good as it needs to be to keep you from leaving IBM for someone with a better 401(k). That's just the way it is. *-Anonymous-*

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**Comments 01/20/06:** Of course IBM will stop or reduce matching the 401(K) contributions in the future. What would the justification be? Well, look at the answer to Q2 on the IBM web site. Q2 says "Why is IBM making this change." The answer is, in part, "...because our retirement benefits greatly exceed the benefits our competitors offer." Now look at Q8 on the same page. Q8 reads, "How does the value of this new approach compare to what our competitors do?" The answer is, "The value of our new retirement benefits outranks that of the retirement benefits offered by nearly every other IBM competitor..." So the same logic being used now to set the level of our "new" benefits will be used to reduce them in the future. *-Anonymous-*

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**Comments 01/20/06:** I posted a comment yesterday that was a little over the top. The point was this, yes the change in the pension plan will hurt us who are under the old plan but it looks like a better deal for those who are not. As I look around I am seeing less of us and more of them. If what I believe is true then it is pointless to try and rally around this issue. We will have little chance to change it. I believe there is a more pressing issue that will affect us all. Though I have no proof, it is my gut feeling that one thing IBM has on their to "do list" is to take away our overtime pay. Now if we were to ask management about it I am sure they would deny it, but I tend to not believe them anymore. If they do take away overtime pay they might be announced this way: We at IBM are very sorry...in order to compete in the world market....IBMers will step up....We will be better positioned...this will make us a better company. Of course they will be right. After our usual moan and groan session the union will have yes another comment site for us to post our grievances and nothing will change. Maybe this time we should be proactive and attack this issue before it happens; once it happens it will be too late. This single issue is one that effects us all who are not in management. This issue alone is reason to organize and maybe this is what we should be focused on. *-Anonymous-*

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**Comments 01/20/06:** Hmm, here is a good point from someone posting below - *"What if? What if 5 years from now, IBM stops matching the 401K, because, today YOU did nothing."* IBM executives are now in a position to start chiseling away at the matching contribution. But it's not just IBM but also other companies who have matching contributions. They can chisel at it, reduce it to 0%, and they can also stick us with cheap, lousy funds in the future. *-Anonymous-*

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**Comments 01/20/06:** "IBM to Release "IBM and the Future of Crime" Podcast  
ARMONK, N.Y.--(BUSINESS WIRE)--Jan. 20, 2006--IBM announced today that the eighth podcast in the series, "IBM and the Future of . . ." will begin today on its investor Web site. The podcast is called "IBM and the Future of Crime." Do you think it will be about the Executives pension theft? -  
*Anonymous-*

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**Comments 01/20/06:** Check this out to see the exec's pension plan....  
<http://www.ibm.com/investor/corpgovernance/cgoc.phtml> *-Anonymous-*

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**Comments 01/20/06:** I have taken a glance at the new 401k plan and think it is a good idea. I have not looked at it in great detail but I am sure it will hurt me personally; all good and great IBM management ideas seem to have that effect. So you might wonder why I would think this is a good idea? Well for one thing I am trying to step back and take a look at the whole picture. The first thing I see is how much it will save the company. In just a few years they can recover about as much as they lost in the the Cooper vs IBM court case. That is a smart move. As a winner in that case I can look at how much I am getting after the legal fees and conclude IBM management and our lawyers are much smarter than I am. As I said I am sure this will hurt me but I can take some comfort that it will hurt others more. It is not as if I enjoy the pain of others, it is more that I am glad that I am close enough to retirement that it will hurt less. Obviously if you are under the old (revised) plan the further you are from retirement the worse off you are. Now if my comments seems callous and troubling so be it. I think those of us on the old plan need to look back at the time we were grandfathered in and others were not. We were all glad that we were spared! There was enough hate and discontent by those who had to go under the new plan to form and join a union. There was so much fear from those that were spared we wanted no part of a union. We offered our brethren nothing but the comfort of our compassionate lip service. If you look at the new plan from the view point of someone under the lumpsum debacle this is a much better deal. In a way you might say we have funded this new plan with our own apathy. Our brethren will be much better off financially and you know what? That is something we can really be proud of. We let them stand alone, so we now must stand alone. Something for all of us to ponder; if we would have united years ago what would our situation be now? Would we be better off or worse? There is something that I do know and it is this. The longer I work for this company the more they will take away! IBM is (as lot of other companies) systematically taking away every thing they can. Each year they arbitrarily raise the bar and then give us less. Out of fear we do our best comply. *-Anonymous-*

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**Comments 01/20/06:** Of course they are going to stop matching the workers' 401K contributions! What's to stop them?? Now, if the WORKERS had a contract, like the execs do, that would be a totally different situation. *-Anonymous-*

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**Comments 01/20/06:** What if? What if 5 years from now, IBM stops matching the 401K, because, today YOU did nothing. *-Anonymous-*

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**Comments 01/19/06:** I attended a meeting today about the pension changes. The meeting was held for the traditional pension group only. Since most of my colleagues are not in the traditional plan, I attended so I could network with those in a situation similar to mine. To my surprise (and horror), I found that no one in this group was angry, and most had either resigned themselves to the changes, or felt that the changes would have little impact on them. Talking to this group made me more depressed than ever. If these sentiments are representative of the majority of the IBM traditional plan population, then we are in trouble. *-Anonymous-*

*Alliance reply: Apathy is why IBM is able to take away benefits, pensions, have you train replacements and then offshore your job. It is long past time for IBMers to say enough is enough! How would people feel if a thief walked into their house and stole everything? Would you get angry and do something--or hold the door open for him?*

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**Comments 01/19/06:** It's clear that the more money IBM can save by this change is that there will be more of it that will be available to funnel to Washington DC lobbyists who will (im)press our legislators who might be in "bed with corporate USA" to get to it's employee and maybe its retiree pension funds. This might take some time to do. Could that be why IBM is waiting two years to affect this change? What else might it have up its sleeve it's not telling us? *-Anonymous-*

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**Comments 01/19/06:** IBM sent me, already receiving a pension, a letter to explain that their actions have no effect on current retirees. The bottom of the page says "Please note that IBM retains the



discretion at all times to change, modify or terminate any plans or benefits." I feel less reassured than before I got the letter. I thought when I was working for IBM for 30 years the pension plan was a contract, not a hand-out. Even in the letters to retirees IBM promotes the take-away agenda. You could wake up tomorrow with nothing at all. *-Not reassured-*

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**Comments 01/18/06:** I followed the link one poster suggested....

<http://moneycentral.msn.com/content/P139870.asp>

and guess what....

Samuel Palmisano, IBM chief executive, has no such worries. Palmisano, according to IBM's regulatory filings, will receive an annual pension of \$4 million when he retires at age 65. That works out to \$75,000 a week -- or more than \$10,000 a day, including weekends. *-Anonymous-*

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**Comments 01/18/06:** Someone mentioned Alcoa's announcement. This is significant (the company has 129,000 employees!). To quote:

"Alcoa (NYSE:AA - News) today announced it will eliminate its defined benefit pension plan for most new U.S. salaried employees effective March 1, 2006. In its place, the company will offer a competitive, more-flexible and portable 401(k) defined contribution plan for new hires. The changes will not affect current Alcoa employees or retirees, who will continue to participate in their current defined benefit pension and defined contribution savings plans." Read it and weep.

<http://biz.yahoo.com/bw/060116/20060116005551.html?v=1> Why can't we be so employee conscious? Hey Randy, don't tell me Alcoa can afford to do this and IBM can't? *-Anonymous-*

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**Comments 01/18/06:** Well things are tough at IBM so they had to cut the pension plans on the hard workers who make it happen.... Amazing that they only made \$3.19 BILLION of PROFIT in the 4th quarter alone and over \$8 BILLION PROFIT for the year. Yes things are tough at IBM and for Sam and the execs to make their BIG BONUS's we the worker have to toughen up. BS!!!! They could have easily taken a portion of the profits and made the affected workers whole. At 55 and 25 years of dedicated service I will have to contribute an 'additional' 18% to my 401K and work approx. 8-12 years longer just to break even. I hope the SEC fines the hell out of the exec's. *-Anonymous-*

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**Comments 01/18/06:** Statement by IBM's Chief Financial Officer Mark Loughridge yesterday: "Excluding the curtailment charge, retirement-related plans were a hurt of \$255 million." A HURT ? A HURT ? Who's really hurting here ?

This is from today's 8-K filing with the SEC *-Anonymous-*

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**Comments 01/18/06:** It surprises me that someone with 25-40 years of service would complain about being downsized. I had 17 years at age 42 about 2.5 years ago when I was resourced. At least these folks have the old pension and the time in the place of 25 years plus. I would think they were lucky to get out with that kind of time in. One thing for sure is the 20 year plus career is already a thing of the past. So the folks posting here a few weeks ago whining about being resourced with 25-40 years of service should consider themselves lucky instead of playing the victim. I have no sympathy for these complainers. *-Anonymous-*

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**Comments 01/18/06:** To the person who complained about the 30days trading restriction in the 401k plan. You are not supposed to perform frequent trading with mutual fund anyway. Many mutual fund companies have restrictions on how often you can trade in & out of a fund. Frequent trading increases cost for everyone. If you want to trade frequently then get a brokerage account to trade stocks or ETF. *-Anonymous-*

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**Comments 01/18/06:** Everyone - Go to this and read. Then get "pissed"...

An article about Sam's RETIREMENT..Send to your Government Officials, The President, etc....

<http://moneycentral.msn.com/content/P139870.asp> *-Anonymous-*

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**Comments 01/18/06:** IBM employee advisory boards for pensions? A little too late! This is secret IBM code for, we don't really have a good plan so make it the employees problem. If it fails it's the employees fault, if it is a success, IBM executive take the credit. What is needed are contracts that make IBM promises leagally binding, not BS task forces. that are just a means to blow smoke and hide the point, IBM is cheating it own employees again, out of promised compensation! -  
*Anonymous-*

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**Comments 01/18/06:** "How is it fair to take away vested rights from executives that they've already earned?...saying things that aren't true about their pension plan." Looks like there's a misspelling at the end of the final sentence. The writer obviously meant to say "our pension plan". Oops. -  
*Anonymous-*

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**Comments 01/18/06:** I just received my 401K year end 2005 statement. The 5 year annualized return on IBM stock is 0.01 %.....that's right....one one-hundredth of one percent. These changes are certainly benefiting the stockholders....right! It's the clan in Armonk that benefits. -*Anonymous-*

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**Comments 01/18/06:** *To those who think this annoucement is only bad news for the 30,000 "old plan" employees....*What make you think IBM is going to treat the next group in line any better? That leading-edge TDSP, management is bragging about, is the perfect setup for the next "it's-not-affordable" announcement. You'll just have to wait until you're closer to retirement to hear the speech. -*Anonymous-*

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**Comments 01/17/06:** How can you trust anything IBM execs say? I would stop trying to figure out what your retirement benefits are 10 years from now. If IBM wants to change the rules willy nilly, they can. With a union it would make it much harder for IBM to change the game plan. IBM has demonstrated that they can't play by the rules without a union as a referee. Screw the IBM execs right back. Vote for a union! -*Anonymous-*

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**Comments 01/17/06:** This is amazing - quote by Randy on the w3 home page. He is boasting how there are two employee advisory boards to help with the retirement change as if this is all something employees can really participate in for decision making. It seems like having you dig your own grave and making you think it is a great thing and you are part of that decision. Hey, we don't need a union - IBM is letting us create this.  
QUOTE: IBM will form two employee advisory panels to help guide the company's development of two important services related to our new approach to retirement plans for 2008. "IBMers are some of the smartest and most innovative thinkers around. We want to tap into the collective power of our talent base, to make sure these new services are designed with IBMers in mind," said Randy MacDonald -*Anonymous-*

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**Comments 01/17/06:** Not sure if you've seen this, I found it posted on the IBM Savings Plan site. I have a couple of issues with it... (1) it was not part of the announcement for the recent pension plan changes which leads me to believe that they are hoping to keep it relatively quiet and (2) it limits our ability in yet another manner to actually make a decent rate of return on money that supposedly belongs to us. 30-Day Trading Restriction and 401(k) Plus Plan Announcement  
30-Day Trading Restriction--Beginning 01-16-2006, if you transfer money out of an investment, you must wait 30 calendar days before you can transfer money back into the same investment fund. This 30-day rule applies only to repurchases. It does not limit payroll contributions directly into the funds. Also, the rule does not apply to the Money Market Fund, Stable Value Fund, or the Mutual Fund Window. Loans, partial distributions, and withdrawals will not trigger the 30-day restriction. IBM will continue to monitor IBM Savings Plan accounts for short-term trading. The IBM Savings Plan has defined short-term trading to be round-trip movements (buying/selling) into the same fund within 5 business days (or 7 calendar days). You will be contacted if your account exhibits such trading activity.  
401(k) Plus Plan--IBM announced on 01-05-2006 that it will stop the growth of future benefits in the Company's U.S. defined benefit pension plan, and that future retirement benefits are planned to

come through a new, employee-directed 401(k) Plus plan. Learn more about the changes on the Career and Life page of w3, the IBM intranet. Do you have questions about the changes? Contact the IBM Savings Plan Service Center at 1-800-726-1000 for information about the 401(k) Plus plan, or contact the IBM Employee Services Center at 1-800-796-9876 for information about the IBM Personal Pension Plan. -Anonymous-

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**Comments 01/17/06:** In today's business section:

Alcoa Aluminum announced they will not be offering pensions to new hires.

IBM is expected to announce record earnings. So trickle-down economics is no longer in effect.

Your hard work is making a few very rich, as many of us hold more than one job and forgot what our children look like.

It's time to stand up to the corruption and greed that is destroying our Nation and our way of life.

Join the Union!

\* Stop living in fear. Start organizing.

\* Demand that our elected officials be accountable for their actions.

\* Demand that IBM executives have to receive the exact same pension plans and variable pay. Not the huge pay-outs.

\* Demand that our elected officials receive Social Security like the rest of us. They should not have their lucrative retirement plans and be allowed to vote on our retirement plans.

\* Join the Union.

\* Join the Union

\* Join the Union.

\* Vote.

\* Vote.

\* Vote.

\* Demand true work/life balance at IBM. Open Door your manager every year you don't receive a one on your PBC. If they are taking your benefits and pensions, then demand more money for your TDSP.

\* Join the Union. The fight ahead will become exponentially worse every day we refuse to start. -

Anonymous-

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**Comments 01/17/06:** *"I'm not impressed that IBM took SERP away from new entrants 2 years ago. Wow, how many people would that be? I think that it should be taken away from those at IBM that expect to be lavished with it, still, those old SERP entrants.. They are likely some of the very people who concocted this pension freeze. They don't care because they, the old entrants, will still get SERP! No wonder freezing the pensions, is no big deal to executives still eligible for SERP. After all, they have no problem saving for their retirements. I think a shareholder proposal to take SERP away from them all, is in order."* How is it fair to take away vested rights from executives that they've already earned? That is not happening to people on the standard pension plan. The executives are being treated exactly the same under these changes, as far as I can tell. If you have any rational arguments how they are being treated differently, please post them. It's fine to have an opinion that executives are overpaid. But that's different than just saying things that aren't true about their pension plan. -Anonymous-

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**Comments 01/17/06:** I've read many comments here about how IBMers should unite to stop the pension stealing and about how big business in this country gets away with injustices against their workers and how our gov't doesn't protect workers against this. All of this is very true and I am dismayed at the apathy I see in American corporate workers that have been affected by these issues. You would have thought that by now, all those unfairly treated workers would have united and made their voices heard by marching on Washington, D.C. just as other unfairly treated groups have done in the past or has this happened without my knowledge? Does this group feel guilty because they are still better off than others in this country? How bad does it have to get before they feel justified to react? For this group to be a strong force, shouldn't the goal be to unionize across all corporations that are negatively impacted rather than just at IBM? Or is this not legally possible? What am I missing? Can someone explain to me why not? If IBM united with workers from all

corporations affected by these issues, then that would be a force to be reckoned with. How can American corporate workers unite and use their enormous power to make some meaningful changes? -Anonymous-

*Alliance reply: Your suggestions are right on target. We must stop the decline in union membership. This decline is why corporations are able to pillage our pensions and drive our standard of living down across the board. Union membership at one point was 33%. Now it is 8% in the private sector.*

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**Comments 01/17/06:** I got ripped off in 1999. Same old story.. 19yrs of service and 39yrs old. Slammed into the Cash Balance Plan. I took my hit then. Now this new action is aimed at the older workers who are in the old plan. For me, I already put 6% into TDSP so instead of getting 5% added to my CBP they will now give me 5% into this 401K. No change as far as I can tell for me. Someone needs to educate me.. Please.  
-Anonymous-

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**Comments 01/17/06:** I'm a retiree (layoff of 8/03) that has since returned to IBM as a Supplemental employee (I know, I'm a glutton for punishment). When I retired, under the old plan, I was allowed to take 50%, not all, of my pension out in a lump sum and am receiving the other half as a monthly annuity. I've read from some other "commenters" that they took out their entire pension as a lump sum. I was told I could only get half of the money. Does anyone have any idea which is correct? Also, could I now go back to IBM to get out the balance of the other half other half? I'm extremely concerned about getting screwed by this company (since I already have been once) and don't feel it's fair for these executives & their rich stockholder friends to be enriching themselves on the backs of the workers who made IBM a success over the years. I'm extremely worried about the letter we retirees got with the PS about IBM reserving the right to change anything it wants whenever it likes. - Anonymous-

*Alliance reply: For individual questions please go to the pension yahoo group and post there: <http://finance.groups.yahoo.com/group/ibmpension/>*

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**Comments 01/17/06:** I am upset and outraged like the rest of you. I think executives make way too much money, while the rest of us are being pinched. The rich get richer, and the middle class gets poorer. However, I don't know if a union could help us at this point. It seems to me that we would only hurt IBM and help competitors like EDS, Accenture, HP, etc. I think that the only way to combat this is through the government, by VOTING, by contacting your US representative. My feeling is that the government needs to protect us (all Americans, not just IBMers) from unbridled and heartless capitalism. -Anonymous-

*Alliance reply: Unions also should be organizing at our competitors.*

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**Comments 01/16/06:** In the Pension article from IBM, I read that the company has put over 6 billion dollars back in the the pension fund. When I retired in 1995 there was 58 billion dollars in this pension fund. One of my questions is did they include the interest from this fund in their calculations. I do not entirely blame Corporate America, they get away with what our Government allows. Has anyone taken notice that this will not apply in the European countries. Their Governments cannot be bought because of the strong unions. IBMers unite and stop the carnage before it is too late. We need to get after our State and Government Representatives and hold their feet to the fire to stop outsourcing, to stop pension stealing, to stop corporate greed and to represent the good of all working and retired people. -Anonymous-

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**Comments 01/16/06:** Maybe the executives should start feeling the pain that they're trying to pass off onto the employees. Maybe their retirement and perks should be cut. Maybe the executives should start feeling the pain that they're trying to pass off onto the employees. Maybe their retirement and perks should be cut. Maybe the executives should start feeling the pain that they're trying to pass off onto the employees. Maybe their retirement and perks should be cut. Maybe the executives should start feeling the pain that they're trying to pass off onto the employees. Maybe their retirement and perks should be cut. Maybe the executives should start feeling the pain that they're trying to pass off onto the employees. Maybe their retirement and perks should be cut. Maybe the executives should start feeling the pain that they're trying to pass off onto the employees. Maybe their retirement and perks should be cut. Maybe the executives should start feeling the pain that they're trying to pass off onto the employees. Maybe their retirement and perks should be cut. Maybe the executives should start feeling the pain that they're trying to pass off onto the employees. Maybe their retirement and perks should be cut. *-Anonymous-*

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**Comments 01/16/06:** IBM is not the only company screwing their employees and retirees. The neocon administration is selling our country and our workers out. Period. What are we going to do about it? Have you told everyone you know at IBM and any other company that workers need to unite and fight this atrocity? If not when will you? In individual pockets, they let us go, send our jobs offshore, isolate us. The people who still have jobs are so fearful they are paralyzed. The ones who have lost jobs are too busy worrying and trying to stay afloat. This is BY DESIGN. And again not only in IBM. The corporations run our government...our government IS the corporations and have ONLY the corporations interests at heart and they will not rest until every worker in the U.S. is on the same level as the average worker in China and India. Organize locally and take back your government. Vote wisely and make your voices heard loudly to the thieves in D.C. Tell them you know what they are doing and why and tell them you WILL NOT stand for it. Support unions and all the other workers rights organization they are so afraid of. GET OFF YOUR BUTTS AND SPREAD THE WORD. Make stickers with this website, the PNAC website, and hand them out. Stick them everywhere. Do something. It has NEVER mattered more. *-Anonymous-*

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**Comments 01/16/06:** IBM used to hire the best and the brightest. I hope all you smart folks who have retired or been pushed out in the last 5 years are now smart enough to take out your pension in a lump sum payment. Invest it wisely so it can continue to work for you. But, for God's sake, DON'T LEAVE YOUR MONEY IN THE HANDS OF THESE IBM THIEVES. After all, Randy re-assured us all that everything is fine with the pension fund. He was even kind enough to tell us that, in fact, all bets are off at any time and for any reason. Would you buy a used car from this man? *-Anonymous-*

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**Comments 01/16/06:** I worked for the California Cottle road plant during the 80 to the late 90s. I recently recieved a Letter from Human Resouces IBM pertaining to my retirement and that of recent news coverage. The Letter began by letting me know that my retirement benefits which are vested are not affected by the recent changes mentioned in the recent News is reporting. I got down to the last line and noticed that there was a "PS" at the bottom of the letter. Carefully folded so it was out of view.It stated, that IBM had the right to change benefits as it felt they had the right to.That blew me away because they had just said they would not change my benefits.....Who does IBM think they are fooling? I read my letters, how about any of you? Lawyers keep up your fight. This New ibm has some gall. *-Anonymous-*

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**Comments 01/16/06:** IBM is unique and unlike any other company in freezing it's former pension plan. This is becuse IBM created a situation where only older employees currently 48 years or older are in this former pension plan NOT everyone in IBM. Therefore the freeze is selective and only discriminates against older employees. Only these older employees will lose a major part of their pension benefits. Therefore, this change clearly discriminates against older employees and is NOT company wide as within other companies that froze thier pension programs. IBM is repeating and re-creating a similar situation for what they already were found guilty. When will a new class action suit begin? Has IBM considered the cost of this litigation and possible settlement? Is IBM really saving



any money doing this? Does this send the right message to IBM customers on IBM's integrity? If this is how IBM treats it's own employees, how will they treat their customers? -Anonymous-

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**Comments 01/15/06:** I left IBM a short while ago and having only around 25 years, I, too, lost quite a bit of my pension. For me, though, it was a good thing because as a former HR person who joined years ago when HR played the role of employee advocate; I became really disillusioned and ashamed of the organization during the last few years. Even though I wasn't directly involved in downsizing or pension cuts, it was a lot of mental torment just being a part of that organization. Still, there was a time when I felt very loyal to IBM and also the people I worked with, so I can't help feeling badly when I see more and more of these takeaways. I have now joined the union and will definitely put pressure on the politicians as well. IBM could be in for a big change depending upon future elections. If we continue to elect people like George W. and his cronies such as DeLay, Cheney, and the rest of the white collar thieves, well then, we will continue to get what we ask for. If you don't care to join the union for yourself, just try to think what kind of futures our kids are going to have with the way this country is heading. As for the execs, don't be envious of any of them. All the money in the world won't by them the respect of their kids. If anything, the kids will probably suffer from shame when they realize how they got it. I once heard Lou Gerstner went to church every morning. I think there is probably a good reason for that. Unfortunately for him, since his church has a major focus in helping the poor and since he has done exactly opposite by deliberately contributing to the financial ruin of thousands of employees and their families, I think we can all rest assured that in the afterlife, good old Lou will be sent somewhere where we won't have to run into him--and hopefully Sam, Randy and the rest of the really lousy people in this world. -Anonymous-

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**Comments 01/15/06:** I was at one of the special meetings mentioned by Anonymous in East Fishkill. Even more distressing than Randy MacDonald's stand-up comedy routine was the audience's reaction. Many employees being screwed again by IBM were laughing hysterically at his jokes. It was a very sad day. -Anonymous-

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**Comments 01/15/06:** <http://library.soa.org/library/record/1990-99/rsa99v25n2101pd.pdf>  
This pdf transcript from 1999 reads like a playbook advising corporate pension execs. how to make step-by-step changes that will benefit the company; and specifically how they can take control of any surplus in overfunded pension funds with the least tax consequences. (Doesn't ERISA state that pensions are to be solely managed for the benefit of it's recipients?)

Reading this transcript might shed some light on the concerns stated in a previous letter, partial text as follows...

Question #1: Can I roll over my current pension into the IBM 401K plan now?

Answer: Unfortunately IRS Rules do not permit this, at this time (umm, at this time... what laws are they planning to get changed before 2008?.....

One biggie to assist them would be to get legally shed of the excise tax for plan terminations. I recall a past article.. where it was mentioned that getting a certain percentage of employees into a 401K could help with plan termination penalties. Accelerated vesting could help meet the % criteria. -  
Anonymous-

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**Comments 01/14/06:** I am one who took early retirement at age 55 in year 2000. I've received the cryptic letter to retirees a couple days ago (dated January 5th) which I interpreted as a letter of no content with likely purpose to try to shut up retirees as best they can. I've been reading the many comments tonight which have been made here from employees or retirees (young, mid-career, those that just miss the cuts (sounds like 1999 all over again) and older or retired, etc.) with some interesting and valid unanswered questions and concerns. The item I find the most telling and concerning doesn't seem to be listed here yet (unless I have missed something)... some of the most concerning and suspicious to me are:

1) Have any of you EVER seen IBM make an announcement of this magnitude two years in advance? If not, why now? They typically make these scam announcements near the latest legal limit date as possible. They certainly don't seem prepared either for a two year window announcement... no tools ready, no plan document, etc.

2) Assuming this two year notice concern of mine is valid, then there is absolutely no reason to believe that we should not expect yet a number of changes (or more crisp clarifications of the current announcement) between now and 2008 (likely further reductions before 2008 via future changes and/or clarifications on the foggy of this announcement) - maybe even at the 9th hour just prior to the legal deadline to do so.

3) They make an announcement two years in advance, but don't have the IT skills to announce it with working tools nor have a plan document with details for employees to start to really research or recognize the full damage yet?

**Other Special Highlights of Concerns:**

**January 5th Retiree Letter from Randy MacD:**

- 1) "I want you to know that the US Pension Fund is fully funded as of the end of 2005." Is that a clue that the expectation is short-term w/ plans to skim some in the near future?
- 2) Aren't they blaming the media for outing the truth to this announcement? "It's likely you have heard or will hear reports about these changes from the media and other sources..." Guess I'm being asked to disregard facts published by the media because Randy knows best, right?
- 3) And as others have already mentioned the big disclaimer at the bottom of the letter... meaning they can change anything anytime they want to.

Now to a couple of Q&A concerns I've highlighted:

**Question #1: Can I roll over my current pension into the IBM 401K plan now?**

**Answer:** Unfortunately IRS Rules do not permit this, at this time (umm, at this time... what laws are they planning to get changed before 2008? One biggie to assist them would be to get legally shed of the excise tax for plan terminations (for example)

**Question #15: What happens to employees who aren't yet vested in their pension benefit - meaning they won't have the required 5 years of service by Jan. 1, 2008 to "own" non-forfeitable rights to a pension benefit. Do they lose out?**

**Answer:** "IBM will accelerate vesting so all participants who are active employees on December 31, 2007, who are not yet vested will become vested in their accrued pension benefit as of that date." Anyone else concerned or question this one? a) Will those unvested still be able to work there until then or be targeted resource actions? and b) I recall a past article in the WSJ (but unable to locate it) where it was mentioned that if that getting a certain percentage of employees into a 401K could help with plan termination penalties. Anyone have that article somewhere by Ellen Schultz of WSJ? Accelerated vesting could help meet the % criteria. Another item that doesn't seem to be in the Q&A... is the new proposed 401K to be a new plan (with new federal id) or an amendment to the current 401k plan? I've heard (nothing official in writing though) that if one has a 401K plan already it will just change to the new formulas and contribution level (which I assume would be plan amendment to current federal id plan) - but if not, that could make a big difference in the vesting period if the old were frozen and a new one cranked up in 2008.

Thanks to all for posting and sharing your thoughts and concerns, as I have read most all of them tonight. -Anonymous-

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**Comments 01/14/06:** IBM always has a strategic (i.e., long term) business plan. Trying to define their intentions by analyzing their current actions is like trying to figure out how a television works by looking at the printed circuit boards. -Anonymous-

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**Comments 01/14/06:** I'm in Canada as well. I think it is high time that we look and see if a class action lawsuit can be brought against IBM for raking us over the coals yet again. -Anonymous-

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**Comments 01/14/06:** (from the pension yahooo group) General Motors Corp. is suspending contributions to its 401(k) savings plan for salaried employees and paring back severance benefits as it prepares for more white-collar job cuts in the coming year. The changes in the white-collar benefits plans were spelled out in an information packet distributed Wednesday to GM's 36,000 U.S. salaried employees, a copy of which was obtained by The Detroit News.

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**Comments 01/14/06:** I'm not impressed that IBM took SERP away from new entrants 2 years ago. Wow, how many people would that be? I think that it should be taken away from those at IBM that expect to be lavished with it, still, those old SERP entrants.. They are likely some of the very people who concocted this pension freeze. They don't care because they, the old entrants, will still get SERP! No wonder freezing the pensions, is no big deal to executives still eligible for SERP. After all, they have no problem saving for their retirements. I think a shareholder proposal to take SERP away from them all, is in order. -Anonymous-

*Alliance reply: Shareholder proposals for the 2006 stockholder meeting had to be submitted by November 2005. We encourage all to go to the meeting and raise a little hell.*

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**Comments 01/14/06:** I'm not sure of all the details regarding the US announcement; however I'm already a DC plan member with IBM Canada and just got corporately abused! My 30 year date misses the cutoff by 6 months, and I'll be 48 years old! What I lose is all post retirement benefits after I turn 65! It seems to me that dropping a life long employee into the 'public social heap' when it's most critical should be a criminal act. But I do have the option to PURCHASE retirement benefits from a good corporate friend (Sun Life)... Wow, what a deal. Are there any Canadians considering legal action? -Anonymous-

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**Comments 01/14/06:** IBM got some bad press this Saturday morning about the pension freeze, on the CBS morning news. The CBS financial expert put it bluntly, this IBM pension freeze was BAD news! He felt it would cause other companies now to do the same, since IBM is a bell weather company. 2nd he felt because IBM pensions grow 50% of their value is an employees last 5 years of service, the freeze will hurt those 5 years or more short of full pensions. He feel employees in their 50's because of the freeze will need to save an extra 16-19% for retirement, at the least. Younger workers he said, still need to save an extra 8-10%. He did mention that IBM did enhance the 401k but overall, this is not good news. He also explained that everyone has to expect more pension cuts by companies and to not rely on any promises and to save as much as possible. -Anonymous-

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**Comments 01/14/06:** I am an X-IBMer from Endicott, NY. I now get a IBM pension check from IBM based on my vested rights in 2002, after IBM sold us out, with the EIT deal. Today I got an encouraging letter from the IBM Sr. Vice President, human resources, Randy MacDonald. The letter states IBM retirees need not worry. The recent freeze will have no effect on current retirees or former employees. The letter stated that the IBM pension is fully funded. However, just below Randy's signature is this. "*Please note that IBM retains the discretion at all time to change, modify or terminate any plans or benefits.*" What do you think this IBM statement means? I have to wonder if Randy and the IBM CEO, whomever, are planning to start cheating current retirees soon.. I'm sure it won't happen very soon but someday there maybe a modest change, for starters. Then some more. I hope ths is not the case but I have to wonder if this letter is an IBM forewarning of rotten deals for IBM retirees and former employees here in the good ole USA. - Anonymous-

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**Comments 01/14/06:** Oh my, 401k's are icing (comment 1/13/06) on the cake! Doesn't anyone think that our government has been in cahoots with US corporations all these years. Going back 10-15 years ago, IBM was already stating that the government's accounting rules regarding pension plans were too complex and confusing. If you think about the steps needed to change the direction of supporting retirees in a global economy without raising Social Security taxes – a 401k plan replacing pensions would be it.

Our government is the main reason pensions are going the way of no-taxation-without-representation. When our government previewed 401k plans that was the comet, which hit planet earth, and destroyed pensions. To further fine tune this error, the government is now including Roth IRAs into the 401k. What do you think will replace Social Security benefits in the future? Couldn't SS funds get rolled directly into an individual's 401k plan at work?

There was no icing for us when the government announced 401ks, and IBM and other companies bought into the idea. This was a well contrived plan, going back many-many years.

My siblings started out their careers knowing they have no pension or medical coverage to look forward to, when they reach retirement age in 40 years.

Take a look at the IRS's Pub 17 and read about the changes coming which will impact the follow-on generation. Our dilemma began in the 70s and 80s. A word of caution, any new idea or product announced has to be looked at with its intended long term purpose.

I think our government is as much at fault, if not more, than large US corporations.

The political parties seem to fill their pocket books, as the general population loses its individual voice. -Anonymous-

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**Comments 01/13/06:** I recently retired. Glad to be out. After a month and a half I was finally able to get some numbers for my Retirement pay options, that "may" be correct. I had to involve management and talk with their analysts to get the numbers created correctly (???). I am still in communication on what they are using as my (OTE = On Target Earnings) for the last year, as I retired before the year was over. I am still trying to get my vacation time check that is owed to me; seems to have fallen through the cracks (again). That amount should be included in my OTE, but does not appear to be there. There are so many "quirks" and inaccuracies in the NETBENEFITS estimator, that it is almost always WRONG, especially if you have already retired ( was told this is a known problem ). Good luck to those of you still around. PACK your 401K, as that may be your only RETIREMENT PAY. -Anonymous-

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**Comments 01/13/06:** Back in Sept '99, Tom Bouchard (the "Randy MacDonald" of those days) wrote a very touchy-feely e-mail advising many of us that we now had an option to go back to the Prior plan, after having it taken away from us. To quote from his e-mail: *"....over the last few months, we have considered very carefully what we heard from our colleagues. We asked whether we had achieved the right balance between two very important IBM operating principles: That the marketplace is the driving force behind everything we do. And that the company is sensitive to the needs of employees."* However I also recall that the US Government was reviewing the IBM Pension plan changes and was advising that they may not approve it (which would have big negative ramifications as IBM would lose their tax exempt status of the retirement fund) So first a question - does this change set the stage for a possible similar situation where IBM's tax exempt status could get hurt if some government agency doesn't accept these changes? And second - IBM backpeddled once, claiming that they listened, which proves the power of our voices. Everyone, keep on the heat anyway/everyway you can if you don't like this change - which anyone on the prior plan who is still considerably far away from 30yrs service/55 yrs. of age on 1/1/08 should think! -Anonymous-

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**Comments 01/13/06:** Response to: *"To those who think hitting 30 years before 12/31/07 means they will not lose under the new plan - check again. In addition to losing credit for any further salary increases (probably no great danger), you also lose if you haven't maximized your "points." Give or take your exact age/service, it would have taken another 3 years or so."*

I will hit 30 years on 9/2007 and am now 55. I ran Netbenefits with two cases: (1) leave IBM on 12/31/2007 (2) stay until age 65 (2015). My difference was about 7%. So that's all I would have gained under the old plan via "points", I guess. -Anonymous-

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**Comments 01/13/06:** One of the biggest problems there is with IBM ending the traditional pension plan, is that these traditional pension were tried and true, if managed honestly by a company. Traditional pensions were the most solid leg of the retirement, 3 legged stool. When IBM 1st gave IBMers a 401k, IBM made it clear that their retirements depended on, IBM pension, social security and the icing on the pension cake, the IBM 401-K. The IBM 401K was originally meant to make up for loses, expected in the social security system.

Times have changed IBM says, to justify ending the rock solid IBM traditional pension plan, that pays retirees and a spouse for life, unlike 401K's that can be under funded, for a variety of reasons. But, these traditional pension plans have survived the last 100 years with all sorts economic down turns, when managed well and honestly! Over the last 100 years, there has been, far worst economic situations, than today.

Who can believe that IBM honesty can't manage a traditional pension fund, because as they put it, the market is volatile! IBM is a company that markets business solutions, yet IBM executives say a pension fund, is too difficult for IBM to do now? The old IBM we admire so much, would have marketed a business solution to manage traditional pensions, made a profit doing it and made the world a better place! Today's IBM will market business solutions to eliminate traditional pensions, likely lose money because ending a pension, is easier than keeping one solvent and make the world a worst place!

What really has changed is business ethics. IBM now lacks the moral character and ethics of yore. Good men of strong moral character and good reputation, no longer run large companies and government, for the most part today. The cream no longer rises to the top, scum does. Good men refuse to be immoral and turn down positions of power that require a chilling immorality in today business world. The dishonest and greedy take today's positions of power. For this reason Americans face a very uncertain retirement and fiscal future, because good men and women have taken a back seat, while being taken for a ride by the less than honest!

The new IBM-401K-ration which is enhanced, sounds good but how long will it be before IBM decides to take back their promises. Long enough for everyone to calm down, I'd expect. The IBM promises are not legally binding and subject to change at IBM whim. Today IBM employees here in the USA need to look out for themselves and families futures, if they say with IBM for any length of time. Today promises made by IBM can not be counted on! Today IBM employees need contracts! To do that you need to form a strong union and contract. IBM executives and the CEO have contracts, why shouldn't you, for the sake of your families futures! Rather than be hapless and a victim, join the Alliance@IBM and restore honesty to IBM. -Anonymous-

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**Comments 01/13/06:** I've just started reading this site recently and have many questions about what is being done or what can be done, if anything. For example, even if there would be a lawsuit, the appeals process could take decades. I work from home and so my "home computer" is my IBM computer. How do I reach someone from the Alliance outside of using IBM phone lines? - Anonymous-

**Alliance reply:** You can call us at 607 658-9285. E-mail from inside IBM to the Alliance [indicottalliance@stny.rr.com](mailto:indicottalliance@stny.rr.com) is blocked by IBM.

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**Comments 01/13/06:** IBM makes 7 to 8 billion "profit" each year. The execs are so greedy that they want to steal the pension of the older workers that built this company. Those most affected by the freeze seem to be over 40 years of age with over ten years of IBM service. Why not discontinue pensions and 401k to new hires to save money. Sure, it'll be hard to recruit new employees then. So give them a carrot and then a few years later when they become the older employees, take it away. IBM claims to save 3.5 billion by 2010 with this freeze. They say that most employees will see positive or no financial impact. About 30,000 mostly over 40 year old employees will likely see a negative financial impact. Basic arithmetic reveals that 3.5 billion divided by 30,000 equal \$117,000 per employee by 2010, in just the next four years. After that date the employee's losses increase further. Yes IBM saves 3.5 billion and the older employees lose 3.5 billion in just the next four years. What will be the price of loyalty that is lost? Will younger workers now distrust IBM execs? Age discrimination??? What about the new federal law that disallows company actions that disproportionately affects those over age 40, even without intent? Lawsuit? Very likely. Did Sammy consider the legal costs of the associated action? Probably did and figured it'll be less than 3.5 billion. But trust and loyalty have a greater long term value. *-Anonymous-*

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**Comments 01/13/06:** To those who think hitting 30 years before 12/31/07 means they will not lose under the new plan - check again. In addition to losing credit for any futher salary increases (probably no great danger), you also lose if you haven't maximized your "points." Give or take your exact age/service, it would have taken another 3 years or so. If you're already past 30 years, you're probably ahead of the game. That just means that the cut to the rest of us is that much bigger, because what IBM announced was a NET savings of \$20k per year per impacted employee. *-Anonymous-*

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**Comments 01/13/06:** Yes, people are venting a lot and that is a natural part of grieving -- our trust has been violated and our dreams, too. We're not a bunch of slackers: we are some of the smartest and hardest workers on this planet. Yes I see the hardest hit population are those under the old plan. But do not forget the professional hire who came into the company within the past 10 years in their 40s who have hardly any runway to save for retirement at the same time we're hitting our heaviest cash-outlay years: paying for kids' college, elder care, etc. This is a major pay cut, and the tools and mutual funds I've been given to use for my 401(k) by IBM/Hewitt are sub-par. Plus if I want to use the "Mutual Fund Window" to give me more investment choices away from the IBM-controlled choices, I have to pay \$25 a quarter--to manage my own money! Finally, I hope IBM can see that the different "matching" contributions based on the 1999 cutoff could very well extend and reinforce precedent that their actions are based on age! I work just as hard as someone who came here before 1999. Why can't I get the same 401(k) contribution? If it's a clean break from pensions like you say, then make it a level playing field -- at the higher contribution. IBM execs, I know you're reading this. Exercise some damage control here and least remove the fees from the Mutual Fund Window, provide us with decent tools to monitor our investments, and grant all hardworking IBMers the same matching contribution. *-Anonymous-*

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**Comments 01/13/06:** Traditional pension plans, social security, and 401-k programs will all collapse under the weight of the coming retirement of the baby boomers. All corporations have begun the migration out of the defined benefits market because they know economic collapse is at hand. Better for you to lose it in your 401k than them to lose the pension trust fund and have to fund it according to federal regulation. Wake Up! The IBM actuaries and executives aren't stupid. They know exactly what they are doing. They have taken steps to "cut their losses." Guess who loses? *-Anonymous-*

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**Comments 01/13/06:** From Rep. Bernie Sanders Sept. 10, 2001 speech:  
...*"Frankly, I do not believe the founder of IBM, Tom Watson, Sr., were he alive today, would stand for this outrageous level of corporate greed. As many of you know, Mr. Watson told his employees that "IBM's constant purpose is to relieve its people of fear for the care of themselves and their families."*

Unfortunately, Tom Watson's IBM is not Lou Gerstner's IBM. Concern for the workers and their families has been replaced by same approach that exists today throughout corporate America - outlandish benefits and compensation to the people at the very top, while squeezing the average worker as hard as you can."

Five years later it's still the same. -Anonymous-

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**Comments 01/12/06:** Everyone in this country should be alarmed at IBM's announcement. We all know IBM happens to be the benchmark for big business in the US. Bye - Bye conventional pensions. You'll see a mass exodus from pension plans throughout the US in 2006 now. The government hasn't done anything to help the situation. If you think it's going to get better - forget it. Within the next 5 years you'll see major changes in our current social security benefits also. It's time to unite against our government and ALL BIG BUSINESS in the US. Remember, this is only taking place in the United States because we're NOT union. You won't see this happen over seas. They ARE UNION! If the people don't stand up now, then it's time for you to lay down and let someone douse you with gasoline. Please tell me, how many times do you have to be robbed before you decide to fight back? Are you ready? -Anonymous-

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**Comments 01/12/06:** This is my first visit to this site. Honestly, I came here because of the announced future changes to the pension plan. I am in the cash balance plan and the changes will honestly be beneficial to me as IBM is still giving me the same 8% as it would before the change. The difference is that now instead of the measly <5% interest rate IBM was crediting in cash balance I can choose more appropriate investments. Could I mess this up and screw up my retirement? Sure! But I'm betting I can do much better than the 5% that IBM has generously decided to offer in 2006. That said, I've become concerned that without representation that the next pension change will be to reduce the dollar match or IBM contribution. Thus my visit to this site. I believe that an IBM union could provide a voice to IBM employees and make IBM a stronger company and a better place to work. However, having read this website I must say this is not the place to get it done. The entire tone of the web site is one of anger at the the company that employs us. There is no doubt that IBM does wrong by some employees. But this site makes IBM and it's executives out to be pure evil. How can any of you continue to work for a company that you believe to be so evil? Perhaps, there is a better alternative. I came here ready to sign a union card, ready to pay annual dues with the belief that together we, an IBM union and IBM could form a better IBM. We could build it back to the IBM that we all wish we still worked for. I leave disappointed at the vitrol that this union would bring to IBM. A union could bring so much to IBM were we only to think instead of lash out in anger to bite the hand that feeds us. -Anonymous-

*Alliance reply: You raise some good points on how people feel and react to what is happening to them. Sure there is anger--people don't like being ripped off.*

*We suggest that you still join the union and have your voice heard.*

*Also we suggest a different take on "biting the hand that feeds us". Where would the executives be without the employees?*

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**Comments 01/12/06:** A previous post here said:

*"IBM employees are mainly IBM shareholders, also. I think that there needs to be an IBM proposal to eliminate the IBM SERP plan for IBM executives. Why should they be able to run the company into the dirt, cheat employees out of pension money to make up some difference and still get SERP?? The lavish IBM retirement packages need to be ended for all IBM ececutives, after all, don't they want more control over planning their retirements and play in the stock market casino, with their retirement money!?"*

The answer is, in fact, that SERP is no longer in effect for new entrants, and it is being phased out by the end of 2007 just like the regular pension plan. Perhaps doing a little homework before flaming next time? And being factual here? Here's the relevant Q&A from IBM:

**Q2. Are executives being treated the same way?**

**A2. Yes. Executives participate in these same plans -- the pension and 401(k) -- and they will be affected the same way. And as you may have read in the proxy, there is a Supplemental Executive Retention Plan that pays benefits to senior executives who continue with IBM until retirement. That retention plan was already closed to new entrants more than two years ago. Now, future accruals will stop for current participants in the plan at the end of 2007 -- and there will be no replacement of this plan for them.**

**As I have indicated before here, the SERP was closed to new participants effective May 1 2004. -Anonymous-**

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**Comments 01/12/06:** This is a follow up to the comment that read in part, "I think the people who are impacted are those who have like 20-25 years in"...at this point. It is clear that the population that is taking it in the shorts is those who were eligible to remain on the old plan but are still some years away from 30 years come 12/31/2007. This is the ~ 20% of the 117,000 employees. Virtually all of IBM's \$3 Billion in savings are coming directly at the expense of this group. For everyone else, the changes are either neutral or could be viewed as beneficial, depending on one's perspective. Also, it is more than the loss of the last years being assumed to be the highest earnings years. It is the loss of those earnings and service years credits being added to the "total Average pay x Points" factor. (The numerator). IBM HR is making much of the point that you can, still grow in to your "early retirement subsidies", e.g... The denominator gets smaller making the total benefit larger!  
. This is true and is something everyone should consider before making a rash decision to leave before retirement eligibility. However, it does not address the issue of the loss of additional service credit which makes the overall numerator much bigger in the last 5 years. The further away from 30 years you are come 12/31/07, the worse off you are. In my case 3.5 years away and this will cost me about \$600 per month assuming a retirement at 30 years. There is no way the enhanced 401k can come close to making this up even if I work far beyond 30 years AND they keep paying the extra 7% (additional 3% match + 4%). This group of OLDER IBM employees is clearly the ones in the "cross hairs" of this announcement and its timing. I can't see how we do not represent a unique class, which is being discriminated against. Where is the next Kathi Cooper? -Anonymous-

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**Comments 01/12/06:** "IBMers live longer and longer, so this is bad and raises costs." This is what a high ranked manager used as a excuse to change the pension plans? So I have to apologize, myself, for recovering from a serious disease. When will it be forbidden for IBMers to see a doctor....???

-Anonymous-

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**Comments 01/12/06:** HELP! RTP, North Carolina. Can we get some union reps here to setup a town hall meeting and distribute flyers? -Anonymous-

*Alliance reply: We are scheduling site and regional conference calls with our members and supporters. If you want to be on the calls you need to sign up with the Alliance. Also for the person who sent this comment--please contact me with your name and phone number at [endicottalliance@stny.rr.com](mailto:endicottalliance@stny.rr.com)  
We are also developing flyers and other actions you can and must take.*

*On another point: For the past few years we have tried to get RTP employees involved in the Alliance and attend chapter meetings. The result was pitiful. We warned employees that more takeways were coming and now it is here.  
We hope you all have learned something from this. Join now. No more sitting on the fence. No more ducking and hiding. The cuts are not over.*

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**Comments 01/12/06:** From a pension expert:

"Average employees, when left to their own devices, make all the wrong decisions," said Wehner, who is a big fan of traditional pension plans. "They don't put enough money into the plans, they take money out at the wrong time, and they make the wrong decisions on investments."

In a pension plan, he points out, the company typically makes the contributions and hires professional money managers to handle the fund.

-Anonymous-

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**Comments 01/12/06:** When IBM finally goes down in flames, I will want to have gotten off at the last stop. Since I don't know when the crash will come, I'd better get off now. I'm going to take my baggage (lump sum) with me because in my old age, I wouldn't want to have a dependency on a failed company. -Anonymous-

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**Comments 01/12/06:** Today from IBM East Fishkill I received an E-mail @ 4:15PM, in regard to a special pension meeting on Thursday morning. Note was randomly sent to a select few in the present retirement program. It will be interesting to see how management worms their way out of this 45 minute question and answer period? -Anonymous-

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**Comments 01/12/06:** From what one reads here the execs at IBM know neither technology nor business, so they must be very good at playing politics. As distasteful as it may be, getting involved in the politics, getting in to politics is needed to make progress. How many of you retirees and employees are donating money to your congressperson? Working on their campaigns? Joining the union? You got to get in the game to win. -Anonymous-

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**Comments 01/12/06:** It's no mystery to many that IBM is absolutely the worst company they have ever worked for. I enjoy reading the comments on your website knowing that I am not alone in my feelings. Workers must change their mindset and realize that IBM is now the enemy. No loyalty should be shown to a company that mistreats its workforce the way IBM does. Fight back in any way you can but do not think that things will ever improve. I will personally badmouth IBM wherever I go and to whomever I meet. Spread the word! -Anonymous-

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*Editor's Note: Your energy is better spent telling your co-workers about an alternative to their situation. If you are no longer employed there, then encourage any IBM employees that still work there, to consider [Alliance@IBM](mailto:Alliance@IBM). We still receive emails from IBM'ers who claim they did not know that we existed! Things can improve, if you work to help improve them. We recommend fighting back, too; but as a group of workers. Help us turn the tide in favor of IBM employees. [Click here](#) or [Here](#) to join [Alliance@IBM](mailto:Alliance@IBM) today!*

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**Comments 01/11/06:** I broke up with IBM in 1995. When I left IBM I still had enormous respect for them, and encouraged purchase of their products wherever I was consulting. After reading this forum for the past year, however, I realize that the upheaval my coworkers and I went through 10 years ago was NOT a once-in-a-lifetime event but has become business as usual. We complained a lot then too, and everyone had their big story about what they were going to say and do, but at the town hall meetings only a small handful out of the thousands of us ever spoke up, and the only thing any of us ever actually did was to leave and find other jobs (yeah, exactly like lemmings). Wish we had known about the Alliance then, although the results would probably have been exactly the same: only a handful would have joined, the rest just hoping things would hurry up and get better. I will NEVER buy another piece of IBM equipment, nor recommend it. They should burn in hell for what they have done to a loyal and talented workforce - again. -Anonymous-

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**Comments 01/11/06:** Why would you now desire to have the pension? Why would you continue to trust the company to do this for you? We have all seen how benefits have eroded, and we all know that there is no pension COLA. (Maybe we're supposed to buck for a pension "merit increase".) So, having the cash in the 401k means they can't take it away from you or degrade it later. Any while you may not be as sophisticated in investment management as a Wall Street type the company might hire, you can get assistance from a financial advisor, and when you leave, at whatever age, you can take it with you to the next job. This is probably not the end of pension cleverness. For example, Northwest Airlines is currently proposing to create subsidiary companies for the purpose of paying less and having lower benefits. Do you suppose our company is not watching that? *-Anonymous-*

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**Comments 01/11/06:** Hi, I am 55 now and will hit 30 years before the 12/31/2007 cutoff, so I actually benefit from this announcement. I will get the full pension I would have gotten, plus if I stay with IBM in 2008 and beyond, I'll get the additional 7% match into my 401k per year (10% minus 3%). This is like getting a 10% pay raise (or so) since it's before-tax dollars earning returns. I've seen a lot of posts below of people who hit age 55 or 30 years before 12/31/2007, who think they will be impacted. It looks like the answer is "no", if they stay with IBM until age 55 and/or 30 years, they will still receive those bumps. It's just that salary increases beyond 12/31/2007 won't be included in the benefit calculation. I think the people who are impacted are those who have like 20-25 years in, and who are on the old plan, because they won't get their last 5 or so years of higher salaries counted. In other words, people who were counting on the old pension plan to continue unchanged some 5-10 years into the future. So I think the vast majority of the IBM population is benefited positively, or is at least neutral, on this move.

Re: union -- do you REALLY think having a union would help? Has it helped GM? The airlines? Would you rather be working for one of those companies? *-Anonymous-*

*Alliance reply: Yes a union and a contract would help. First, changes to benefits would have to be negotiated. Second, employees would have a voice in decisions that affect them. How much is mismanagement in those companies? Besides IBM is not in the same financial problem as the airlines. IBM doesn't need to change this pension.*

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**Comments 01/11/06:** IBM employees are mainly IBM shareholders, also. I think that there needs to be an IBM proposal to eliminate the IBM SERP plan for IBM executives. Why should they be able to run the company into the dirt, cheat employees out of pension money to make up some difference and still get SERP?? The lavish IBM retirement packages need to be ended for all IBM executives, after all, don't they want more control over planning their retirements and play in the stock market casino, with their retirement money!? *-Anonymous-*

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**Comments 01/11/06:** Apparently the town hall meeting in RTP was by invitation only. I'm not sure what criteria was used. I was forceably converted to the cash balance and now will be converted to the new plan. I have not seen any public notices of meetings here in RTP and I actively watch the news boards and hallway posters. Has anyone seen anything in writing one way or another as to whether the Enhanced Annuity Option, that was part of the cash balance conversion for those close but not quite old enough to have a choice in 1999, will be preserved. Mgt was careful to say that pension milestones will still mean something for those who were on the PCF, but did not say anything about those same milestones that were in place for some on cash balance...least not that I've been able to find.  
*-Anonymous-*

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**Comments 01/11/06:** To the 1/11/06 post about management interview prescreening for "docility and eagerness to please..." let me set one thing straight. I am not in management now, but was a manager for 6 years, and on the senior technical staff, I have done my fair share of interviews as



well. At no time have I ever heard of, been asked to, or know anyone to ever have looked for anything like docility or eagerness to please. We looked for all the attributes you would want in a good employee - NOT trying to find those who would follow like lemmings. On the contrary, we looked for people who think for themselves and are not afraid to speak their minds. Management has a lot of problems, but let's not get into fantasyland about conspiracies to find employees who are androids... -*Anonymous*-

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**Comments 01/11/06:** To the 5yr younger worker who wants us to keep our focus on what we can do about IBM executive management, I have the answer: Absolutely nothing without a union. The executives' strategy has always been "divide and conquer". You've been pre-screened during the interview process (as I was) for your docility and eagerness to please. Wake up and realize they will never change until you threaten the supply of the one and only thing they respect: MONEY! -*Anonymous*-

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**Comments 01/11/06:** RTP meetings... everyone in the meeting was 50+. Just doesn't that say something? Write your representatives to investigate this. Yes....I heard the quote as well....all the savings will come from this group. Fair?? -*Anonymous*-

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**Comments 01/11/06:** This new IBM 401k-ration plan sure sounds great! Only problem, how long will IBM keep this promise, before IBM execs decide the \$ for \$ match has to be reduced? What's an IBM worth anymore? -*Anonymous*-

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**Comments 01/10/06:** After hearing about the pension freeze. A manager sent an E-mail to a co-worker asking him what request he had regarding new projects for the upcoming new year. In a fit of rage responded with his note "Respect for the individual". He did take a lot of flak for doing so but at least he got his point across! As tempers rise, we're noticing people are not focused on their job assignments. This in the long run could seriously affect overall production, safety, quality, and output! What an environment!! -*Anonymous*-

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**Comments 01/10/06:** Here's a question for all you experts out there. Back in 1999, the pension group got to choose between the pension formula and the cash balance plan. A very few employees picked cash balance because of their individual situations, but the vast majority chose to stay on the pension plan. The question is: Would we have been better off going to cash balance vs the new program? If we're still better off, is it only because of the enhanced 401k? I suspect we're still better off, but the reason for the 401k kicker may be because they knew they'd get their asses sued off if they didn't cover a prior option - not that they won't get sued big time, anyway. -*Anonymous*-

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**Comments 01/10/06:** You'll be pleased, but not surprised to hear the management is certainly monitoring this web site and the postings to this forum. In an employee meeting today, the Personnel rep even MIS-quoted from one of the notes below. Someone said earlier that their pension would be locked in at 30% of their salary - probably correct. What was quoted was that "some" people had estimated they would lose 70% of their pension. That can't be a coincidence. The guy was an idiot, anyway. He didn't understand the current plan, let alone the new one. (The Exec rep there was OK, though) -*Anonymous*-

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**Comments 01/10/06:** Some "facts" fresh from management in today's town hall meeting in RTP.

- How much of the \$400-\$500M per year is at the expense of those in the "old" plan?  
*Answer: ALL of it.*
- How many people are in the "old" plan?  
*Answer: 30,000 (I've heard 29,000, but close, either way.)*

*So, what is the average impact per employee? It has to be somewhere around \$100,000 - a number I've seen in previous posts. The direct calculation would be a bit lower, but not ALL of 30,000 are impacted, including those that retire in the next two years, those that die, and those that get laid off. They didn't provide any assumptions about the size of those groups, but in Raleigh, count on the latter. -Anonymous-*

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**Comments 01/10/06:** I want the person who started his 401K in 1995 and managed to put away 350K to manage my portfolio. *-Anonymous-*

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**Comments 01/10/06:** For all those nearing retirement who are posting about how much their pension will be worth under the new plan when they retire in 2007, 2008 etc., I have this question: what on earth makes you think IBM will let you stay that long? *-Anonymous-*

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**Comments 01/10/06:** After being outsourced to IBM from another company in 1996, I took a bath on my previous employers pension because I had less than 25 years service. But I was told not to worry because as a condition to leave and go to IBM I would be part of the IBM pension and that would make up for it. Well now I'm up the creek and have lost both paddles. *-Anonymous-*

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**Comments 01/10/06:** Please don't lump all "younger workers" into a single category - I've been w/ IBM for 5 yrs and was hoping to put in another 25 (not anymore!) This change hurts us "younger ones" as well. The issue is with IBM executive management, so we ought to all focus on what we can do about that - as opposed to turning the "old" IBMers against the young ones. Thanks. - *Anonymous-*  
*Alliance reply: To use an "older workers" term--Right on!*

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**Comments 01/10/06:** Oh lovely. The YOUNGER workers are all hyped about this and don't expect loyalty. That's because they weren't promised things by a company they stuck with through thick and thin. Hey if this is such a good deal, why aren't the exec's participating? *-Anonymous-*

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**Comments 01/10/06:** Speaking of pensions, I have been getting my IBM pension (I call it a pitance) since late 1997. I would just like to get a freaking cost of living adjustment now and then, but we who are getting pensions will never get one. Thanks. *-Anonymous-*

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**Comments 01/10/06:** I am 55 years old, and have worked for IBM for 21 years. If I retire on 1/1/08, the new pension will cost me \$200K. If I continue working for an additional 5 years to 2013, then my loss is "only" \$130K. These are real numbers, verified during a phone call with a senior IBM Pension Program Manager. *-Anonymous-*

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**Comments 01/10/06:** Just one more snowjob from the execs, the little guys get hit every time...BOHICA. They will stick you every time and believe it they have no bad feeling about taking the food out of your mouth. Better yet, why feed you at all. They will continue to get their hefty bonuses and stock options to make their lives just a little more comfortable and what do we get the short end of the stick. IBMers...as someone else said early on wise up it is time to take a stand against those who are willing to sell the real workers out of their just due. Organizing is not a bad thing. *-Anonymous-*

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**Comments 01/10/06:** No one from Canada has complained yet. We were screwed as well. Health Care Spending Account (HCSA) and Catastrophic Coverage will no longer be provided after age 65. Effective January 1, 2006, overtime and standby pay will no longer be included in pensionable earnings. *-Anonymous-*

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**Comments 01/10/06:** For the younger "generation" IBMer with only 7 years service and the options, let me say this... Dude, you're dreaming. The stock is not going anywhere. The reason Sam and Co. are doing this is NOT because they can't manage a pension fund, and NOT because they think this is better for us and certainly NOT because this will make IBM more competitive. It is because they can't grow the company! They have to show bottom line increases somewhere, and when you can't grow, the only place to do it is to cut expenses. This bumps the bottom line, and keeps the execs earning their bonuses, because this is what they're calculated on. At best the stock might creep close to a hundred, but my options, at a \$106 strike are going to be under water until well after they expire in 2010. So dude, don't think for a moment this is good for anyone except the top level execs.... And oh, BTW, many of us made career choices to stay with IBM for the duration because we thought (silly us) that there would be a decent retirement at the end. Made some choices I wish I could go back and redo. Silly me... *-Anonymous-*

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**Comments 01/10/06:** After reading most of the comments, my heart goes to people who are loyal to IBM and feel for those who almost spent all their productive years for a company who can't keep promises. I am relatively young employee in term of numbers of years in IBM but I have a career of some 18 years in IT.

There is a clear and most important break-down point in this new game. Just wonder why nobody pointed it out yet.

Pension or cash balance Plan has no dependency criteria so far, other than regular employment. Which means that IBM has to pay-out the cash balance or Pension credit to the current employee. In the new plan IBM is introducing a dependency which I think will not be able to stand legal ground and whole thing may end up in shredder in less than a day! Here it is : As per new change, IBM is converting deferred pay compensation into a 401K contribution which requires Employee's full contribution of 15K (2006) and 5K contribution catch up contribution for 50+ to match the original benefits. That defeats the IBM's 401K PLUS as replacement. Plain & Simple. If somebody can not contribute to 401K to get IBM's contribution that means employee loses deferred but promised compensation. IBM failed to keep promises and screwed many consultants/contractors over last 2-4 years. Have you tried to look at their faces ? 20% pay cut in their growth years with lousy benefits or not at all ?!!!! Since IBM is done (hopefully) with them, now IBM looting from older folks' Pension plan to begin with. They changed games on Performance Bonus ( what the %&^& is this 2 & 2 PLUS ?) Somebody in HR is NUTs (with PLUS?)

They cut the IBM stock discount from 15 to 5%. The IBM stock has not moved a dot since 2001 though most market has recovered, why? IBM employees ditched and hate the IBM's stock. ESPP sells are highest since 2001. Medical benefits are shameful. No job growth. No recognition. Second line and above are complete dumbs and have no idea of what's going on. They lack any insight of customer business or have lost customer touch. First lines are worse than prostitutes getting shafted from both sides and they are the group getting affected the most by this new Pension Sham. Yet, they take it with smiles ! Young IBM have no hopes anyway. They have no hopes on getting a dime from Social Security. They now know very well (good that they have learnt early in their lives) that don't trust your government, companies they work for and their parents ( who are more worried how to feed themselves in the retirement) *-Anonymous-*

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**Comments 01/10/06:** 1/9 Randall Internal Webcast: for the old pension plan the early retirement bump remains intact so this means the age conversion factor remains after the freeze which makes a huge positive difference on my (our) pension payment for those that retire after the freeze date of 1/1/08. This is a big relief- instead of losing almost 33%, my loss is probably around 9%. I am in no way supporting what they did, just reporting on the webcast, the way the new freeze works for others wallowing like I am. The bottom line for the old pension plan- dont leave if you are close as you will be giving up a large annuity bump. *-Anonymous-*

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**Comments 01/10/06:** I am 52 and a few months old, have spent more than 20 years with IBM. Now the company wants to freeze my pension. Step by step, the company is screwing us both on pension and health plan. I bet they will come out with something again later this year or next year to screw you further. Just wait & see. *-Anonymous-*

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**Comments 01/10/06:** I do not have a 401k and don't have any plans to get one. Years ago, I decide that it was better to pay off my home than take a small cut in pay to a 401k. The house that I bought for 16k is now worth 50 to 80k. Real things that appreciate in value will be my retirement not a pension or a 401k. I'm a band 1 and I'm not a good ass kisser, so I will always be a band 1. There is no future in company that has more temps than IBM employees. For those who think that a 401k will be enough to retire on, think about this. If you start saving at 20 , 6% of your income by the time you reach retirement, you will not have enough to live on. WHY? Because every thing will go up by at least 4 to 6 times.

And the worst thing is that all that money will be in a bank account. A very large amount that our government will need to prop up Social Security or pay off some war. THEY CAN'T DO THAT! Want to bet? When I was a kid gold was illegal to own. *-Anonymous-*

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**Comments 01/10/06:** This is nothing but flat out greed. A \$100B company saves \$2.5B over FIVE years. Not one year, in FIVE years or \$500M a year. Why don't we try something novel, like driving top line revenue and cutting out the costs associated with bloated processes and bureacracy? At some point (very soon), the back door approach to solving the profit picture is going to run out of gas. Minimal pay increases, variable pay is on the way out, employee benefit contributions continue to escalate and now the yanking of the pension plan. How any top executive with a conscience could have sat in a conference room and not reject the idea of destroying the pension plan for the older employees is beyond comprehension. This is truly a disgrace. *-Anonymous-*

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**Comments 01/10/06:** Those in the old pension plans who are being cut short of the extreme pension value increase period that occurs from years 25 to 30 are being screwed big time! Without the benefit of those years and the kick that occurs at year 30 of 20-25%, the old plan is not worth squat. Did the judge in the Cooper's case sign off on this? You can't tell me this is not age discriminatory, especially for those over 40..... *-Anonymous-*

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**Comments 01/10/06:** Sams pay for 2003 from salary.com

Base Pay \$1,550,000

Bonus \$5,400,000

Restricted Stock \$0

LTIP Payouts \$769,095

Present Value of Option Grants \$12,283,900

Other Annual Compensation \$11,037

All Other Compensation \$181,500

Total Compensation \$20,195,532

Stock Option Exercises and Cumulative Balances

Shares Aquired on Exercise (#) 0

Value Realized for Options Exercised \$0

Remaining Exercisable (vested) Options (#) 869,617

Remaining Unexercisable (non-vested) Options (#) 565,001

Value of Remaining Exercisable Options \$29,143,874

Value of Remaining Unexercisable Options \$3,637,500

He doesn't need a pension, does he ?

Data for fiscal year ended in 2003

*-Anonymous-*

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**Comments 01/10/06:** This is just the latest round of IBM's "respect for the individual" (those of you who have been around long enough to remember, and naively, BELIEVE that phrase). I'm a cash balance pensioner now with 16 years in, so I got my SCREWING back in 1999. For once, IBM made a change that didn't AFFECT ME.

But boy is big blue sticking it to the employees old enough to be on the "old" PCF plan, but who won't make 30 years by 12/31/07.

I'm a 2nd generation IBMer and this used to be a GREAT place to work. Decent wages, FREE

benefits, JOB SECURITY.

Now all we get is expensive benefits, AVERAGE pay, and NO job security. But oh by the way, I expect BIG things from you when it's time to GA your current product. All they do is take take take. I guess if my bonus compensation was based on stock price, I'd cut too.

I used to be proud to work here.

Not any more. It's just a paycheck. Why should I be loyal when all that gets me is things taken away and upper level execs continuing to get rich off my extraordinary efforts. For what, a 3% raise every 2 or 3 years ? Thanks IBM, I'll do my best for you. -Anonymous-

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**Comments 01/09/06:** Congratulations, Sam. You screwed you're long-term employees and previously most loyal employees.

What did you get - a couple of dollars in stock price, most of which the market took back today. You say you're mitigating risk. Who's risk? The stockholders?

MY stockholders are at home and THEY are the ones you shifted the risk to. But you really didn't just reduce risk, did you. You're also advertising SAVINGS. Guess whose paying for those savings. Cut your own retirement and see if you can get the price back where it was a year ago. I need it to go back up to fill in the void you created. -Anonymous-

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**Comments 01/09/06:** Well, management is obviously reading this forum. They're desperately putting out the word that everyone's estimates of the impact are wrong and overstated. To anyone who believes this snowjob, look at the numbers they DID provide. There are only 29,000 negatively impacted workers and \$2.5B in savings over a five year period. That savings include "some" non-US, but it's mostly US. That makes the average easily over \$50,000. If management wants to tell us we're wrong, then SHOW us - at least some examples for low/med/high impact. It was pretty easy in my case, because I hit 30 years and age 55 in Feb '08 and did the calculations as of then (vs YE '07), so that I would pick up any kickers for 55/30 years. As a band 10, my impact is almost \$100,000. -Anonymous-

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**Comments 01/09/06:** As a six-year IBMer, I am very disappointed in the way management communicated the "BIG FREEZE" to us. However, the new savings plan seems positive at first glance for a new generation of workers entering the workforce as baby-boomers begin to retire in 2008. From a 30 something, younger worker's perspective, loyalty to an employer is yesterday's news. I am not counting on Social Security or Pensions. I applaud IBM for giving me the opportunity for personal responsibility to manage my financial investments (401k) and not become dependent on a company or incompetent government for my financial security. Bravo Big Blue! -Anonymous-

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**Comments 01/09/06:** Management and the business press is busily equating this action as part of an inevitable movement away from pensions. Don't let them do it. IBM had already moved away from pensions in the Cash Balance changes from '99 and the elimination for new employees in '05. Most employees are already screwed and have time to decide to leave, or trust IBM and stay. The group that we should really focus on is the near-retirees, who are the ones from whom IBM is extracting \$2.5B in savings. These employees are in their 50's and 60's, don't have a lot of choice and have been told for the last 16-30 years that their current pension stinks, but that it will grow significantly in the last years before retirement. It's bait and switch. -Anonymous-

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**Comments 01/09/06:** Former IBM'er left in 2002 (professional employee) after nearly 15 years service due to the pension scam. Now working as a unioned employee for the local Gov't. I cannot imagine how I survived IBM so long (ie. lack of promotional opportunities, ever increasing hours, threats of termination when I was injured on the job, benefit givebacks, mgmt double talk, etc.) Best thing I did was leave IBM. I now sleep well at night. GO ALLIANCE GO -Anonymous-

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**Comments 01/09/06:** Do whatever you have to do to leave IBM as soon as possible. This is not over and it won't be over until IBM has completely screwed every employee, Band 10 and below. What will it take for you to wake up? This plan has been in place ever since Gerstner came onboard. You WILL get SCREWED if you stay.



I left IBM in late 2003 after 23 years at age 53. I took the cash payout on my pension with a monthly annuity and never looked back. This problem will not be fixed and it will only get worse. -  
*Anonymous-*

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**Comments 01/09/06:** We just had a meeting in the auditorium in Endicott with Ole' MacDonald and Danafrio and I'm more confused now than before. They're saying that even though the benefits stop accruing after 12/31/2007, if we stay gainfully employed we can still capitalize on our 30 year and age 55 bumps. That's not what I understood from our original posting from them. As of 12/31/2007 we do however stop any further years being used as our prediction years for the 5 they use to calculate our pension annuity. Otherwise they will be using 2003 to 2007 pay levels to calculate our pensions whenever we might decide to leave after that. I personally think it would have been to everyone's liking if they would have just given us oldtimers a 5x5 and used a straight ramp when calculating the pensions instead of this bump method at 30 years and age 55. At least all the people that we're given a choice back in 1999 should have the opportunity to make it to 30 for the bump. Does anybody know why they use a bump at those at 30 years and age 55? Especially since there's not many people that make it to those levels with all the layoffs there's been and will be.  
*-Anonymous-*

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**Comments 01/09/06:** As a former IBM Endicott, NY employee, which was sold out by IBM 3 years ago, I am sorry to hear that IBM has betrayed the entire American workforce, with this, happy new years, pension freeze. I well know what it feels like to have your pension frozen, from out of the Big Blew!

It's astounding to me that IBM sells business solutions but seems incapable to manage a pension fund profitably! For the last 100 years these traditional pension plans have been perfected by actuaries and accountants. Traditional pensions when managed as designed are the best financial surefire means to secure employees decent retirements, for life. You and your spouse do not run out of retirement money with a traditional pension as you can with a 401K. Now IBM declares they can NOT manage a pension fund because the stock market is too volatile for Big Blew? But as individual employees, IBM feels your 401K will grow, if you manage it well! What double talk! IBM has some gall selling business solutions when it is apparent they can not manage their own business fundamentals, like a traditional pension plan!

Since Big Blew can announce these sort of changes from out of the blue, perhaps IBM US employees should do something out of the blue also! For starters, reduce your productivity proportionally to what ever your personal pension loss calculates out to be. And join the Alliance@IBM while your at it.-*IBMEndicottBigBlew-*

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**Comments 01/09/06:** Can we do something..Please, i want somebody tell me YESSSS!! -*Anonymous-*

*Alliance reply: Of course it is YES. But remember it takes you and many others to do the actions, the organizing and the pressure tactics. If you are not a member join now!*

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**Comments 01/09/06:** I wonder if IBM has considered the lost productivity during working (banking) hours due to employees who will be aggressively "working" their 401-K accounts. Since the "monkey" is on our back to manage our retirement, we'll have to do that, exactly that. -*Anonymous-*

*Alliance reply: Maybe that is something all employees should do on the same day and at the same time.*

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**Comments 01/09/06:** All of you are wrong on the calculation of the new pension for older workers. I received my Lotus Note from scumbag management this morning. It states clearly that the pension and retirement tool is no longer valid for the new plan. So i ask myself why is this? They have been planning this for months i'm sure so why isn't the new tool available the DAY they announced this pos? These are true criminals -Anonymous-

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**Comments 01/08/06:** Moderator, could you please mark the posts from IBM managers with an asterisk, so we don't have to waste time reading to the end of their first sentence?

*Alliance reply: We don't know if they are management. They could be employees who like the latest change. Regardless, we should know how all sides view this latest change. Better to form our responses. -Anonymous-*

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**Comments 01/08/06:** Great comment from the younger generation employee with only 7 years at IBM below, real typical, only cares about himself. And he spelled generation wrong. I'm happy he is such a SMART investor!!! -Anonymous-

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**Comments 01/08/06:** For those of us who earned stock options, and choose to participate heavily in the 401k plan, I think this is a sensible move for IBM. As a younger generation employee with only 7 years at IBM, I haven't seen a real benefit with making a lifelong commitment with IBM and waiting for a pension that, at best, would only provide a minor supplemental income during my retirement. I look forward to being able to see my 401k grow further, as that plan is definitely one of the best (I recommend the Vanguard options), and gives me the control and personal responsibility I desire out of my benefit package. Bravo IBM, I look forward to finally seeing our stock price over \$130/shr. again. -Anonymous-

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**Comments 01/08/06:** On 1/1/2008, I will have 26 years with IBM and will be 4 months shy of age 55. The freezing of the pension plan will cost me \$540/month if I retire at age 55 as originally planned because I won't get the age 55 bump now. I am very upset and extremely disappointed in IBM. -Anonymous-

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**Comments 01/07/06:** A number of the posters here claim that their pension might be hurt because they'll reach a key service anniversary at some point after 12/31/2007. Not so. The announcement material makes it pretty clear that for employees on the "prior plan" (Pension Credit Formula), their age and service post 12/31/2007 will continue to count toward retirement eligibility and their earned pension benefit will still increase at their early retirement milestones. So it'd be smart for them to stay with IBM, at least until they reach whatever milestone (say 30 years) they're concerned about. However, it's also clear that their pension will be based on the final 5-year average pay through 12/31/2007, and so will not reflect any higher salaries they may achieve after that date. -Anonymous-

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**Comments 01/07/06:** Great comments from mid-career -- we bear the brunt of this decision. Note total inaccuracy of the content on the Blue Pages FAQs that those in the Cash Balance Plan will have about the same amount of retirement income under the 401k(plus). This statement totally misrepresents the facts: we are no longer drawing from a benefit funded by IBM and the fruits of the years of our 55 hour weeks. We are now funding our retirement out of what used to be our take-home pay! Insult added to injury. btw, I just signed up. -Anonymous-

*Alliance reply: Thank You!*

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**Comments 01/07/06:** Folks, You guys voted George Bush Jr in. This is what happens. Lets be happy we have a job. I have 2 friends that were in their 30's and laid off of IBM. They were making 50-60k and now they are selling cars for a living making 30k. BE HAPPY YOU HAVE A JOB. There is no

more job hopping anymore. Take what you can..... but I would definitely have a 'back up' job in the wings - whether its starting up your own franchise or selling boots on I40. *-Anonymous-*

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**Comments 01/07/06:** How much employee screwing does it take before you stand up and fight? Join the union and protect what little is left of your pension. I was laid off 4 years ago from IBM. I felt I really got screwed. I elected to start collecting my pension and I currently receive about 10K per year for life. It doesn't pay all the bills but it does pay my taxes. I have a new job now and I'm a much happier person after leaving IBM. I sincerely believe that a union will fix the management mess at Big Blue. Stand up and fight and join the Alliance! *-Anonymous-*

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**Comments 01/07/06:** If all the people that have written comments on all the comment sections on this web site, signed up with Alliance@IBM and followed through by talking to their co-workers and getting them to sign up, I bet you'd be a hell of a lot closer to a vote. Then we would see just what can really happen when people act instead of complain, whine, and tell stories of the moment when they "woke up" and discovered that IBM will NEVER go back to the way it was 30 years ago.. Sign-up for Alliance@IBM and get off yer butts and DO SOMETHING! *-Anonymous-*

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**Comments 01/07/06:** Not unexpected, and a good business move for shareholders *-Anonymous-*

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**Comments 01/07/06:** 26 years and 9 months..I stayed with the IBM personal Pension Plan - Prior plan. Come Dec/2007 I will be short of the golden 30 year mark by 15 months my pension appears to be impacted by a 30% reduction. It might not be as bad once I can see the "new" pension credit formula. Will IBM use the Retirement benefit conversion table or the Vested benefit conversion table or something altogether different. This still needs to be determined. *-Anonymous-*

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**Comments 01/07/06:** Well, I too have seen the "older" employee posts, and I'm more of a middle guy (I still like to think of myself as "younger" so here's some more perspective, FWIW....) First, let's look at the "real" younger crowd. Most companies today give nothing in terms of pension, and pretty poor 401Ks, so sure, 2% for free from the company, and dollar for dollar match on 6% is really not bad when the other companies don't give even that much. Plus, a 401k is portable, and self managed, the mindset of today's youth is "lemme manage it myself, I can do better." So sure, you're not going to hear much from the less than 5 year employed 20-somethings. (BTW, did you know that around 50% of IBM employees in the US now are 5 years or less with the company?) Now, for those like me, mid career (42 YO, 18 years with IBM), we're the ones really screwed. Why us more than the older folks? 1) We got NO choice on which plan to choose back in '99. Had the service, but not the age, so SOL... 2) We're on this wonderful cash balance. Portable, sure. We take it when we go and not have to wait to hit 65, sure. But the benefits sucked. 3) Now, what little we were getting on the cash balance plan gets frozen for this 401K "plus". This benefit is a further cut beyond the cash balance, because net is, we're only getting 2% from IBM, and 3% based on the now dollar for dollar match on the 401k contribution. So (for calculation purposes, say someone makes \$100k/year, that's a whopping 5 grand a year replacement from the cash balance to this new wonderful plan - woopie-freakin'-do) The real punch in the gut is those of us mid career clowns who believed IBM would be the place to spend the career, declined making some potentially good moves away from IBM, because we figured that at age 55-ish, we could retire with 30 year pension bennies, and move onto a second career, open that woodcarving shop on a mountain or something, secure in our decent retirement. We declined other possibly more lucrative offers for the perceived safety of the IBM parachute we were told was part of our total compensation (which we naively bought every time we asked why our pay was not what others in the industry were getting). THAT is where I feel betrayed. Now, right at what should be peak earning years, we keep getting told we can't get pay raises because the economy stinks, but we have this wonderful "total compensation" package where core salary is only one component, along with variable pay (which we get told is not good because the economy stinks, but that's only part of the "total compensation package" of which the pension (okay, now 401K) is a part, but we're told that is the best in the industry, but the benefit is really lousy anyway, and we decided to turn down some perhaps riskier opportunities in the past because IBM promised us great benefits, which have eroded beyond recognition. So you've heard from the

"older" ones, I speculated on why the younger workers probably like this, since it does make them more mobile and earn them benefits from day one, and now you've hear an opinion from a mid career. The only question we should get on the Q/A sheet from Randy is "in your opinion, who got screwed the worst?"

Fun, huh? *-Anonymous-*

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**Comments 01/07/06:** In the 1980's, while IBM's competition was paying higher salaries, IBM's response was "you have to consider the entire compensation plan, including medical and pension benefits". Hearing that, I, and many others like me, chose to stay with IBM. Had we known better, we could have left the company, made more in salary and probably be better off today. Obviously, the current IBM Management team (including past CEO Gerstner) have some trouble with the concept of keeping promises. We are not an airline about to go out of business. We are a thriving company whose pension plan is fully funded. In fact, during the 1990's, IBM did not put a nickel into the plan because the stock market performed so well. Gerstner raided our plan, and took excess money out of it to prop up IBM's profits, and hence, allow him to walk away with hundreds of millions in bonuses and options. *-Anonymous-*

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**Comments 01/07/06:** Welcome to "The Family, You're set for life." I was told by an IBM 'er and personal family member when I joined IBM in 1978. He is probably rolling over in his grave today. Years of rotational shift, working Thanksgiving and Christmas, forced overtime, 3AM call outs, low pay, micro managing health care, Execs with fat heads on ego trips. Excuses instead of raises for too many years even as a 2 and 2+ performer. First thing I'm doing is dumping ALL my IBM stock, no more 10-12 hour non exempt work days or working thru lunch on conference calls. You get what you pay for if your lucky and IBM you don't pay squat or respect us in the morning. *-Anonymous-*

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**Comments 01/07/06:** Did you ever get the idea that maybe IBM doesn't want you working for them for 25+ years? As in, make your contribution and move on. *-Anonymous-*

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**Comments 01/07/06:** I've just visited the current ibm pension calculations web site. If my cash balance pension is frozen on 12/31/2007 and I work till the date I plan to retire the lump sum loss amounts to a 42% lower amount than my current cash pension estimates. Having already lost nearly 400 thousand in lifetime benefits, this is another major loss. I can't help but see ibm executives as anything other than vile thieves, stealing from those who don't have the power to stop them, yet. Wake up America, we now live in a two class system and our class will get less and less until the ruling class is opposed. *-Anonymous-*

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**Comments 01/07/06:** I'm 47 with 27 years of loyal service with IBM. In 1999, I was in the population of employees given a choice between the old and new pension plans (only after the age discrimination question was raised I might add). Like many of my peers, I was provided financial tools and contacts by IBM to aide in determining which plan would be the best match for me. My decision was based on the "cross over" period between plans weighed against my planned retirement date. The retirement mapping from IBM indicated the new plan would in fact surpass the old plan benefit after 36 years of service. Given my age and plans to work well beyond the 30 years with IBM anyway I reluctantly opted for the new plan. My decision was based on the financial retirement information provided by IBM, so how can IBM legally freeze these benefits now?? As usual, our incompetent executive team continues to insulate itself from financial actions at the expense of it's workers. *-Anonymous-*

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**Comments 01/07/06:** I'm a 30-something worker (i.e. one of those younger ones), and I think this pension "change" is awful. (The ones before it were, too.) Awful for IBM, mostly. IBM is going to lose a lot of experienced people because it would be financially stupid for them to stay on, and I don't like the coming 2007-2008 "brain drain" at all. We desperately need all the smart people we can get, and a lot of the smartest have 20+ years. This pension elimination (pay cut) has also just given lots of younger workers more reason to go elsewhere, and the smart ones just figured it out. 401Ks and "cash balances" are portable. That's great for me -- I don't need to worry myself about loyalty or other such nonsense. Maybe I should return that headhunter's phone call... IBM's biggest challenge

is revenue growth. We have not managed to grow revenue, and instead the accountants in charge are slashing everything. Well, you can't eat your seed corn, and that's what IBM is doing to make a quarterly number. (How about if we unplug all the phones to cut our phone bill? That should save a lot of money too, right?) So now we get rid of pensions, "save" some money, lose a bunch of experienced people (the smart ones) and eliminate incentives for younger workers to try to get those pensions. Now competitors can cherry pick the smart young workers from our midst because there's no pension earnings curve to worry about. We take our 401Ks -- newly enriched, even -- and we run. Is John Kerry's campaign manager running this company? Stupid, stupid, stupid. By the way, if IBM wants to play games with numbers to try to fake another quarter's earnings, what's to say that the 401K match won't decrease? Fake profits not high enough? How about if we make some more fake profits and kill the 401K match altogether in 2009? *-Anonymous-*

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**Comments 01/07/06:** At the time this change takes place, I will have 27+ years and be in my 50's. A few months ago I did some retirement planning using the Fidelity planner for the traditional retirement plan. Depending how they implement the cut off, I could lose between 15% to 33%. If they give us the adder for making 30 years, which I believe is between 20 and 25 percent, then the hit I take won't be as bad, if not, then I'm hosed. If they don't give us the adder, then I believe I would have been better off taking the cash balance plan back in 1999. The only way I could make this up is if I could average 11%+ in my 401K, assuming I die at age 85. They are changing a commitment made many years ago when I hired on. I understand times change and we're living longer, but for those of us so close to retirement, changing the rules (again) now is wrong. We're required to read the business conduct guidelines every year. There is a section in it which basically says, that an action may be legal but still ethically wrong. I think the execs, especially our CEO who is the worst in our history, need to read the guidelines. I expect many age discrimination law suits to follow, and I am considering one myself. What is amazing to me is I don't understand how our management expects our customers to trust IBM, when they screw their own employees, their most valuable asset. When you receive an email from a pin head in charge of HR, which starts out saying a change is being made and it sounds good, then he says the change is still better than many other companies, and finishes by say that IBM has the right to make changes and it's all legal, then you know you about to get screwed. *-Anonymous-*

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**Comments 01/07/06:** False Promise !

When I first was hired at IBM back in '84. During an employee's orientation meeting. We received benefit package that included detailed information on IBM's long term pension plan, which graphically showed how IBM's pension plan, benefits its employees with accrued years of employment service. Now again with the outcoming pension change. I am asking myself! Why didn't I take that State position with union benefits and a clear cut pension plan? Time to bring back the Rat to all IBM's entrance locations. Contact your elected official's regarding this violation on our promised retirement. Who needs a pension plan that is based on the stock market? You have a better chance of winning Lotto! *-Anonymous-*

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**Comments 01/07/06:** I've run the numbers for my specific situation, taking into account the additional contributions by IBM into 401K. At a minimum, I will now have the equivalent of \$75,000 LESS for retirement on the day I will complete 30 years at IBM. This assumes no raises and a 7% return on 401K. If you want to do a similar calculation 1) go to Netbenefits site and get two pension estimates. One where you leave IBM on 12/31/07 and start collecting pension at the point where you will have had 30 years with IBM. Get the second pension estimate where you leave IBM and start collecting pension at 30 years service. For simplicity, I assumed no growth in wages. Next, subtract the two Single Life Annuity Payments. This is the difference is what you will need to make up. Convert that difference in annuity streams to a single value. I went to <http://www.immediateannuities.com/>. Use your age at the time you will have 30 years with IBM to find the lump sum amount you will need ! that can generate the shortfall in annuity stream. Finally, calculate (I used Excel) the future value of IBM's additional 401K contributions at the time you will reach 30 years of service. I used the FV function in Excel. Subtract the



future value from the number obtained from the above mentioned web site. Hope this helps and that your results are better than mine. -Anonymous-

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**Comments 01/07/06:** If Alliance@IBM is unable to "organize" the workforce after this pension boondoggle, it's time to quit trying. IBM employees who don't want to participate in the solution must lose their right to recourse.  
-Anonymous-

Alliance reply: *There is NEVER a time to quit a struggle like this. That's why we have been at it since 1999... We've made some progress. We've won some battles. We will never quit, and give up on the employees right to an alternative, to this kind of corporate thievery. We need to arrive at the point where the employees take a Vote whether they want a union contract or not. Until that day comes, we will continue.. Continue.*

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**Comments 01/07/06:** I am one of the "lucky?" ones. I had 29 years last november and you can bet your sweet a\$\$ I will be out of her the day after my 30th. I really feel for those of you who have between 20-26 years because you will bear the brunt of this theft. I hope and pray that those in this position will organize and file suit. It is sad to see what used to be a great company thrown in the garbage. -Anonymous-

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**Comments 01/07/06:** Would someone with the ability and the expertise please figure out what this change will cost employees under the old plan/new plan. A spreadsheet would be nice. Something that we could just input age and years employed and see the result of this pension freeze. - Anonymous-

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**Comments 01/07/06:** I'd not be surprised if IBM also eventually takes away the retiree medical accounts. Just because they can. Someone predicted that employees will eventually all be just "contract workers". We'll get paid a sum of money (and no separate benefits). Like those who work for themselves. -Anonymous-

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**Comments 01/07/06:** We need to be clear on this. IBM executives, like politicians, only care about their own pockets. People can moan and groan here all they like and the execs don't give a damn. So, why not hit them where it hurts? Write an open letter to IBM to your local newspapers asking how Sam can justify receiving (I won't say earning) more in one year than it would take some people a millennia (1000 years!) to earn. Is he really 1000 times better/smarter/kinder than these people? And as people have mentioned here, get them to make a CLEAR public statement about how the executive pension plans are going to be affected by this.  
I cannot express my contempt for these people that greedily stuff their own bank accounts with more money than they could spend in a lifetime while nickel and dimeing the very people that are bringing in the money to fund their packages. Tom Watson must be turning in his grave over what these thieves have done to his company. -Anonymous-

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**Comments 01/06/06:** Took my pension money, what there was of it, when I was "resourced" out in June of 2005 and cashed it in and put it where they can't touch it! So now for all of the others that are looking forward to the 401k plan, just stop and think, how long till the level of IBM's contributions starts to drop until it looks like the fading variable pay system. Say bye bye to any hope of help. Unionize, before it is too late. Did you notice that they are deciding what to do with pensions in Europe,,, could that be a result of the Trade Unions influence... one can only wonder. It must really suck to be an IBM employee today, Tom Watson must be spinning in his grave. - Anonymous-

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**Comments 01/06/06:** Well, I'll have 29-1/2 years when the freeze hits. The new plan will cost me \$10k/year in my pension - locking me in <30% of salary. The 401k kicker won't put much of a dent in

the gap. The cost of an annuity to backfill the lost pension is over \$100k. But, to quote the announcement, it's not about saving money. -Anonymous-

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**Comments 01/06/06:** I'm tired of being disappointed again. It's time to take some action. I'll be on Davis Drive RTP on Thursday 1/12/06 at 8 AM with a poster that reads on side 1 - STOP THE PENSION PIRATES and on side 2 - www.allianceibm.org Blogging helps alleviate the frustration, but only direct action will cause any change. -Anonymous-

*Alliance reply: Thank you for taking some initiative. Make sure you send us your name to endicottalliance@stny.rr.com (it will be held confidential) and that you are signed up with the union.*

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**Comments 01/06/06:** It's just not the long-term workers. It has really hit hard on those of us who came in as professional hires in the past 10 years or so and are in our 40s. We have retooled our careers to have that cash-balance plan, wagering that it would be there so we could put our kids through college and other long-term financial commitments. Now I must totally rethink things. IBM has this arbitrary date of 1999 to differentiate between 10% and 8% on this new 401k -- do they think everybody hired since then is a college hire?

With plenty of time to make up the difference? NOT! The most blatant age discrimination is for those caught right around this hire date who will continue to be cheated with this new 401k caste system. This may be IBM's biggest exposure legally -- the extension of decreased contributions based on the inception of the cash balance plan. Plus -- check out the Insider Trading on Yahoo financial or the NYTimes under the IBM stock ticker. Executive stock sales for all VPs, GMs, Directors, and C levels are listed. Warning: not for the faint of heart. They have made 10s of millions of dollars! -

*Anonymous-*

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**Comments 01/06/06:** I have been with IBM 10 years, 2 in management. I can no longer be a manager. The company has no "respect for the individual" The pension was frozen this week, and today they cancelled STGU. No employee on commission gets paid correctly with the failure known as FMS. Sam can't grow the business so he is squeezing every penny out of the employee. A focus needs to be placed on unionizing the call centers, those people are miserable. -Anonymous-

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**Comments 01/06/06:** IBM executives are evil and can't be trusted. I've felt this way for the past decade of my 20 years in IBM. They are a part of the corporate corruption that's taken over the likes of Enron, Worldcom and Lincoln Savings over the past years. IBM executives will eliminate any employee to boost their own financial wealth. IBM's pension freeze is simply an effort to elevate the stock price and boost the worth of each executive's stock options. During the past decade there has been an obvious effort to eliminate older and experienced workers at IBM. Minimal to no pay increases for older workers, cuts in medical coverage, cuts in employee stock purchases and discounts, unrealistic sales targets. A huge source of IBM's revenue comes from services achieved by experienced people and not new technology developed from within. Once these experienced employees are forced to leave IBM and work for competitors, IBM will discover that that they no longer have a business advantage.!

So let the execs steal as much money from the employees as they can before they force the inevitable failure of the company. -Anonymous-

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**Comments 01/06/06:** IBM has a line called "Respect for the Individual". That applies only to the executives and not the blue collar workers. This reminds me of an IBM VP, Bob Labant. He was the ax man during one of the first major IBM layoffs in 1989. Oops, I meant "surplus", another nice IBM spin. LaBant did the dirty work and then he got canned when he was through. Lets hope the same demise follows Sam after all this crap and the stock price continues to decline several months later. I'm sure IBM, as usual will try to make this Pension freeze and transition as complex as possible. They hope most will be too confused to realize how much IBM execs are going to STEAL from the loyal employees again. Sam is a useless clown -Anonymous-

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**Comments 01/06/06:** I have 25 yrs. in this year. Does anyone have the hire package or the information given out during those days. I've heard that someone from another company who had that info. sued and won a settlement to keep her pension as agreed to at hire-on date, didn't lose her job and lived happily ever-after at her job. *-Anonymous-*

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**Comments 01/06/06:** Another George Orwell quote from 'The Road to Wigan Pier': You cannot have an effective trade union of middle-class workers, because in times of strikes almost every middle-class wife would be egging her husband on to blackleg and get the other fellows job. *-Anonymous- Alliance reply: and a quote from Mother Jones, famous organizer in the coal fields: Don't mourn-- ORGANIZE!*

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**Comments 01/06/06:** It looks to me like the majority of the people posting here are older (50+). The younger workers don't seem as bothered. Perhaps IBM really doesn't care about the older workers. Maybe they are trying to thin out the workforce "out with the old and in with the new"? Very sad.. *- Anonymous-*

*Alliance reply: That looks to be true. What the younger employee needs to realize is that if the company is willing to do this to loyal long term employees, then what is in store for them.*

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**Comments 01/06/06:** Ditto. Will have 29.3 years, 54 yrs old when the pension freezes on 1/1/2008. My netbenefits calculation shows a \$22k yr deficit from retiring at 30 on 9/08 under the old plan to the new pension freeze on 1//08!!!! There is a new calculator to be announced in Feb. to model this and I hear the service years may bump my number up. *-Anonymous-*

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**Comments 01/06/06:** Another Cooper vs IBM...this is clearly age discrimination for thousands of IBM US employees'. I have 23 yrs of service and 50 yrs old, with this announcement I estimated that I would lose close to 500 per month...there is no way the new 401k plus is going to make of for that loss. I'm fed up.... *-Anonymous-*

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**Comments 01/06/06:** 58 years old and 29 years of service. I would to thank whoever came up with today's announcement. They have helped me make my decision. I will not stay one day past my 30 years. Why would anyone who is in the old plan stay past December 2007? Maybe that is precisely the idea behind this. You know for sure this is not the end of this. Working here has just become to stressful and depressing! *-Anonymous-*

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**Comments 01/06/06:** Without a Union, there's nothing stopping the IBM Exec's from making further reductions to Pension plans, pay raises, and bonuses in the future. It's a continuing trend. Either join together in a Union to stop the take aways or lose more. *-Anonymous-*

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**Comments 01/06/06:** I just heard from a good source that those of us "lucky" enough to have 30yrs of service prior to 2008 may stand to loose 12% of our earned pension IF we elect to stay on. *- Anonymous-*

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**Comments 01/06/06:** Once again the bean counters at IBM are screwing their employees. When the pension benefit becomes 'frozen' instead of it sitting in an account waiting for us to leave and growing at a very small interest rate(while IBM invests it in much higher yielding investments & keeps the profits), you should be allowed to roll the benefit into your new "super 401k" and get a chance to recoup what we lost through our own investment choices. *-Anonymous-*

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**Comments 01/06/06:** I hope to God someone can afford to bring another lawsuit against these bastards! I was laid off 4 years ago, at age 46 w/18 years of service. I filed a complaint with the EEOC and they said I actually had a case for age discrimination, but because I signed the covenant not to sue they could do nothing for me! I am now working for the state and in a union, thank God. Do you remember several years ago IBM tried to get their hands on the pension fund because it was over-funded - well they have finally figured out a way to screw the workers on whose back this company was made! I worked in Endicott, the home of IBM, which was SOLD a couple of years ago. The executives at IBM have no soul and no conscience, I hope they all rot in hell. *-Anonymous-*

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**Comments 01/06/06:** I "celebrate" 25 years with company this year. Ran some calculations thru the netbenefits site, looks like I'll lose approximately \$5k a year in retirement benefits by not reaching the 30 year max. And the "generous" 401k plus will make up for that .. NOT! Its a pay cut, plain and simple. *-Anonymous-*

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**Comments 01/06/06:** I know most people are here to complain, but consider for a moment. I completely ignored the 401k in 1985 and only started contributing around ten years later. Nevertheless I now have 350K in there. If this could have started at the beginning of my career (long before 1985!), and if IBM was matching the first 6%, this might be a million bucks by now. As things currently stand, I will take the lump sum (rolled into the 401k) plus my 350K plus Social Security, and that little dribble annuity and hardly be aware that the paychecks have stopped coming in. My new "small business" will be managing the investments and finagling the cash flow around to minimize taxes. I am not a manager, and have never had any stock options. *-Anonymous-*

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**Comments 01/06/06:** 53 with 25 years. Ouch !! Can I make it to the magic age of 55? As mentioned in other posts, years 28, 29, 30 are major growth years for pension accrual. Will lose ~\$8K/year in single life annuity payments because of freeze date. Do the math ... 4% kicker to 401K will not come close to making up that lost annuity stream. Looks good in the press though...Marketing 101. Have supported Alliance with letters to congress, et. al. Am now sending in my \$\$\$ to be a card carrying member. Suggest others do likewise. *-Anonymous-*

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**Comments 01/06/06:** It's always take take take...what do I get?, "be happy you have a job" and a candy apple. Makes me feel warm inside. I thought I was OK when I just made it into the old plan, but we all knew this day would come. But yet what will we do?? We will bitch and moan but still go get that free ice cream on a stick. They can shove it. *-Anonymous-*

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**Comments 01/06/06:** I am sure that it was a difficult decision to "freeze" the IBM Pension plan - particularly because the most-significant impact is to dedicated, loyal, life-long IBMers (like me). By year-end 2007, I will be 48 years old and will have worked 25 years with IBM. I am also sure that IBM did not reach the point of announcing this significant change to the pension plan without very careful consideration - especially in terms of legal ramifications and potential law suits. So I would guess that IBM must be quite confident that they will manage their way through the inevitable legal challenges to these pension changes. *-Anonymous-*

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**Comments 01/06/06:** I think this is a good move. Without a crystal ball, nobody can really tell who wins or loses with a DC vs DB plan - but given most people posting here have no faith in IBM to begin with, why wouldn't they welcome the chance to manage their own future and avoid the possibility of another Enron? *-Anonymous-*

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**Comments 01/06/06:** 58 years old with 19 years of service. Oh how this hurts not only me but my children and their children. Good luck to young workers as things will only get worse. Pension based upon stock market? This only feeds corporate America and workers will continue to get less. Saddest day in my career. *-Anonymous-*

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**Comments 01/06/06:** When I hired on in IBM in the late 1970's I was told part of my compensation was a pension. I was NOT told it was a kind gift from IBM. I was presented with a compensation PACKAGE that included pay, medical benefits, and a pension. The pension being a deferred form of COMPENSATION. It's mine. A promise made to be kept when I went to work for them. Now 27 years later I face one cut after another. In my opinion it equates to THEFT pure and simple. If I was going to stay and work for IBM I would join a union, but I don't want to work for IBM in any way shape or form. I have had it. I'm going to work my way down to zero as my work ethic has been destroyed. They can fire me and I'll collect unemployment and start my own business as I will NEVER work for a company ever again. I'll be my own boss. Drop dead IBM. -Anonymous-

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**Comments 01/06/06:** I'm kinda luckin' out since I will have 30 in July 2007, that is if I continue to be gainfully employed with IBM. I just narrowly escaped getting laid off in June for the 3rd time when I found a new job on the last day I was given to find one. I feel for those of you that won't have your 30 by December 2007 because I know if I leave just one month early of my 30 I stand to lose about \$400. Then for each month I stay past my 30th anniversary I gain \$1 a month till September then after that it actually goes down till December when it levels out then stays the same into 2008. So if your in the same boat as myself, you may want to check the numbers month to month and see what month you can maximize. We're getting screwed so at least we can squeeze every penny out that we can! - Anonymous-

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**Comments 01/06/06:** I guess I've got to leave, which is what they want anyway. I'll be 55 in Jan08. But my job will probably be sent off shore before that anyway. -Anonymous-

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**Comments 01/06/06:** I've read the articles in the major papers and this change looks very favorable. We all should keep an open mind. This appears to be pension specific only. It does not address exec stock options or anything else. In fact, I've heard that some aspects of exec pensions have been eliminated or reduced. -Anonymous-

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**Comments 01/06/06:** The little that was left now reduced by at least 12% more! An even larger issue for those those employees aged 47 + and those close to the mark where the pension gets really funded. lets remember it really grows at 25+ years, so if you miss the mark at 2008, it is even worse. They should honor the benefits to those who were in the old plan. We have always been told to include in compensation the pension, the 4% one time contribution hardly compensates. - Anonymous-

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**Comments 01/06/06:** My thoughts...

Randy MacDonald: may the Almighty One have mercy on your wretched soul...for announcing this today...

You said last year concerning the Cooper vs. IBM pension settlement and company official update on the company appeal that "IBM is committed to employee pensions". You are worse than a LIAR! Are you intent now on punishing all IBM employees for IBM's shameful action of discriminating against older workers and breaking a promise by effectively killing all IBM pensions for employees.

Randy Mac, since the employee pension is going to be frozen and converted to a "new 401k" is the IBM SERP and LTIP and other executive retirement plans also going to be converted to this style of employee 401(k) plan? Executives have to put their retirement plans where their mouth just went too! You can bet these plans will not go away or be frozen!: some IBMers are more equal than others (executives are the pigs and we are the lowly farm animals. If you read Orwell's "Animal Farm" you will understand this analogy)

Try to convince me that a 401(k) plan, no matter how "great" it will be for me will replace even my cash balance pension... what do you think I am a <bleeping> ignorant pond scum idiot? 401k plans always have inherent risks, even if I choose to invest in "save funds" like money market and fixed income funds... these 401k plans can lose money, worse than any pension plan could.



Forcing a 401(k) style plan on employees "feeds the greedy monkeys" since more money gets invested in corporations. So folks like Randy and other executives have a great chance to "play with your money" and get rich and richer..

George Bush wanted to do to Social Security what you bastards in IBM are going to do with the pension PLANS: the defined benefit plan and cash balance...

What can IBMers do to get their pension back...sadly...it might be too late.. unless they unionize NOW!!!!!!!!!!!!!! Not tomorrow, not in an hour, NOW!!!!!!!!!!!!!!

IBM can not be trusted for it's word at ANYTHING: they have no clue on something called empathy and compromise. Since they don't want to hear voices of reason now, here are some thoughts and actions (nothing real violent..I am really a pacifist at heart!).

What I suggest we could do now (mild):

1) Notify all your local newspapers. Put in a "letter to the editor" and make it known to the public press what IBM is planning and is doing.

(hot):

2) On Thursday (any Thursday) all employees take a personal day.  
if employees are afraid of doing this, take a sick "mental health" day instead.  
if employees are afraid of even doing this...

3) resort to something akin to a "rulebook slowdown": this is not necessarily a union tactic. This is doing things strictly by the book, by the rules and job descriptions as laid out, if the rules in fact EXIST. Since IBMers have no real documented job description (ask you manager for yours and see what you get?!?) then why not stay off of Sametime all day on a Thursday, or don't answer your Lotus Notes Mail at all, or regularly as you normally do. Don't return any phonemail until the next day..you are still working "by the rules"!

(spicy):

4) Now I don't recommend this for the faint of heart: go AWOL from work just one Thursday. See if management even notices you are not "in" the office. This is basically for "work at homes" though. I do not recommend getting fired if you need to report to an IBM work location. Playing "hooky" like this could be dangerous..but..

(extra spicy):

5) on a Thursday, let's march on Armonk! Wildcat style strike...we are a union (okay..I'm going a bit overboard now..but I think you understand what I feel!)

Maybe if we have a concerted efforts like this and hit IBM in the pocketbook and affect the stock price maybe we can get this heathens to listen to us and restore our pensions. Other actions we have done in the past have helped but now we need STRONG collective action before we get more people signed up to the Alliance@IBM so we can get a signed contract so we know where we stand at all times with this little 'pale blue company..

Sincerely and in solidarity -Anonymous-

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**Comments 01/06/06:** We won't know how bad this is until the new pension calculator is posted in 2Q05. HR tells me that the 'early retirement subsidy' will not go away for those in the old pension plan that reach retirement eligibility. Of course, it will be based upon vested rights frozen as of YE2007. -Anonymous-

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**Comments 01/06/06:** I left in 2003 and locked in my 23 years worth. I was a 1999 choicer and started drawing from the old plan immediately and set my wife up at 100% J+S. I see this as a big hit at the choicers. In 1999, you needed to have 10 years service and 40 years of age. So at YE 2007 these folks will be 48 with 18 years of service (at a minimum). -Anonymous-

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**Comments 01/06/06:** Pensions are simply deferred pay. They are no surprise to managers, so it's entirely mendacious to claim otherwise ("cost pressures" and all that bull). Every department's headcount overhead certainly fully accounted for pension costs, you can be sure. This announcement is a pay cut, plain and simple. Pensions work because a large group (employees) collectively can spread market downturn risks much more effectively than individuals can. Corporations have that size and risk pool advantage, and, by sharing some of that advantage, they can attract and retain talented employees (who want predictable, stable, secure pension benefits -- not the "predictability" of contributing something, hoping for the best, and hoping they don't live "too long"). Now we have managers who haven't a clue that pensions were one of the few distinguishing workplace characteristics that allowed IBM to recruit and to keep talent -- the assurance that every IBMer with at least some service could retire in dignity instead of in cat food. Pensions took an IBM advantage (size) and turned it into a talent recruitment advantage -- a win-win. These changes will undoubtedly cause some of the most talented people -- the ones snapped up by Google, Microsoft, etc. -- to leave, further eroding IBM's revenue growth potential. IBM breaks its (deferred) salary promise and slides into corporate mediocrity. "We're just like HP, just like Dell, just like Sun." How sad. A union would do a better job securing IBM's long term growth than IBM's own managers. -Anonymous-

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**Comments 01/06/06:** Ok.. Here it is: I was working there in 1983 when they began the 401(k) plan. We thought "Why do we need this? We have a retirement coming at 30 years?" In 1991, I saw IBM "get rid of dead wood" and systematically fire experienced people with good work ethics along with the "deadwood". I asked the question: What does it take to get people to see what IBM is doing to it's employees? In 1995, when the pension was hacked the first time, I said "maybe this will be the straw that breaks the camel's back. Maybe IBM'ers will do something about this!".... but noooo... In 1999 when the second pension hack job occurred, I said Ok, NOW do you want a union?... There was a response for information, but not enough action.... I was sold by IBM in 2002 I left there shaking my head...WHEN ARE THE EMPLOYEES GOING TO GET OFF THEIR COLLECTIVE ASSES AND UNIONIZE THIS COMPANY?? What about NOW?? In 2006? Do you think the time is right NOW?? What the @#%\$ are you waiting for??What do they need to do to you, to get you to organize? They are taunting you.. don't you see that? Sign -up NOW! Get this thing moving, NOW! -Anonymous-

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**Comments 01/06/06:** IBM is now just a sweatshop. If management is so focused on the short term, I wonder if they will mind if I am too? -Anonymous-

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**Comments 01/06/06:** This is being done specifically to hurt older employees on the old plan who won't make it to 30 years before 2008. I know I won't. I've had enough and plan to quit as soon as possible. -Anonymous-

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**Comments 01/06/06:** From my perspective, the move gives me more control and I'm for it (for me). However, I believe that older workers are being screwed in the deal. -Anonymous-

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**Comments 01/06/06:** For many that were still under the old pension plan (me being one of those employees), that pension plan was the carrot that kept us from looking outside of IBM for opportunities. With this latest move to save money, (mark my words) IBM, over the next 5 years, will see a healthy level of voluntary attrition of experienced and skilled professionals (management included) since there really isn't much to stick around for any more. By their own admission they are only looking to run with the pack with regard to benefits and pay, and to that extent they have certainly succeeded - IBM is no better or no worse than others in the industry. It continues to boggle

the mind that the company's idea of financial security is back-dooring the profit equation by continuing to hammer at employees and employee benefits. When is this company going to sell its way to better financial performance? There is something significantly lacking when we can't seem to move the mark on aggressively growing the revenue piece of the equation. There's a reason why the stock only hovers at \$80 something a share. Very disappointing to say the least. -Anonymous-

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**Comments 01/06/06:** There is a special place in hell reserved for the likes of J.R. MacDonald. Destroying the fabric and legacy of a once great company that prided itself in its Basic Beliefs. I guess the only belief that these mercenaries now hold is to wring as much money out of a dying company as they can before its inevitable failure. -Anonymous-

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**Comments 01/06/06:** The new plan looks much better than the cash balance plan. We will still receive the same benefit from IBM (8% income) but we will be able to manage it ourselves. This is a great move. For people on the old pension plan their benefits remain the same. *They just will not increase after IBM starts putting the money in their 401k instead.* For new employees (2005+) nothing is changing. -Anonymous-

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**Comments 01/06/06:** Employees screwed again while, I'm sure the Exec's are getting their fat pension. -Anonymous-

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**Comments 01/06/06:** I'm 51, almost 25 yrs service, my best years of pension earnings are ahead of me, yrs 28, 29, 30. This broken promise affects all of us that were hired on in early 80's. Is this not age discrimination?? Why did they pull the plug now, could they have done it so it would not affect all of us that are approaching our later years. What a BROKEN promise and a screwing we got working for this company all these years!!! -Anonymous-

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**Comments 01/06/06:** What Bush wanted to do with Social Security, IBM has effectively done to employee pensions. Now to even come close to even the cash balance pension rate of return you have to gamble your future retirement benefits with riskier investment choices in this "new 401(k) plan. IBM future retirement is now something you can't take to the bank but rather it has turned into a walk in a casino... -Anonymous-

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**Comments 01/06/06:** I like the line that says:  
*"It does not, though, mean that all participants will earn the same overall benefit that they might have earned had the pension plan continued without change."* In normal english, that would be written as "you will be getting less", though of course, any plan done by IBM isn't done with the actual employees in mind.  
-Anonymous-

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**Comments 01/06/06:** I have almost 26 years invested in this company. This is the third time they are screwing us on this pension plan - 1995, 1999 and now 2006. With the pension being frozen as of YE2007, that most likely means the early retirement subsidy that is kicked in at 30 years will be lost. I've done my calculations on NetBenefits, and that bump is \$495/month for me. You think that 7% adder to my 401k for 1 1/2 years would amount to a 495/month annuity? Not even close. Thanks, IBM. What are the executives sacrificing for the benefit of competitiveness? -Anonymous-

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**Comments 01/06/06:** Over 25 years with IBM and 50+ years old and they pull this on us. Now, I will admit I haven't seen details or taken this to anyone to figure out the effect but I am sure IBM is the one gaining and I, along with many others, will be on the losing end to this move. Everybody knows you make the biggest gains in your pension between years 25 and 30. Ironically, this is announced on the same day that my department was told that due to market pressures our whole group would need to work extensive OT for the unforeseen future. Keep taking away and asking for more in return and there won't be anyone left to work the extensive OT. What a slap in the face to the veterans of IBM!. -Anonymous-

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**Comments 01/06/06:** Here we go again. That little chart is telling. 1st and 2nd choicers get 4% add on to their 401k, but CB folks only see 2%. It's one more smack in the face for those of us who missed the old plan cutoff. *-Anonymous-*

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**Comments 01/06/06:** Well now we know how IBM will react to losing the Cooper Lawsuit. At best we gain a few bucks due to reverting to old calculations but this kills any and all long term benefit. God bless those that brought the suit because at least now we all see IBM's hole cards. They will slash and burn to deny us our paltry 20 grand a year pensions and medical benefits, cheat the stockholders with paltry dividends, then shower executives with bonuses and stock options for taking away from us little guys. Come on fellow IBMers. Wise up and sign up. Live better, work union. *-Anonymous-*

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**Comments 01/06/06:** You know the EXECS will continue to get their \$31 options while the rest of us get SCREWED. SAM is a POS!  
*-PISSSED EMPLOYEE-*

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**Comments 01/05/06:** Pension plan is being phased out effective with 2008. Expect to see webcasts to give more information. Big long glowing letter today telling how wonderful it will be. Little chart at the end that I do not even understand. New name is 401(k) plus. I wonder if any of the execs are getting less stock options or other perks? Even the small pension was still better than nothing. *-Anonymous-*