

IMPORTANT INFORMATION ABOUT YOUR SOCIAL SECURITY BENEFITS.
PLEASE READ CAREFULLY. DO NOT DISCARD.

September 4, 2020

Dear Valued Employee,

As a current VTA employee, you are receiving this urgent letter with important information about your Social Security benefits. VTA has learned of a problem that has significant impact on whether you may receive Social Security benefits upon retirement. VTA has a plan to fix it but it cannot be accomplished without the participation of every employee. We need YOUR help!

This package has two important parts: (1) this letter and (2) some preliminary FAQs. Please read them carefully.

VTA's employees are covered by either a CalPERS Pension Plan or the VTA/ATU Pension Plan. For our employees to get Social Security benefits in addition to their pension, VTA needs to have what is called a Section 218 Agreement with the Social Security Administration (SSA).

CalPERS is the State Social Security Administrator in California. CalPERS notified VTA that VTA does not have a Section 218 Agreement. This is the case even though VTA has been deducting and paying Social Security taxes for its employees at least as far back as December 1974.

The SSA is currently paying benefits to VTA retirees. However, since VTA does not have a Section 218 Agreement in place, **the SSA could choose at any time to stop paying benefits to retirees.** For current employees who have not yet started receiving benefits, the SSA could choose to eliminate or significantly reduce your estimated future benefits. That is why it is important that all VTA employees work together to correct the problem.

VTA is working closely with CalPERS to get a Section 218 Agreement in place. Getting a Section 218 Agreement in place can only be done through a pension plan election specific to each pension plan. For this to be successful, the majority of current employees in each pension plan must vote affirmatively to participate in Social Security. Non-participation, "no" votes and late votes will be counted against the affirmative. Voting "YES" for Social Security is the only way this job gets done.

VTA is collaborating with CalPERS and union leadership to implement the process for voting. Over the next few months, we will keep you informed as VTA completes the paperwork to hold this crucial vote. VTA expects the vote will happen in the first quarter of 2021.

VTA will hold several virtual town hall meetings on Zoom to provide you with additional information and answer questions. The first meeting will be held on Monday, September 14, 2020, 12:30 p.m. to 2 p.m. (<https://us02web.zoom.us/j/83780966096>). The second meeting will be held on Monday, September 14, 2020, 3 p.m. to 4:30 p.m. (<https://us02web.zoom.us/j/81076175043>). Additional town hall meetings are tentatively scheduled for:

- Wednesday, September 16, 2020, 9 a.m. to 10:30 a.m.
<https://us02web.zoom.us/j/85183224215>
- Monday, September 21, 2020, 5 p.m. to 6:30 p.m.
<https://us02web.zoom.us/j/85299110601>
- Tuesday, September 22, 2020, 3 p.m. to 4:30 p.m. (for retirees)
<https://us02web.zoom.us/j/82090772722>

On October 1, 2020 at 5:30 p.m., the VTA Board of Directors will hear and discuss this matter at its virtual monthly meeting. The meeting will be streamed through VTA's YouTube channel at <https://www.youtube.com/user/SCVTA> and via Zoom. The links and instructions for participating at Board meetings are posted on VTA's website: bit.ly/vta-board-agendas.


Please check VTA's internal website (The Hub) or <https://www.vta.org/section-218> for continuous updates on the town hall meetings and other important information. If you have specific questions, send them to SocialSecurity.Section218@vta.org.

Thank you for your attention to this very important matter. Only with your help can we make sure that the Social Security benefits of current and past employees are not at risk.

Sincerely,



Cindy Chavez
VTA Board Chairperson



Núria F. Fernández
General Manager/CEO