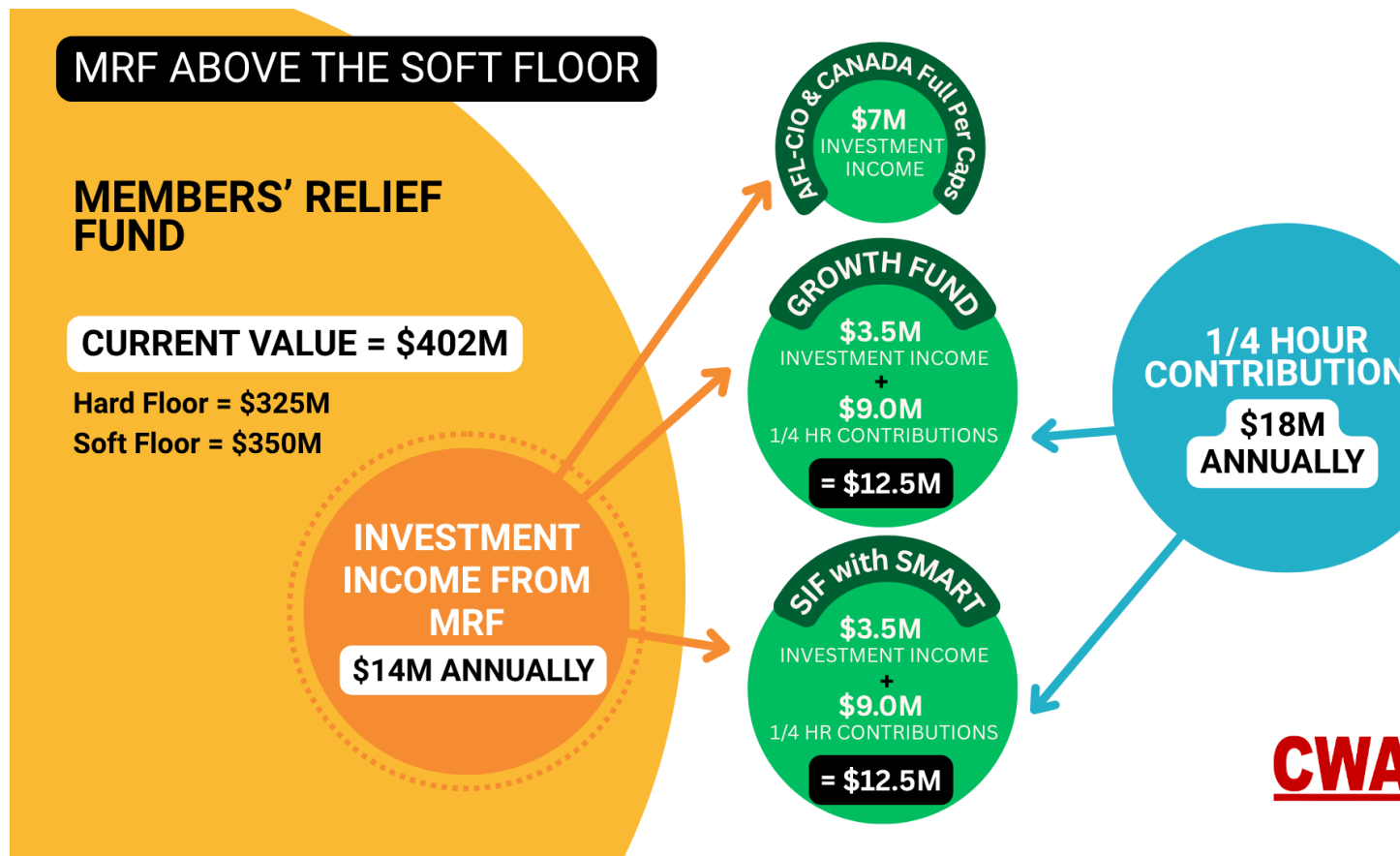


Understanding the Members' Relief Fund Hard and Soft Floors

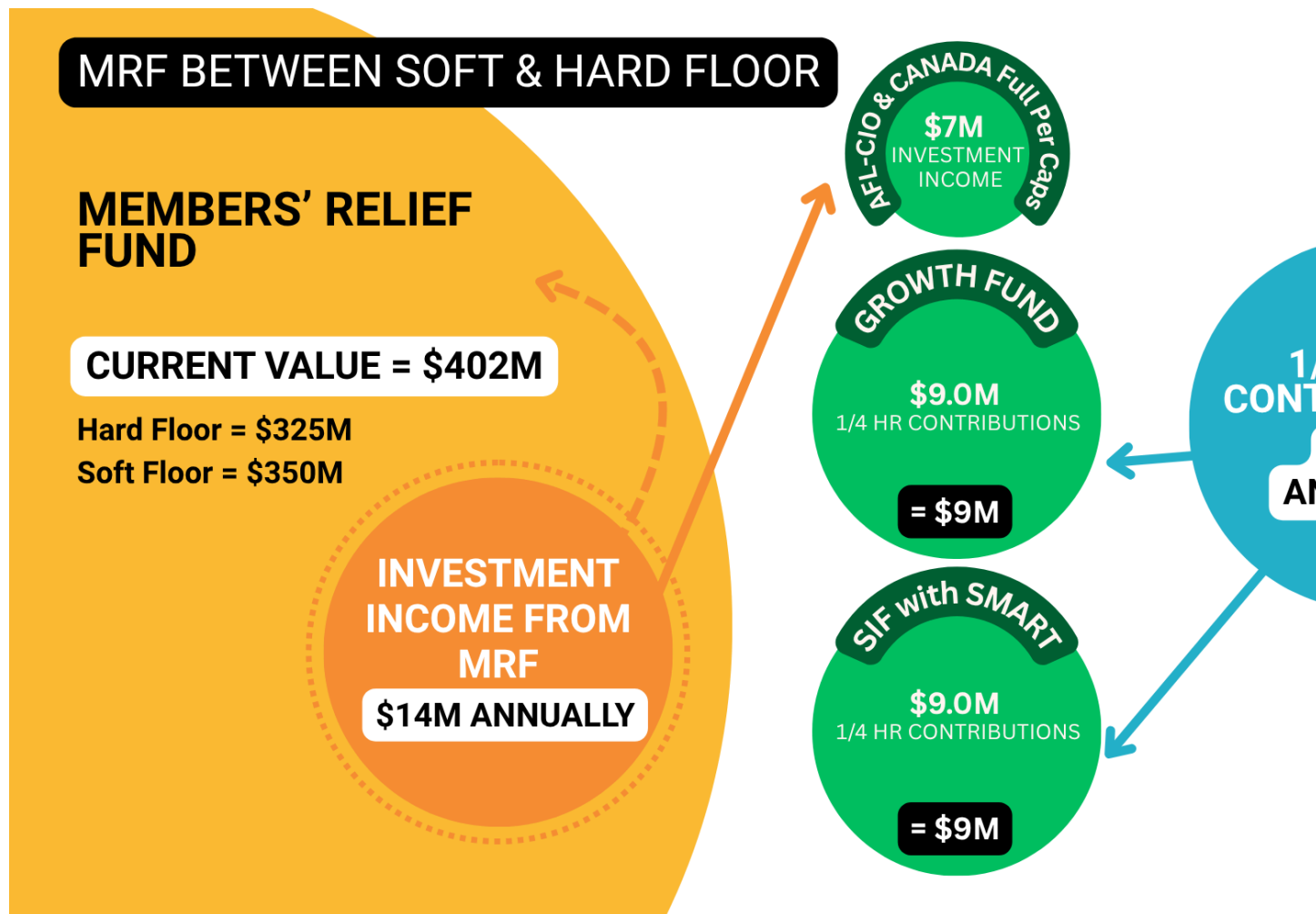
When the Strategic Industry Fund was created in 2006, Convention delegates set a floor for the Members' Relief Fund (MRF). If the MRF balance falls below this floor due to an extended strike, all contributions revert back to the MRF until it reaches the floor once again.

When delegates balanced the Strategic Industry and Growth Fund funding streams in 2019, they established a "soft" floor. At that time, they also directed that CWA make the per capita payments to affiliate our CWA members to the AFL-CIO, its state federations, and the Canadian Labour Congress from this funding stream.

The illustrations below give the estimated funding amounts under the proposed CWA Unbreakable resolution.

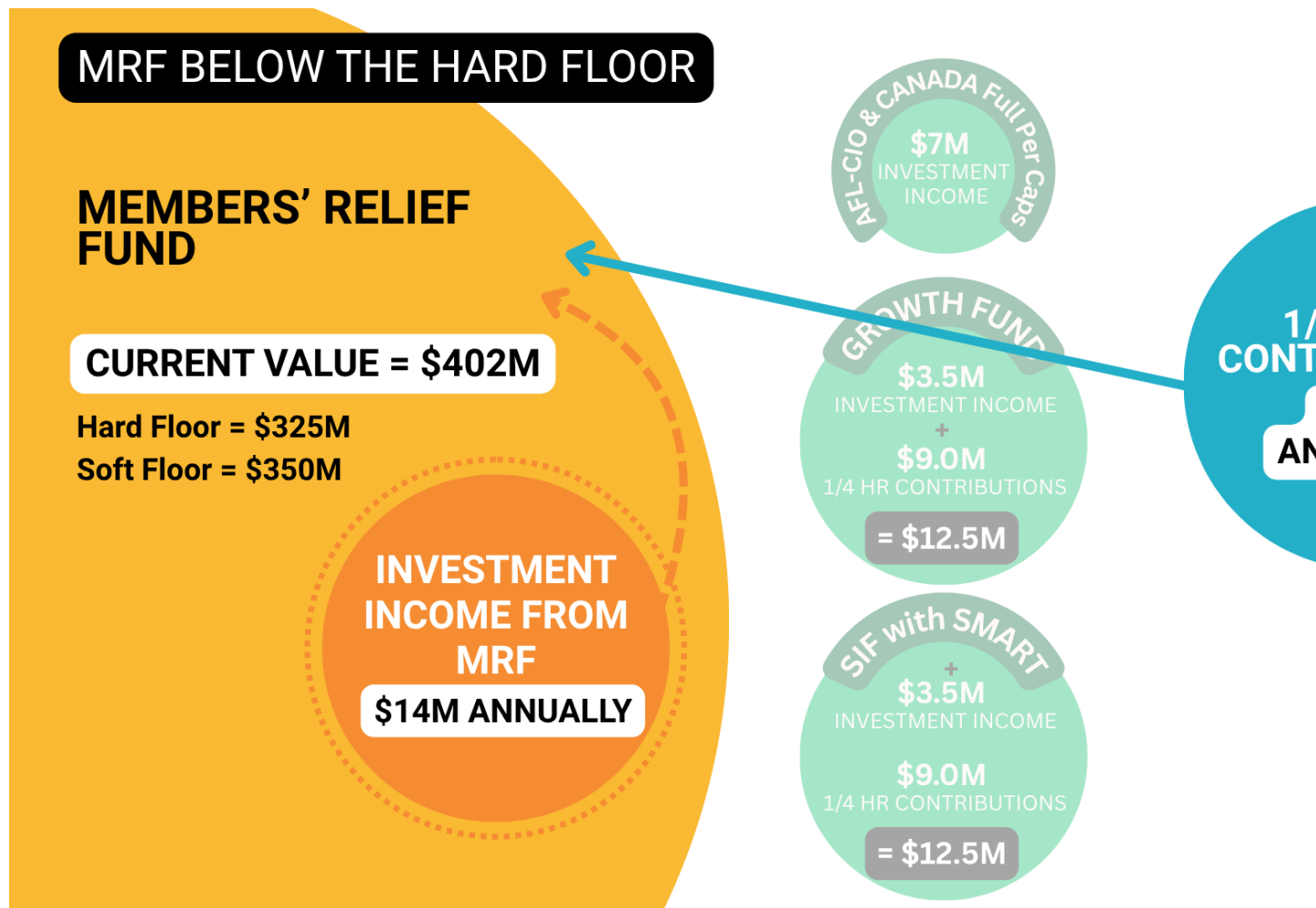


If the MRF falls below the soft floor, half of all investment earnings are retained in the MRF and the other half is used to cover the annual AFL-CIO and Canadian Labour Congress affiliations. Any remaining investment funds are equally split between the SIF and Growth Fund. The ¼ hour Members' Relief Fund dues contributions are equally split between the SIF and Growth Fund.



When the Members' Relief Fund is between hard floor and the soft floor, one half of the investment income is added to the Members' Relief Fund to replenish the balance.

The other half of the investment income is used to pay the AFL-CIO and Canadian Labour Congress affiliation fees. The 1/4 hour Members' Relief Fund dues income is distributed to the Strategic Industry and Growth Funds.



When the Members' Relief Fund is below the hard floor, all of the investment income and the 1/4 hour Members' Relief Fund dues income go to the Members' Relief Fund to grow the balance.

Under this scenario, our Strategic Industry and Growth Funds would receive no funding and the AFL-CIO and Canadian Labour Congress affiliation fees would not be paid.