

## **Frequently Asked Questions and Answers:**

### **The Methodologies**

#### **1. What are the three ‘methodologies’ that I keep hearing about?**

*Claims for the value of your lost income and benefits are difficult to quantify. In order to ensure a fair and consistent process to value all compensation-related claims against Nortel, the Court has approved the methodologies used to calculate your individual compensation claims. There are three broad ‘categories’ of claims and therefore three methodologies that are referred to. The three methodologies are:*

*a) Benefit Claims*

*a. Non-registered pension benefit claims (including SERP, Excess Plan, TRA, RAP and IPP claims)*

*b. Non-pension benefit claims (including health, dental, life insurance and income benefit claims, among others)*

*b) Termination and Severance Pay Claims*

*c) Patent Awards Program Claims*

#### **2. Can I challenge the methodologies?**

*No. The methodologies and underlying assumptions upon which your claims have been valued cannot be challenged, as they have been approved by the Court. Court-approved methodologies will ensure a fair and consistent approach to the valuation of all compensation claims.*

#### **3. Where can I locate background information about the assumptions and manner in which my claims are being valued?**

*For information on how all claims are valued, and the underlying actuarial assumptions and methods, please see the 75<sup>th</sup> Report of the Monitor which is available on both the Monitor and KM websites.*

#### **4. How are my claims for lost Benefits being valued?**

*Claims for the value of lost benefits are difficult to quantify. The methods for valuing Benefits claims are based on actuarial principles and were discussed in detail in the webinars hosted by Representative Counsel on September 22 and 30, 2011. If you would like to see examples of actuarial calculations, please review the archived presentations for the webinars that were hosted by Koskie Minsky on September 22 and September 30. The archived webinar is available at [www.kmlaw.ca/case-central/overview/?rid=107](http://www.kmlaw.ca/case-central/overview/?rid=107).*

#### **5. How was my claim for Termination and Severance Pay calculated?**

*As a terminated employee, the method of valuation for your claim for Termination and Severance Pay will depend on when you were terminated.*

*If you were terminated before Nortel obtained CCAA protection (i.e. prior to January 14, 2009) and you received a Termination Package, then your claim for severance pay is based on any balance owing under your Termination Agreement.*

*If you were terminated after the Nortel's CCAA filing then your claim will be determined using the Court approved Termination and Severance Claim Methodology. The full methodology is available on the Monitor and KM websites.*

- i If you are a non-unionized former employee who received notice of termination on/after January 14, 2009, your claim has been calculated using data from Nortel Canada's records and the Court-approved Termination and Severance Claim Methodology.*
- i If you are a unionized former employee who received notice of termination on/after January 14, 2009, your claim has been calculated using data from Nortel Canada's records and the Court-approved Termination and Severance Pay Methodology which is based on the applicable collective bargaining agreement.*
- i If you were on long-term disability with Nortel your employment with Nortel was terminated effective December 31, 2010, your severance claim has been calculated using a termination date of December 31, 2010, data from Nortel Canada's records and the Court-approved Termination and Severance Claim Methodology.*

*Remember: The methodology has been approved by the Court and cannot be modified.*

**6. I am a non-unionized employee who was terminated prior to January 14, 2009. My termination agreement contained a clause whereby I would get an additional X weeks of pay if I was not employed within a specified period of time. How do I claim that amount?**

*Amounts under the contingency plan have not been included in your Information Statement. For employees submitting a claim for a severance contingency, you must provide the following documents:*

- 1. A completed Form C – “Other Compensation Claim”;*
- 2. A copy of your Termination Letter which sets out the number of contingency weeks;*
- 3. Evidence of your reasonable and continuous efforts to find alternative employment;*  
*and*
- 4. A written statement indicating that you have not refused any offer of employment that is considered reasonable relative to your employment at Nortel.*

*To assist you in preparing for points #3 and #4 above, please visit the KM website and locate the document entitled ‘Job Search Initiatives and Position Opportunities’. You can complete this form and submit it with your Form C. Please contact KM through our hotline or email address if you have questions about completing your Form C Proof of Claim.*

**7. I was an inventor and I am entitled to a claim under Nortel's Patent Award Program - how was my claim calculated?**

*Nortel provided a Patent Filing Award to Employees for patent applications filed and a Patent Issuance Award for patents issued on inventions that an employee made during his or her active employment with Nortel. Nortel ceased making payments under the Patent Awards Program effective December 31, 2009. If you are entitled to amounts*

*under the Patent Award Program, you will see a claim for this amount outlined in Form A of your Information Statement.*

*For a summary of Nortel's patent awards program please see Appendix 'L' of the Monitor's 75<sup>th</sup> Report to the Court.*

**8. How can I check to make sure my claim has been properly calculated?**

*You cannot do the math yourself. The calculations are complex and involve specialized actuarial computer models and many underlying assumptions.*

*Your claim will only change if your underlying data, outlined in Form B of your individual Information Statement Package, is incorrect. The methodologies and underlying actuarial assumptions used to calculate your claim have been approved by the Court and cannot be challenged. Your responsibility is to make sure that your personal data is correct so that the correct claim is calculated for you.*

**9. Do years spent on LTD count for the purpose of determining years of service to be used to value my Termination and Severance claim?**

*Yes.*

**10. I believe that I have special circumstances that might dictate a claim outside of the 'methodologies' or formula. What is the process for submitting this information?**

*If you believe that you have a claim that is different from those outlined in Form A of your Information Statement, then you must complete a Form C Proof of Claim. You must return your completed Form C, along with all documentation you have to support the different claim you assert, to the Monitor **no later than January 6, 2012 at 4:00p.m. (Eastern Standard Time).***

**11. I need help completing Form C. What resources are available to assist with this?**

*Form C must be completed only if you believe that you have a different kind of claim than those outlined in Form A of your Information Statement Package. If you believe that your claim should simply be for a different amount, then you need to check the accuracy of the data and, if incorrect, correct the data on Form B.*

*There is a guide to completing Form C in the Information Package that you received. As a first step, please review this Guide and collect all documentation you may have to support your belief that you have a different kind of claim for which you must submit a Form C Proof of Claim. If you have questions after you have reviewed the Guide to Completing Form C and collected your personal documentation to support your entitlement, please contact Representative Counsel by telephone or email for assistance.*