Notice of Critical and Declining Status for
TEAMSTERS UNION LOCAL NO. 73 PENSION PLAN

This is to inform you that on March 31, 2017 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Teamsters Union Local No. 73 Pension Plan (the "Plan") is in critical and declining status for the Plan year beginning January 1, 2017. Federal law requires that you receive this notice.

Critical Status

The Plan is projected to be in critical status because normal cost plus interest on the unfunded liabilities exceeds contributions, the present value of vested benefits of inactives exceeds the present value of vested benefits of actives, and the Plan is projected to have a funded deficiency for the current Plan year or the next four Plan years.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The trustees of the Plan adopted a rehabilitation plan in November 2015. If the trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after August 21, 2016. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of August 21, 2016, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Adjustable Benefits

The plan offers the following adjustable benefits, which have or may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- ☐ Sixty-month payment guarantees
- ☐ Disability benefits (if not yet in pay status)
- ☐ Early retirement benefit or retirement-type subsidy
- ☐ Benefit payment options other than a qualified joint-and-survivor annuity (QJSA)

Critical and Declining Status

Also, as required by the recently enacted Multiemployer Pension Reform Act of 2014, for the plan year beginning January 1, 2017, the Plan was also certified as being in "critical and declining" status because it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 20 years. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.