



Graphic Communications Conference of the International Brotherhood of Teamsters  
**SUPPLEMENTAL RETIREMENT AND DISABILITY FUND**



Formerly the Graphic Communications International Union Supplemental Retirement and Disability Fund

September 12, 2007

**RE: Fund Actuary's Certification of Critical Status of the Graphic Communications Conference of the International Brotherhood of Teamsters Supplemental Retirement and Disability Fund under the Pension Protection Act of 2006**

**Dear Participants, Participating Employers, Local Unions, Retirees and Beneficiaries:**

Over the past four years, the Fund's Board of Trustees has communicated with you regarding the various steps that have been taken to bring the Fund's liabilities into closer alignment with its assets. Notwithstanding these efforts, there remains a funding shortfall that must be addressed in order for the Fund to comply with the statutory funding requirements of the **Pension Protection Act of 2006** (hereinafter "PPA").

On August 28, 2007, the Fund's Actuary issued a **Certification that the Fund will be in Critical Status** (as defined under PPA), effective with the Plan Year commencing May 1, 2008.

With the Actuary's Critical Status Certification, PPA requires that: 1) a **Legal Notice** be sent to all affected individuals informing them of the projected critical funding status of the Fund as of the first day of the Plan Year starting May 1, 2008, and 2) the adoption of a **Rehabilitation Plan** by the Board of Trustees which results in the Fund reaching the PPA's statutory funding requirements.

Please be advised that the Board of Trustees did adopt a Rehabilitation Plan at its recently concluded August 2007 meeting. **The Rehabilitation Plan contains a PREFERRED SCHEDULE, which the Board of Trustees strongly urges Participating Employers and Local Unions to accept as soon as possible. The Rehabilitation Plan also contains a more severe Default Schedule that will be imposed if the Preferred Schedule is not accepted by April 30, 2008.** (*Please note the significant differences in the Preferred and Default Schedules set forth on the next page.*) Additional information and the documentation required to formally accept the Preferred Schedule will be sent to Participating Employers and Local Unions shortly.

The next page of this mailer provides you with a summary entitled **Impact of Critical Status Certification and Rehabilitation Plan**. Pages 3 and 4 comprise the **Legal Notice**.

Additional information will soon be available on the Fund's website located at: [www.gccibt-srdf.org](http://www.gccibt-srdf.org) You may also call the Fund's Toll Free Information Line at (877) 888-2935 for additional details.

The next edition of the Pension Communicator explaining the Critical Status Certification and the Rehabilitation Plan in greater detail will be sent to you in the near future.

**ON BEHALF OF THE BOARD OF TRUSTEES**

*Georges N. Smetana*

Georges N. Smetana  
Fund Administrator

# IMPACT OF CRITICAL STATUS CERTIFICATION AND REHABILITATION PLAN

This preliminary outline summarizes the key points to be aware of as a result of the Fund Actuary's Certification of Critical Status and the Board of Trustees adoption of a Rehabilitation Plan pursuant to the requirements of the Pension Protection Act of 2006 ("PPA").

**IMPORTANT NOTE: RETIREES AND BENEFICIARIES** who are presently receiving benefits and **PARTICIPANTS** who had formally filed their Application for Retirement - Part A with the Fund Office on or before September 12, 2007 **ARE NOT AFFECTED BY THE REHABILITATION PLAN.** Your current and projected benefits will continue to be paid under the Plan currently in effect.

## REHABILITATION PLAN OVERVIEW

The Rehabilitation Plan begins May 1, 2008 and will require certain changes to the Retirement Plan ("Plan") as well as an increase in the contributions presently being paid into the Fund by Participating Employers. The date that the Rehabilitation Plan actually applies to you could be as soon as May 1, 2008 or on a later date to be determined by the action of your Participating Employer and Collective Bargaining Representative ("Bargaining Parties"). The impact of the Rehabilitation Plan on **Active Participants** (defined as those currently working for a Participating Employer and covered under the Plan), **Deferred Vested Participants** (defined as those no longer working for a Participating Employer but who have attained "Vested" status under the Plan) and **Participating Employers** is as follows.

## IMPACT OF REHABILITATION PLAN

**REGARDLESS OF YOUR STATUS AS AN ACTIVE OR DEFERRED VESTED PARTICIPANT, OR WHETHER THE PREFERRED OR DEFAULT SCHEDULE IS ACCEPTED OR IMPOSED, THE FOLLOWING CHANGES WILL APPLY:**

**Supplemental Benefit is Eliminated;  
Pre-Retirement Death Benefit For Single Participants is Eliminated; and  
Disability Benefit is Eliminated**

**IF YOU ARE AN ACTIVE PARTICIPANT** (defined as those currently working for a Participating Employer and covered under the Plan):

- Under the **PREFERRED SCHEDULE** of the Rehabilitation Plan (only available to the Bargaining Parties through April 30, 2008):
  - ◆ **EARLY RETIREMENT REDUCTION FACTORS ARE REVISED AS FOLLOWS:**
    - Active Participants, who meet the eligibility requirements for the current "Basic Benefit", will be eligible to receive full retirement benefits at age 65 with a 4% early retirement reduction being applied for every year you retire prior to age 65 down to age 55. The cumulative early retirement reduction for benefits commenced prior to age 65 are as follows: age 64-4%; age 63-8%; age 62-12%; age 61-16%; age 60-20%; age 59-24%; age 58-28%; age 57-32%; age 56-36%; and age 55-40%;
    - Active Participants who meet the eligibility requirements for the current "Vested Benefit", will be eligible to receive full retirement benefits at age 65 with a full actuarial reduction being applied for every year you retire prior to age 65 down to age 55. The cumulative full actuarial reductions for benefits commencing prior to age 65 are as follows: age 64-11%; age 63-21%; age 62-29%; age 61-37%; age 60-43%; age 59-49%; age 58-54%; age 57-58%; age 56-62%; and age 55-66%
  - ◆ **FUTURE BENEFIT ACCRUALS CONTINUE AT THE CURRENT LEVELS WITH AN ADDITIONAL PROPORTIONAL ACCRUAL FOR THE ADDITIONAL 5% EMPLOYER CONTRIBUTION** (see discussion under *If you are a Participating Employer* below)
- Under the **Default Schedule** of the Rehabilitation Plan:
  - ◆ **EARLY RETIREMENT REDUCTION FACTORS ARE REVISED AS FOLLOWS:**
    - All Active Participants eligible to retire can receive full retirement benefits at age 65 with a full actuarial reduction being applied for every year you retire prior to age 65 down to age 55. The cumulative reduction factors are as follows: age 64-11%; age 63-21%; age 62-29%; age 61-37%; age 60-43%; age 59-49%; age 58-54%; age 57-58%; age 56-62%; and age 55-66%
  - ◆ **FUTURE BENEFIT ACCRUALS ARE CAPPED** (Implementation of a Cap on all future benefit accrual rates of 1% of contributions per year)

**IF YOU ARE A DEFERRED VESTED PARTICIPANT** (defined as those no longer working for a Participating Employer but who have attained "Vested" status under the Plan):

- The Default Schedule automatically applies to all Deferred Vested Participants:
  - ◆ **EARLY RETIREMENT REDUCTION FACTORS ARE REVISED AS FOLLOWS:**
    - All Deferred Vested Participants eligible to retire can receive full retirement benefits at age 65 with a full actuarial reduction being applied for every year you retire prior to age 65 down to age 55. The cumulative reduction factors are as follows: age 64-11%; age 63-21%; age 62-29%; age 61-37%; age 60-43%; age 59-49%; age 58-54%; age 57-58%; age 56-62%; and age 55-66%

**IF YOU ARE A PARTICIPATING EMPLOYER:**

- Both the Preferred and Default Schedules under the Rehabilitation Plan call for the elimination/revision of the benefits discussed above. In addition, depending on the Schedule accepted or imposed, the following provisions will apply:
  - ◆ **PREFERRED SCHEDULE (only available to the Bargaining Parties through April 30, 2008):**
    - No reduction in the rate of future benefit accruals on currently bargained contributions;
    - Increases Employer contributions by 5% (i.e., if current contribution is 6%, new contribution would be 6.3%); and
    - Active Participants will receive a proportional additional accrual on the additional 5% Employer contribution
  - ◆ **Default Schedule:**
    - A Cap on future benefit accrual rates of 1% of currently bargained contributions per year is implemented;
    - Increases Employer contributions by 20% (i.e., if current contribution is 6%, new contribution would be 7.2%); and
    - No future benefit accruals on the additional 20% Employer contribution

September 12, 2007

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**CERTIFICATION OF CRITICAL STATUS OF GRAPHIC COMMUNICATIONS  
CONFERENCE OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS  
SUPPLEMENTAL RETIREMENT AND DISABILITY FUND FOR 2008 PLAN YEAR  
AND REDUCTION OR ELIMINATION OF "ADJUSTABLE BENEFITS"**

The Pension Protection Act of 2006 ("PPA") imposed new funding rules on multi-employer plans generally effective for the 2008 plan year. Under these new rules, a plan's actuary must determine the plan's funding status and provide an annual certification to the plan sponsor based on criteria set forth in the law. The plan sponsor must then notify participants of the funding status of the plan. In accordance with these new rules, the actuary for the GCC/IBT Supplemental Retirement and Disability Fund ("Fund") has certified to the Board of Trustees that the Fund is projected to be in "critical status" under Section 432 (b)(2) of the Internal Revenue Code of 1986, as amended, for its 2008 plan year. **THIS NOTICE IS TO INFORM YOU OF THE PROJECTED CRITICAL FUNDING STATUS OF THE FUND AS OF THE FIRST DAY OF THE 2008 PLAN YEAR, MAY 1, 2008.**

PPA also imposes new rules on plans in critical status designed to help improve the funding status in order to be in a better position to pay benefits in future years. One such rule is for the plan sponsor to make reductions in so-called "adjustable benefits" (defined below), which it deems appropriate. **THIS NOTICE IS TO INFORM YOU THAT THE BOARD OF TRUSTEES HAS TAKEN ACTION IN ORDER TO PROTECT THE LONG-TERM HEALTH OF THE FUND BY REDUCING OR ELIMINATING "ADJUSTABLE BENEFITS" IN ACCORDANCE WITH THE PPA FOR BENEFITS PAYABLE ON OR AFTER THE FIRST DAY OF THE 2008 PLAN YEAR, MAY 1, 2008.** Any changes that are made will comply with the Internal Revenue Code, as amended by the PPA, and have been based on the advice of the Fund's actuary, legal counsel and other professional advisors, and will be subject to the collective bargaining process.

Any change to "adjustable benefits" will not be made effective prior to the first day of the 2008 Plan Year, May 1, 2008. **THE LAW PROVIDES THAT ANY CHANGES THAT ARE MADE MAY BE APPLIED TO PARTICIPANTS WHO BEGIN RECEIVING BENEFITS ON OR AFTER THE DATE OF THIS NOTICE. HOWEVER, IT IS THE TRUSTEES' PRESENT INTENT THAT PERSONS WHO HAVE ALREADY SUBMITTED AN APPLICATION FOR BENEFITS OR ARE ALREADY IN PAY STATUS AS OF THE NOTICE DATE WILL NOT BE AFFECTED BY ANY "ADJUSTABLE BENEFIT" REDUCTIONS THAT ARE MADE.** You will be notified, at least 30 days prior to the effective date of the specific benefit changes, as to how they will affect your benefit under the Fund.

**Please note that under no circumstance will the level of your accrued benefit payable at Normal Retirement Age (as a single life or unsubsidized 50% qualified joint and survivor annuity) be subject to reduction or elimination, except as provided under item 3 below relating to benefit increases exceeding the PBGC guarantee.**

The "adjustable benefits" that are subject to reduction or elimination in accordance with PPA include:

1. Benefits, rights and features under the plan, including pre-retirement lump sum death benefits, disability benefits and similar benefits;
2. Any early retirement benefit or retirement-type subsidy and any benefit payments option, other than a 50% qualified joint survivor annuity; and,
3. Benefit increase that would not be eligible for the PBGC guarantee on the first day of the initial critical year (2008) because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Additionally, in accordance with PPA, the Supplemental Benefit for all Active and Deferred Vested Participants is subject to elimination and future accrual rates on contributions may be capped.

More information will be provided as it becomes available. If you have any questions regarding this Notice, please contact the Fund Office.

Board of Trustees of the  
Graphic Communications Conference of the  
International Brotherhood of Teamsters  
Supplemental Retirement and Disability Fund

**THIS MAILING CONTAINS IMPORTANT BENEFIT INFORMATION  
AND A REQUIRED LEGAL NOTICE REGARDING THE STATUS  
OF THE GRAPHIC COMMUNICATIONS CONFERENCE  
OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS  
SUPPLEMENTAL RETIREMENT AND DISABILITY FUND**

- **RETIREES AND BENEFICIARIES** who are currently receiving benefits and Participants who had formally filed their Application For Retirement – Part A on or by September 12, 2007 **ARE NOT AFFECTED**. Your current and projected benefits will continue under the Plan rules currently in effect.
- **ACTIVE PARTICIPANTS, DEFERRED VESTED PARTICIPANTS, PARTICIPATING EMPLOYERS AND PARTICIPATING LOCAL UNIONS** are asked to review the important benefit information contained in this notice very carefully.

**IMPORTANT BENEFIT  
INFORMATION**

Presort  
First Class  
U.S. Postage  
PAID  
Washington, DC  
Permit No. 3070

**GCC/IBT-SRDF**  
455 Kehoe Boulevard, Suite 101  
Carol Stream, IL, 60188  
RETURN SERVICE REQUESTED

