

TEAMSTERS LOCAL UNION NO. 211

# Pension Fund



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JOSEPH A. MOLINERO  
Chairman

HENRY D. GORMAN  
Secretary

To: Participants and Surviving Spouse Beneficiaries under the Teamsters Local Union No. 211 Pension Plan  
From: Joseph A. Molinero, Chairman  
Date: April 11, 2016  
Re: Teamsters Local Union No. 211 Pension Plan: Notice of Critical Status

Enclosed is a legally required notice about the current funding status of the Teamsters Local Union No. 211 Pension Plan (the "Plan"). Below is some additional explanation.

**Why is it called "critical" status?** The term "critical" status is a term assigned to multiemployer pension plans that meet a list of specific criteria set by the Internal Revenue Service. The standards used to determine the "critical" status of the Plan are also set by the Internal Revenue Service. The Plan's "critical" status does not mean that the Plan is going to run out of money to pay benefits over the next few years. It means that the Plan has reached a certain funding level based on actuarial calculations dictated by the Internal Revenue Service.

**How does this "critical" status affect the benefit that I have earned to date?** At this time, based on the Plan's current funding status:

- **Benefits that you have earned to date cannot be reduced.** This means that at this time the normal retirement benefit that you have earned to date cannot be reduced. Currently, the only benefits that can possibly be reduced are future accruals or "adjustable benefits" (which are described in the attached Notice) but those reductions would not reduce the normal retirement benefit that you have already earned.
- **Any benefit payments that you (as a participant or surviving spouse) are currently receiving from the Plan cannot be reduced.** This means that at this time you will continue to receive the monthly benefit that you have been receiving from the Plan.

You will be notified in advance if there are ever any changes. In addition, you will be notified in the future if any adjustments are made to future accruals or adjustable benefits – *neither of which would affect individuals who are currently receiving benefit payments.*

**What happens next?** On November 11, 2015, the Joint Board of Administration – which is made up of union and employer representatives – adopted a rehabilitation plan with several rehabilitation options, each of which meets the specific requirements set by the Internal Revenue Service. The employers and union will agree upon a rehabilitation option at the next negotiations.

*Please understand that until the employer and union adopt a rehabilitation option, there is no further information on what, if any, changes will be made to future accruals or adjustable benefits. However, be assured that you will be notified in advance if a decision is made to adjust future accruals or adjustable benefits.*

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# NOTICE OF CRITICAL STATUS FOR TEAMSTERS LOCAL UNION NO. 211 PENSION PLAN

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This is to inform you that on March 17, 2016, the Plan actuary certified to the U.S. Department of the Treasury, and also the Plan Sponsor, that the Teamsters Local Union No. 211 Pension Fund (Pension Plan) remains in critical status for the plan year beginning January 1, 2016. Federal law requires that you receive this notice.

## Critical Status

A plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Pension Plan's actuary determined that over the next three plan years, the Pension Plan is projected to have an accumulated funding deficiency for 2018 and subsequent 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 Plan has been in critical status since 2015 so, on November 11, 2015, the Board of Trustees adopted a rehabilitation plan with several rehabilitation options. The employers and union will agree upon a rehabilitation option at the next negotiations. If the rehabilitation option that is adopted requires benefit reductions, you will receive a separate notice in the future identifying and explaining the effect of those changes in adjustable benefits. Any reduction of adjustable benefits 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 surviving spouse beneficiaries whose benefit commencement date is on or after the date that you are notified of the reduction. Whether or not the Pension Plan reduces any adjustable benefits in the future, effective as of March 30, 2015, the Pension Plan has not been permitted, and continues to not be permitted, to pay lump sum benefits (or any other payment in excess of the monthly amount under a single life annuity) while it is in critical status.

## Adjustable Benefits

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

- 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).

## Employer Surcharge

The law requires that all contributing employers pay to the Pension Plan a surcharge to help correct the Pension 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. A 10% surcharge is applicable for the 2016 plan year and each year thereafter in which the plan is in critical status until the employer agrees to a collective bargaining agreement that implements a rehabilitation option under the Rehabilitation Plan.

## Where to Get More Information

For more information about this Notice, you may contact the Fund Office at 412-281-2242. Or, you may write to the Teamsters Local Union No. 211 Pension Fund, 1903 Penthouse, 625 Stanwix Street, Pittsburgh, PA 15222. You have a right to receive a copy of any rehabilitation plan adopted by the Board of Trustees of the Pension Plan.

Date: April 11, 2016