

UPSTATE NEW YORK BAKERY DRIVERS AND
INDUSTRY PENSION FUND

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**Notice of Critical Status
For The
Upstate New York Bakery Drivers & Industry Pension Plan ("Plan")
EIN: 15-0612437 PN: 001**

The Plan actuary has certified to the U.S. Department of the Treasury and to the Board of Trustees, that the Plan is in Critical Status for the Plan Year beginning July 1, 2018. This Notice is required by Federal law.

Critical Status

The Plan is in Critical Status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan is projected to be in Critical Status within the succeeding five Plan Years. Pursuant to the Multiemployer Pension Reform Act of 2014, the Board of Trustees has elected to be in Critical Status for the Plan Year beginning July 1, 2018.

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. If the Plan's Board of Trustees 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 will not reduce the level of a participant's vested benefit payable at normal retirement.** In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after November 1, 2018. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of October 28, 2018, 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 the Plan is in Critical Status. At this time, there are no other benefit reductions.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated effective November 1, 2018 as part of any Rehabilitation Plan the Plan may adopt:

- Rule of 85 Early retirement benefit including supplemental years of service and other early retirement subsidies
- All Lump Sum Benefit Options
- All Joint and Survivor subsidies
- The 36-Month Guarantee
- All Early Retirement Subsidies

Employer Surcharge

The law requires that all contributing employers pay 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 until an employer agrees to a collective bargaining agreement that implements one of the schedule of the Rehabilitation Plan.

Message from the Trustees

Unlike other Teamster plans you read and hear about, our Plan is not forecasted to run out of money at this time. We are over 75% funded and need a boost from modest benefit changes and employer contribution rate increases. Our Plan has been in this situation before and the Board of Trustees knows how to make the changes necessary to keep our Plan healthy deep into the future. Most importantly, the Trustees do not anticipate reducing your vested benefit payable at normal retirement at this time.

Where to Get More Information

For more information about this Notice or Rehabilitation Plan, you may contact Mr. Kenneth Stilwell at 1.866.225.3790 or by mail at Upstate NY Bakery Drivers P.O. Box 4928 Syracuse, NY 13221-4928. You have a right to receive a copy of the Rehabilitation Plan from the Plan.

DATE SENT: October 28, 2018