



CLEVELAND BAKERS AND TEAMSTERS PENSION FUND

PROVIDING PENSION BENEFITS TO PARTICIPATING MEMBERS OF
BAKERS' LOCAL UNION NO. 19 AND TEAMSTERS LOCAL UNION NO. 507

216-781-6869

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ED WEINTRAUB

April 30, 2015

U.S. Department of Labor
Employee Benefits Security Administration
200 Constitution Avenue N.W.
Public Disclosure Room, N-1512
Washington DC 20210

2015-5-21-1

Re: Notice of Critical Certification for Cleveland Bakers and Teamsters Pension Plan
(EIN 34-0904419/PN 001)

Dear Mister Secretary:

As required by Internal Revenue Code Section 432(b)(3)(D)(i), this is to inform you that the above referenced plan has been certified by the Plan actuary to be in critical status as defined in Code Section 432(b)(2) for the plan year beginning January 1, 2015. The date of the certification is March 31, 2015. A copy of the Notice provided to participants, participating employers, local unions, retirees and beneficiaries is enclosed.

Please let us know if you have any questions.

Sincerely,

Board of Trustees

Cleveland Bakers and Teamsters Pension Fund



Cleveland Bakers and Teamsters Pension Fund
9665 Rockside Road, Suite D Valley View, Ohio 44125-6233
(216) 781-6869 or (800) 426-4499

**Notice of Actuary's Certification of Critical Status for the Cleveland Bakers and
Teamsters Pension Fund under the Pension Protection Act of 2006**

April 30, 2015

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

If you were a retiree or beneficiary in pay status as of February 1, 2008, the benefit changes described in this notice do not affect you. The Cleveland Bakers and Teamsters Pension Fund (hereinafter, the "Plan") is required to send this notice to all Plan participants, even those who are not affected.

Critical Status

On March 31, 2015 the Plan's actuary certified to the Department of the Treasury that the Plan is in critical status as defined by the Pension Protection Act of 2006 ("PPA") for the Plan Year commencing January 1, 2015. This is the eighth year that the Plan has been in critical status. The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan has an accumulated funding deficiency for the current Plan Year.

Rehabilitation Plan

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 which include the following:

1. Benefits, rights and features under the plan, including post-retirement death benefits, disability benefits not yet in pay status and similar benefits; and,
2. Any early retirement benefit or retirement-type subsidy and any benefit payment option, other than the 50% and 75% qualified joint and survivor annuity.

Any such reductions will apply to participants and beneficiaries whose benefit commencement date is after February 1, 2008. Please note that a Rehabilitation Plan cannot reduce the accrued benefit payable at normal retirement age as a single life or as a qualified joint and survivor annuity.

In 2008, the Trustees adopted a Rehabilitation Plan to correct the funding deficiency and restore the financial health of the Fund as required by PPA. This was updated on December 10, 2010, December 9, 2011, and again on June 11, 2014 to reflect experience under the Plan. From the 2012 Plan Years through the 2014 Plan Years, there were no changes to the Rehabilitation Plan. The Rehabilitation Plan contained two benefit / contribution schedules, one of which must be included in collective bargaining agreements (CBA's) negotiated after February 1, 2008 and are summarized as follows:

The **Alternative Schedule** revises the service pension eligibility for participants with less than 25 years of credited service at January 1, 2015 and requires employers to make supplemental contributions to the Fund. Supplemental contributions for contracts implemented in 2008 were \$38.00 per week with such weekly amounts increasing by \$7.00 each year for the following twenty-five years and for contracts implemented in 2009, are \$46.10 per week with such weekly amounts increasing by \$7.00

each year for the following twenty-four years. For contracts implemented in 2010, supplemental contributions are \$55.67 per week with such weekly amounts increasing by \$7.00 each year for the following twenty-three years and for contracts implemented in 2011, supplemental contributions are \$67.33 per week with such weekly amounts increasing by \$7.00 each year for the following twenty-two years. For contracts implemented in 2012, supplemental contributions are \$82.07 per week with such weekly amounts increasing by \$7.00 each year for the following twenty-one years.

For newly negotiated contracts, increases starting in 2014 will increase from their previous level by \$7.00. Starting January 1, 2015, an employer will pay an additional contribution rate of \$13.15 on top of the \$7.00 increases under the initial Rehabilitation Plan. There will be subsequent increases to the weekly contribution rate of \$20.15 (\$13.15 + \$7.00) each year through 2024.

The **Default Schedule** provides for supplemental contributions which for contracts implemented in 2008 were \$36.00 per week with such weekly amounts increasing by \$5.00 each year for the next two years, increasing by \$7.75 for the following year and then increasing by \$8.25 each year for the following twenty-two years. For contracts implemented in 2009, supplemental contributions are \$41.78 per week with such weekly amounts increasing by \$5.00 for the next year, increasing by \$7.75 for the following year and then increasing by \$8.25 each year for the following twenty-two years. For contracts implemented in 2010, supplemental contributions are \$48.62 per week with such weekly amounts increasing by \$7.75 per year for the next year, and then increasing by \$8.25 each year for the following twenty-two years. For contracts implemented in 2011, supplemental contributions are \$58.19 per week with such weekly amounts increasing by \$8.25 each year for the following twenty-two years. For contracts implemented in 2012, supplemental contributions are \$68.82 per week with such weekly amounts increasing by \$8.25 each year for the following twenty-one years.

For newly negotiated contracts, increases starting in 2014 will increase from their previous level by \$8.25. Starting January 1, 2015, an employer will pay an increased contribution rate of \$12.75 on top of the \$8.25 increases under the initial Rehabilitation Plan. There will be subsequent increases to the weekly contribution rate of \$21.00 (\$12.75 + \$8.25) each year through 2024. Additionally, the Default Schedule provides for the following changes in benefits:

1. The elimination of disability retirement benefits;
2. All future benefit accruals to be payable at a normal retirement age of 65 with five years of service, with benefits reduced for early payment as described below;
3. The elimination of unreduced early retirement benefits with 30 years of service or under the Golden 90 rule. Early retirement is still allowed, but not before age 55 with the completion of 10 years of service. Early retirement benefits will be payable with a reduction of 0.6% for each month that benefits commence prior to normal retirement age; and
4. The elimination of the 36-month single life annuity guarantee based on the accrued benefit at December 31, 1994.

On February 1, 2008, you were notified that the Plan reduced or eliminated adjustable benefits for Participants with deferred vested benefits under the Plan by virtue of being covered under the Default Schedule as described above. If the Trustees determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction in adjustable benefits (other than a repeal of a recent benefit increase) 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 after February 1, 2008.

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. Such surcharges cease to be effective for employers beginning on the effective date of a collective bargaining agreement that includes either the Alternative or Default Schedule under the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees, Cleveland Bakers and Teamsters Pension Fund, 9665 Rockside Road, Suite D, Valley View, OH 44125-6233 (216-781-6869). You have a right to receive a copy of the Rehabilitation Plan from the Plan.

Statement of Rights

Participants and beneficiaries have rights under the Plan and ERISA as described in the Summary Plan Description. This includes the right to obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you will have to work to get a right to a pension. This statement must be requested from the Pension Fund office in writing and is not required to be given more than once every twelve (12) months. This Plan will provide the statement free of charge. If you have any questions about your Plan or this Notice, you should contact the Board of Trustees, Cleveland Bakers and Teamsters Pension Fund, 9665 Rockside Road, Suite D, Valley View, OH 44125-6233 (216-781-6869). Also, Participants and beneficiaries have the right to contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

Board of Trustees
Cleveland Bakers and Teamsters Pension Fund