

Teamsters Local 445 Pension Fund

This is to inform you that on March 30, 2015, the Teamsters Local 445 Pension Fund's actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning January 1, 2015. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Teamsters Local 445 Pension's (Pension Fund) actuary determined that the Pension Fund is projected to be less than 80% funded but the Pension Fund is projected to have an accumulated funding deficiency during the ten year period beginning with the date the original Funding Improvement Plan (FIP) was adopted and based on the terms of the FIP.

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 Pension Fund. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the Pension Fund determine that additional benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any future or additional reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, any future or additional reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2015. But you should know that whether or not the plan reduces adjustable benefits in the future, the Pension Fund 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.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Pension Fund. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the Trustees of the Pension Fund determine that additional 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 basic benefit payable at normal retirement. In addition, any future or additional reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2015.

Adjustable Benefits

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

- Early retirement benefit or retirement-type subsidy;
- Disability benefits;
- 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 Fund a surcharge to help correct the Pension Fund'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 Pension Fund 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 and the Trustees have not adopted a Rehabilitation Plan. The Trustees have adopted a Reasonable Measures Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact Ms. Sharon Molinelli, Fund Administrator at 845-564-4076 or at Teamsters Local 445 Pension Fund, 15 Stone Castle Road, Rock Tavern, NY 12575. You have a right to receive a copy of the rehabilitation plan from the plan.

Date: April 30, 2015