

**WESTERN PENNSYLVANIA
TEAMSTERS AND EMPLOYERS PENSION FUND**

49 AUTO WAY • PITTSBURGH, PA 15206-3663
(412) 362-4200 • TOLL FREE (800) 362-4201 • FAX (412) 362-3133
EMAIL: contactus@wpapensionfund.com • WEBSITE: <http://www.wpapensionfund.com>

May 2, 2017

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Avenue, N.W.
Washington D. C. 20210

2017 MAY 15 PM 3:20
EBSA/PUBLIC DISC

Sent via electronic mail to: criticalanddecliningstatus@dol.gov
Sent via USPS to: address indicated above

To whom it may Concern:

Attached you will find the 2017 Notice of Critical and Declining Status for the Western Pennsylvania Teamsters and Employers Pension Fund (Plan I.D. #25-6029946; Plan#1).

This notice was distributed to all parties of interest on April 30, 2017.

If you need additional information, please do not hesitate to contact me at the telephone number above.

Sincerely,



Gerri Talerico
Fund Office Manager

/gt
Attachment

cc: Fund Counsel
Fund Actuary

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NOTICE OF CRITICAL AND DECLINING STATUS FOR THE 2017 PLAN YEAR

April 30, 2017

This Notice is required each year by federal law. The purpose of this notice is to inform you that on March 30, 2017, the Pension Fund's actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Pension Fund is in "Critical and Declining" status for the plan year beginning January 1, 2017.

Critical and Declining Status

Critical and Declining status is a new status created under the Multiemployer Pension Reform Act of 2014. For the 2016 plan year, the Pension Fund had been considered to be in "Critical" status. The Pension Fund is now considered to be in Critical and Declining status because it has funding and liquidity problems and an accumulated funding deficiency since the 2015 plan year. In addition, it is projected be "insolvent" in less than 15 years.

Benefit Reductions Previously Adopted Under The 2010 Rehabilitation Plan

Since 2008, the Pension Protection Act has required pension plans certified in "Endangered" or "Critical" status to implement measures aimed at restoring the financial health of the plan. From August, 2008 to January, 2011, the only measures available to the Pension Fund under then current federal laws was to reduce the rate of future benefit accruals. When the Pension Fund was initially certified to be in critical status for the 2010 plan year, the law permitted the Pension Fund to reduce or even eliminate benefits called "adjustable benefits" as part of a rehabilitation plan.

On April 30, 2010 you were issued the Pension Fund's initial "Notice of Critical Status". Annual notices of critical status were again issued in 2011, 2012, 2013, 2014, 2015 and 2016. Each of these notices stated that the Pension Fund could reduce or eliminate adjustable benefits and that the Fund was not permitted to pay lump sum benefits (or any other payments in excess of the monthly amount paid under a single life annuity) while the Fund was in critical status. These notices also explained that the rehabilitation plan could only apply reductions of adjustable benefits to participants and beneficiaries whose benefit commencement date was on or after April 30, 2010.

On November 23, 2010, you were notified that the Pension Fund adopted a rehabilitation plan and that certain adjustable benefits were eliminated. The Trustees have reviewed and, when necessary, updated the rehabilitation plan toward the end of each subsequent plan year including the most recently completed plan year ending December 31, 2016.

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

- **Post-retirement death (burial) benefit;**
- **One Hundred Twenty-month payment guarantees;**
- **Early retirement benefit or retirement-type subsidy for those who were eligible to retire on February 1, 2011 (e.g. 25 & 30 & Out Retirement);**
- **Benefit payment options other than a qualified joint-and survivor annuity (QJSA);**
- **Subsidized Joint & Survivor and other forms of annuity subsidy for those who were eligible to retire on February 1, 2011;**
- **Pre-retirement survivor benefit for non-married participants;**
- **100% pre-retirement survivor benefit versus the required 50% pre-retirement survivor benefits for marrieds; and**
- **Pop-Up Benefit.**

The Trustees have a duty to take all reasonable measures to avoid or forestall insolvency. If they determine that a further reduction or elimination of adjustable benefits is necessary, you will receive a separate notice identifying and explaining the effect of any such reductions.

Rehabilitation Plan Employer Surcharge

While a Fund is in critical status, the law requires that when a contributing employer's collective bargaining agreement or participation agreement is renewed, it must comply with one of the contribution increase schedules of the rehabilitation plan or pay a surcharge.

Possibility Of Additional Benefit Reductions Under The Multiemployer Pension Reform Act Of 2014.

MPRA provides that plans which have been certified to be in critical and declining status may propose a temporary or permanent suspension of accrued benefits, including benefits of current retirees. Such a proposal would first need to be formalized by the Trustees and set forth in a lengthy application to be filed with the Treasury Department. While the Trustees are currently studying all alternatives, as of this date they have neither adopted a proposed benefit suspension plan nor filed a MPRA suspension application with Treasury. Federal law requires that when an application proposing to suspend benefits is filed, participants, employers and unions are to receive a separate notice identifying and explaining the effect the proposed suspension.

Where to Get More Information

You have a right to receive a copy of the most recently updated version of the 2010 Rehabilitation Plan upon written request directed to the Pension Fund Office. For more information about this Notice, you may contact the Pension Fund Office at the following address: Western Pennsylvania Teamsters and Employers Pension Fund, 49 Auto Way, Pittsburgh, PA 15206-3663, telephone 412-362-4200, Toll Free 800-362-4201, email: contactus@wpapensionfund.com.

*Board of Trustees
Western Pennsylvania Teamsters and Employers Pension Fund*

cc: Department of Labor
Pension Benefit Guaranty Corporation