EMPLOYER-TEAMSTERS LOCAL NOS.[redacted]
PENSION TRUST FUND
[redacted]

To: All Participants 2014

From: Trustees

The information contained in this letter only affects participants of the pension fund who have not retired. **No current retiree will see any change in their retirement benefit as a result of the changes listed in this letter.**

Notice of Material Modification
Pension Fund Summary Plan Description

In previous letters you were advised of the 2006 Pension Protection Act whereby the federal government prescribed changes in accounting methods multi-employer funds were permitted to use in the assumption of how long retirees are expected to live and investment performances. Since 2001, the investment climate resulted in several years of investment returns that have been insufficient to sustain the current benefit levels. The Fund has achieved positive returns through the hard work and diligence of the Board and Fund advisors. However, even the recent high positive returns were not high enough to meet the strict requirements and changes mandated by the 2006 Pension Protection Act (the Act). Pension liabilities grew by more than 26% since 2003 because participants continued to accrue benefits each year whether the market has gone up or down.

The Fund's returns over the last ten (10) years are as follows:

	2013	2012	2011	2010	2009	2008	2007
Total Return	21.86%	12.19%	1.31%	13.74%	20.42%	-23.80%	8.81%

	2006	2005	2004	2003	2002	2001
Total Return	13.39%	7.14%	12.00%	21.46%	-9.43%	-6.15%

Please note This Fund is not in a unique position. Many defined benefit plans have been confronted with this same problem and were required to change their benefits to comply with the Act. Your Trustees have been monitoring the funding status of the Fund and over the course of the last year action was necessary to protect the financial soundness of the Plan and to comply with the requirements of this federal law.

Therefore, the Trustees adopted the following amendments to the Plan effective January 1, 2015:

- The plan had a special provision that had a reduced early retirement reduction factor for ages 52 to 57. That provision has been eliminated and all early retirement reductions will be 0.5% per month (6% per year).
- The 25-and Out Benefit is no longer available; and
- The Plan's Normal Retirement Age is increased from age 60 to age 62 for future benefit accruals.

In order to share the burden of improving the funding of your Plan, the Trustees have implemented a change to Employer participation. In addition to the benefit changes listed above for participants, Fund Employer contribution levels will be required to meet or exceed the amount paid as of March 29, 2013 per participant and be increased by a minimum of 3% per year each January 1, beginning with an initial increase on January 1, 2015. The minimum 3% increase shall be solely for rehabilitation of the fund and not for future accrued benefits for the participants.

This additional non-credited contributions action does not in any way affect the contribution credits and benefit calculation for contributions paid to the Fund for work performed prior to any increase.

Likewise, since this change only applies to future contributions, there is no effect upon retirees, survivors or terminated vested participants, unless they return to work

Following are examples and clarification of the benefit changes discussed above:

EARLY RETIREMENT REDUCTIONS
Effective for all retirements on or after January 1, 2015, early retirement benefits will be reduced using 0.5% per month for each month that the benefits commence early. However, benefits earned prior to January 1, 2015 will continue to be reduced from age 60.

The following table illustrates the non-construction early retirement reduction factors currently in use compared to the factors that will be used starting January 1, 2015: