



National Integrated Group  
Pension Plan

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**\*\*\*IMPORTANT NOTICE\*\*\***

**THIS NOTICE DOES NOT APPLY  
TO PARTICIPANTS WITH AGE  
OR DISABILITY PENSION DATES  
BEFORE APRIL 30, 2010**

TO: NIGPP Participants Not Yet in Pay Status

FROM: Board of Trustees of the  
National Integrated Group Pension Plan (the "NIGPP")

SUBJECT: Notice of Reductions in Adjustable Benefits  
under the Rehabilitation Plan

DATE April 30, 2010

According to our records, you are a Participant in the National Integrated Group Pension Plan (the "Plan") who has not yet commenced receiving benefits, or the Beneficiary (including Alternate Payees under a Qualified Domestic Relations Order) of such a Participant. If your Age Pension Date or Disability Pension Date is before April 30, 2010, this Notice does not apply to you. The term "Participant" as used in this notice includes Beneficiaries of Participants.

As you know from the Notice of Critical Status that we sent to you last year and the Notice of Critical Status enclosed with this mailing, the Plan is in "critical status." The Board of Trustees (the "Board") of the Plan recently adopted a Rehabilitation Plan, as it was required to do under the Pension Protection Act of 2006 (the "PPA"). The Rehabilitation Plan reduces some of the benefits that will be payable by the Plan.

There are two Schedules in the Rehabilitation Plan, a Preferred Schedule and a Default Schedule, which the Participating Employers and the Unions (the "Bargaining Parties") have received. The Schedules include benefit reductions. In most cases, the Bargaining Parties will agree to adopt one of the Schedules. The Schedule adopted by the Bargaining Parties will apply to the Participants covered under the Bargaining Parties' collective bargaining agreements. Generally, if the Bargaining Parties do not adopt one of the Schedules within 180 days after their current collective bargaining agreement expires; the Default Schedule will be imposed upon the Bargaining Parties.

In addition to the benefit reductions in the Schedules, the Rehabilitation Plan makes some benefit reductions that will apply to all Participants not yet in pay status.

**The purpose of this communication is to give you notice of the benefit reductions (including reductions in "adjustable benefits" as defined in the PPA) of the Rehabilitation Plan. Not all Participants will have the same benefit**

**reductions, but you will be affected by at least some of the benefit reductions described in this notice.**

Please read this notice carefully. You may also find it helpful to refer to your Summary Plan Description when reading this notice.

## **SUMMARY**

The Rehabilitation Plan affects different categories of Participants differently. The different categories of Participants and the benefit reductions that will apply to each category are described in Part I of this Notice. Once you identify the category that applies to you, you can use the cross-references in Part I to find more detailed information on each of the benefit reductions in Part II.

Although every attempt has been made to make this notice complete and accurate, it is only a summary of the benefit reductions of the Rehabilitation Plan. If the descriptions in this Notice inadvertently differ from the actual provisions of the Rehabilitation Plan and/or the National Integrated Group Pension Plan, the provisions of the Rehabilitation Plan and the Plan will govern, rather than this summary. Also, the benefit reductions of the Rehabilitation Plan are in addition to, and do not replace, any benefit reductions that may be imposed under the Plan as a result of the withdrawal of a Participating Employer from the Plan. If necessary or advisable, the Board of Trustees has the authority to make changes in the Rehabilitation Plan in the future to make sure the Plan continues to meet all Federal requirements. You will be notified of any future changes that affect your benefits.

At the end of this notice, you will find contact information for any questions or concerns you may have about the Rehabilitation Plan and how it may affect your benefits.

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## **PART I SUMMARY OF BENEFIT REDUCTIONS BY CATEGORY**

### **CATEGORY 1 – PARTICIPANTS COVERED BY THE PREFERRED SCHEDULE**

**If you work in Covered Employment after the date of this notice with a Participating Employer that has adopted the Preferred Schedule of the Rehabilitation Plan, the following reductions will be applied to your benefits:**

- ❑ **Limit on Benefit Units.** The maximum number of Benefit Units you will be eligible to earn for hours or weeks of work during a calendar year will be one (1) Benefit Unit. [See Part II, Section A.1 for more information.]
- ❑ **Elimination of Certain Optional Forms of Benefit Payment.** You will not be allowed to elect either the Level Benefit Adjustment Option or the Small Lump Sum Option as your form of benefit payment at retirement. [See Part II, Section D for more information.]
- ❑ **Elimination of Surviving Spouse Benefit Subsidies.** If you are married, the Pre-Retirement Death Benefit or Post-Retirement Spousal Benefit paid to your

spouse, after your death, will be reduced using a full actuarial reduction. Also, the Pre-Retirement Death Benefit will be paid only in the form of a 50% benefit, not a 75% benefit. [See Part II, Section E for more information.]

The benefit reductions of the Preferred Schedule will apply to all employees in Covered Employment with a Participating Employer on or after the effective date of the agreement between the Participating Employer and Union (the Bargaining Parties) to adopt the Preferred Schedule, but no earlier than 30 days after the date of this notice.

## **CATEGORY 2 – PARTICIPANTS COVERED BY THE DEFAULT SCHEDULE**

**If you work in Covered Employment after the date of this notice with a Participating Employer that has either adopted the Default Schedule or has had the Default Schedule imposed upon it, the following reductions will be applied to your benefits:**

- ❑ **Limit on Benefit Units.** The maximum number of Benefit Units you will be eligible to earn for hours or weeks of work during a calendar year will be one (1) Benefit Unit. [See Part II, Section A.1 for more information.]
- ❑ **Limitation on Future Benefit Levels.** Your future Benefit Level will be limited. Your Benefit Level, for accruals after the date on which the Default Schedule applies to you, may not be more than 1% of the contributions your Participating Employer was required to make for 1800 Hours (or 45 weeks) of Service in a year under the collective bargaining agreement in effect on January 1, 2009, or the Benefit Level in effect for you on the same date, whichever is less. [See Part II, Section A.2 for more information.]
- ❑ **Elimination of Benefit Level Increases Since January 1, 2004.** Your accrued benefits, as of the date on which the Default Schedule applies to you, will be reduced to eliminate any increases in Benefit Level adopted or effective after January 1, 2004. [See Part II, Section A.3 for more information.]
- ❑ **Elimination of Early Retirement Subsidy.** If you take early retirement (that is, begin to receive your benefits before reaching Normal Retirement Age), your monthly benefit payments will be reduced using a full actuarial reduction. [See Part II, Section B.1 for more information.]
- ❑ **Elimination of Disability Pension.** You will not be eligible for a Disability Pension if you become disabled while working. [See Part II, Section C for more information.]
- ❑ **Elimination of Certain Optional Forms of Benefit Payment.** You will not be allowed to elect either the Level Benefit Adjustment Option or the Single Sum for Small Pensions Option as your form of benefit payment at retirement. [See Part II, Section D for more information.]
- ❑ **Elimination of Surviving Spouse Benefit Subsidies.** If you are married, the Pre-Retirement Death Benefit or Post-Retirement Spousal Benefit paid to your spouse, after your death, will be reduced using a full actuarial reduction. Also, the Pre-Retirement Death Benefit will be paid only in the form of a 50% benefit, not a 75% benefit. [See Part II, Section E for more information.]

The benefit reductions of the Default Schedule will apply to all employees in Covered Employment with a Participating Employer on or after the effective date of the agreement between the Participating Employer and Union (the Bargaining Parties) to adopt the Default Schedule, or the date on which the Default Schedule is imposed, but no earlier than 30 days after the date of this notice.

**CATEGORY 3 – PARTICIPANTS NOT COVERED BY A SCHEDULE (OTHER THAN THOSE DESCRIBED IN CATEGORY 4)**

**If you do not work in Covered Employment with a Participating Employer after the date of this notice, or if you work in Covered Employment after the date of this notice but leave employment without retiring on an Age Pension or a Disability Pension and before becoming covered by a Schedule, the following reductions will be applied to your benefits:**

- ❑ **Limit on Benefit Units.** The maximum number of Benefit Units you will be eligible to earn for hours or weeks of work during a calendar year will be one (1) Benefit Unit. [See Part II, Section A.1 for more information.]
- ❑ **Elimination of Benefit Level Increases Since January 1, 2004.** Your accrued benefits will be reduced to eliminate any increases in Benefit Level adopted or effective after January 1, 2004. [See Part II, Section A.3 for more information.]
- ❑ **Elimination of Early Retirement Benefit.** You will not be entitled to retire early. That is, you will not be eligible to begin receiving your benefits earlier than the date on which you reach your Normal Retirement Age, which is either age 65 or age 62 with 30 Benefit Units if you are entitled to the 62/30 Option. [See Part II, Section B.2 for more information.]
- ❑ **Elimination of Certain Optional Forms of Benefit Payment.** You will not be allowed to elect either the Level Benefit Adjustment Option or the Single Sum for Small Pension Option as your form of benefit payment at retirement. [See Part II, Section D for more information.]
- ❑ **Elimination of Surviving Spouse Benefit Subsidies.** If you are married, the Pre-Retirement Death Benefit or Post-Retirement Spousal Benefit paid to your spouse, after your death, will be reduced using a full actuarial reduction. Also, the Pre-Retirement Death Benefit will be paid only in the form of a 50% benefit, not a 75% benefit. [See Part II, Section E for more information.]

The benefit reductions applicable to Participants who leave, or have left, Covered Employment without retiring and before becoming covered by a Schedule will become effective 30 days after the date of this notice, or, if later, when the Participant leaves Covered Employment.

**CATEGORY 4 – PARTICIPANTS RETIRING DIRECTLY FROM COVERED EMPLOYMENT BEFORE BEING COVERED BY A SCHEDULE**

**Participants who are currently working for a Participating Employer and who retire directly from that employment on an Age Pension or a Disability Pension**

**before becoming covered by a Schedule will receive special treatment under the Rehabilitation Plan.**

**If you retire directly from Covered Employment, after the date of this notice and before becoming covered under a Schedule, your benefits will be treated the same as the benefits of other Participants who continue working in the bargaining unit from which you retired.**

This means that the Schedule adopted by (or imposed on) the Participating Employer from which you retired will determine your benefit reductions. If the Preferred Schedule applies to the Participants in your former bargaining unit, the benefit reductions of the Preferred Schedule, which are described in Category 1, will also apply to you. If instead the Default Schedule applies to them, the benefit reductions of the Default Schedule, which are described in Category 2, will instead apply to you. The benefit reductions will apply to you at the same time they apply to the other Participants in your former bargaining unit.

**CATEGORY 5 – PARTICIPANTS OF EMPLOYERS THAT WITHDRAW FROM THE PLAN AFTER HAVING ADOPTED THE PREFERRED SCHEDULE**

**Special treatment is also provided for Participants of Employers that withdraw from the Plan after having adopted the Preferred Schedule.**

**If you are working in Covered Employment with a Participating Employer that has adopted the Preferred Schedule, and the Employer withdraws from the Plan within three years after adopting the Preferred Schedule, your benefits will be treated as if you were covered instead by the Default Schedule, as described in Category 2.**

The benefit reductions of the Default Schedule will apply, in such a case, beginning on the date of your Participating Employer's withdrawal from the Plan, on a going-forward basis only (not retroactively).

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**PART II  
THE BENEFIT REDUCTIONS**

**SECTION A – REDUCTIONS TO PAST AND FUTURE ACCRUED BENEFITS**

**1. Limitation on Benefit Units.**

**Applies to:** This benefit reduction will apply to all Participants not in pay status as of the date of this notice who earn Credited Service after December 31, 2009.

**Participants will no longer be able to earn more than one Benefit Unit for Hours or weeks of Service earned during one calendar year.**

The Plan provides that a Participant who earns contributions for 1800 Hours of Service or 45 weeks during a calendar year for work in Covered Employment is

credited with one (1) Benefit Unit. Benefit Units are used to determine the amount of a Participant's pension.

**Before the Rehabilitation Plan:** A Participant could be credited with more than one Benefit Unit for service during a calendar year by earning more than 1800 Hours of Service or 45 weeks during the year. In such a case, the Participant would be credited with an additional fraction of a Benefit Unit, based on the number of Hours of Service over 1800, or weeks over 45, earned during the year.

**Under the Rehabilitation Plan:** Participants cannot earn more than one (1) Benefit Unit for a single calendar year. The maximum number of Benefit Units that a Participant will be eligible to earn by working during a calendar year will be one (1) Benefit Unit. As was the case before the Rehabilitation Plan, however, if a Participant earns fewer than 1800 Hours of Service or 45 weeks during a calendar year, he or she will still be credited with a fraction of one (1) Benefit Unit for that year. The fraction is the number of Hours or weeks of Service divided by either 1800 hours or 45 weeks, whichever applies, rounded to the nearest tenth of a Benefit Unit.

**Example:** In calendar year 2011, Joe earns 2000 Hours of Service as reported on his employer's roster reports to the Plan.

**Before the Rehabilitation Plan:** Joe would have earned 1.1 Benefit Units for 2011.

**Under the Rehabilitation Plan:** Joe will earn 1.0 Benefit Units for 2011.

## 2. **Limitation on Future Benefit Levels.**

**Applies to:** This benefit reduction will apply to all Participant covered under the Default Schedule.

### **Future Benefit Levels will be limited.**

Generally, a Participant's Age Pension is calculated by multiplying the Participant's Benefit Level(s) by the Participant's Benefit Units.

**Before the Rehabilitation Plan:** The Benefit Level(s) for a Participant would be determined in accordance with the Participation Agreement applicable to that Participant.

**Under the Rehabilitation Plan:** Benefit Levels for Participants covered by the Default Schedule will be limited, for accruals after the Default Schedule is applicable to the Participant, to the lesser of one percent (1%) of the contributions his or her employer was required to make for hours or weeks needed to earn one Benefit Unit under the Participation Agreement in effect on January 1, 2009; or the Benefit Level in effect for the bargaining unit on the same date.

**Example:** Mary is working for a Participating Employer under the Default Schedule, which began to apply to her bargaining unit effective January 1, 2011. On January 1, 2009, her employer was required to contribute \$1.30 for her bargaining unit for each hour worked, and the Benefit Level in effect for her bargaining unit was \$25.00.

**Before the Rehabilitation Plan:** Mary's Benefit Level was \$25, as specified in the Participation Agreement applicable to her.

**Under the Rehabilitation Plan:** In 2011, Mary's Benefit Level was limited to \$23.40 because the total contribution her employer was required to make for 1800 Hours of Service (the minimum requirement to earn one Benefit Unit), as of January 1, 2009, was \$2340.00 ( $\$1.30 \times 1800 = \$2340.00$ ); and 1% of \$2340.00 = \$23.40, which is less than the Benefit Level in effect on January 1, 2009 (\$25.00).

3. **Elimination of Benefit Level Increases Since January 1, 2004.**

**Applies to:** This benefit reduction will apply to all Participants who either

- never earn any service with a Participating Employer after the date of this Notice, or
- earn service after the date of this Notice but then terminate without retiring directly from Covered Employment before becoming covered by a Schedule, or
- become covered under the Default Schedule.

**Any Benefit Level increases after January 1, 2004, will be eliminated.**

The accrued benefits of any Participant to whom this reduction applies will be reduced to eliminate any increase(s) in Benefit Level that were certified by the Board with an effective date after January 1, 2004. However, any reductions in Benefit Level that took effect since January 1, 2004, will not be restored; and, in particular, the elimination of the Trustee Increases, which took effect on July 1, 2008, will not be affected by this benefit reduction.

**Example:** Jim works for a Participating Employer under the Default Schedule, which first began to apply to him on January 1, 2011. Jim's employer's participation agreement provides that the Benefit Level for his bargaining unit applies to all Benefit Units he has earned or will earn (an "all service" participation agreement), and that his employer's January 1, 2009 contribution rate was \$1.70 per Hour. On January 1, 2004, Jim's Benefit Level was \$35.00, which included \$10.00 of Trustee Increases. A negotiated increase of \$3.00 was certified by the Board with an effective date of January 1, 2006, raising his Benefit Level to \$38.00. On July 1, 2008, his Benefit Level was reduced by \$10.00 due to the elimination of the Trustee Increases, causing his Benefit Level to change, effective July 1, 2008, to \$28.00. The Benefit Levels applicable to him under the Plan since January 1, 2004, are summarized in the table below:

Effective Date:	Jim's Benefit Level:	Make-up of Jim's Benefit Level (Negotiated Increases /Trustee Increases):
January 1, 2004	\$35	\$25/\$10
January 1, 2006	\$38	\$28/\$10
July 1, 2008	\$28	\$28/\$0

**Before the Rehabilitation Plan:** Jim's increased Benefit Level of \$38.00, effective January 1, 2006, which was due to the negotiated increase of \$3.00, would have applied to all Benefit Units he had earned through June 30, 2008. The \$10.00 reduction in his Benefit Level, effective July 1, 2008, which was due to the elimination of the Trustee Increases, would have reduced his Benefit Level for future Benefit Units earned after June 30, 2008, to \$28.00. His Age Pension would have been calculated based on adding together these two pieces of his accrued benefits.

**Under the Rehabilitation Plan:** Under the Default Schedule, the negotiated increase in Benefit Level of \$3.00, effective on January 1, 2006, will be eliminated. As a result, Jim's Age Pension will be calculated based on adding together the following two pieces of accrued benefit, each at a different Benefit Level:

- Benefit Units earned through June 30, 2008, multiplied by \$35.00, his Benefit Level in effect on January 1, 2004; and
- Benefit Units earned on or after July 1, 2008 multiplied by \$25.00, his Benefit Level in effect after the elimination of the Trustee Increases effective July 1, 2008, and the application of the Default Schedule.

## **SECTION B – REDUCTIONS TO EARLY RETIREMENT BENEFITS**

### **1. Elimination of Early Retirement Subsidy.**

**Applies to:** This benefit reduction will apply to all Participants covered under the Default Schedule.

#### **Early retirement benefits will be reduced under the Default Schedule.**

The Plan provides early retirement benefits to Participants who have earned a vested benefit and wish to retire earlier than Normal Retirement Age, which is generally age 65. (If you are entitled to the 62/30 Option, your Normal Retirement Age is age 62, if you have earned 30 Benefit Units by that time). A Participant may choose to begin receiving early retirement benefits as early as age 55.

**Before the Rehabilitation Plan:** The monthly amount paid as an early retirement benefit was determined using subsidized actuarial factors, which meant that the monthly benefit payments were larger than the amount the Plan would have paid using a full actuarial reduction.

**Under the Rehabilitation Plan:** The subsidy previously provided for early retirement benefit payments will be eliminated. The monthly amount paid at early retirement will be reduced by using a full actuarial reduction, which will result in lower monthly payments to Participants who retire earlier than their Normal Retirement Age. The following table shows the full actuarial reduction factors that will be used under the Default Schedule to determine the amount paid as a monthly early retirement benefit.

EARLY RETIREMENT FULL ACTUARIAL REDUCTION FACTORS UNDER THE  
DEFAULT SCHEDULE

If you Retire Early at Age:	And your Normal Retirement Age is 65, Your Actuarial Factor will be :	If your Normal Retirement Age is 62 (with 30 Benefit Units), Your Actuarial Factor will be:
55	.3575	.4985
56	.3927	.5475
57	.4321	.6024
58	.4762	.6640
59	.5259	.7332
60	.5819	.8114
61	.6453	.8997
62	.7172	1.0000
63	.7991	1.0000
64	.8927	1.0000
65	1.0000	1.0000

**Example 1 (Normal Retirement Age 65):** Judy is working for a Participating Employer under the Default Schedule, which was effective for her beginning January 1, 2011. She is planning to retire early, with an Age Pension Date of January 1, 2012, at age 57, and her monthly benefit payments, if she waited to begin receiving them until her Normal Retirement Age of 65, would be \$1400.00 per month.

**Before the Rehabilitation Plan:** The amount of Judy's monthly benefit payments beginning January 1, 2012, would have been calculated using the subsidized actuarial factors in effect before the Rehabilitation Plan. Her age 65 monthly payments of \$1400.00 would have been reduced by one-half of one percent ( $\frac{1}{2}\%$ ) for each month that her benefit started early. Because she would be receiving her benefits beginning 96 months early, her subsidized actuarial factor would have been .5200, and this would have resulted in a reduced payment of \$728.00 per month.

**Under the Rehabilitation Plan:** The amount of Judy's monthly benefit payments beginning January 1, 2012, under the Default Schedule, will be calculated using the full actuarial reduction factors shown in the table above. The factor in the table for a Participant with her characteristics (retiring at age 57 with a Normal Retirement Age of 65) is .4321. Her monthly payment will be figured by multiplying her unreduced benefit at

age 65 (\$1400.00) by .4321, which produces a monthly payment to her of \$604.94.

**Example 2 (62/30 Option -- Normal Retirement Age 62 with 30 Benefit**

**Units):** Jeff is working for a Participating Employer under the Default Schedule, which was effective for him beginning January 1, 2011. He is entitled to the 62/30 Option, which means his Normal Retirement Age is 62, if he has earned 30 Benefit Units. As of January 1, 2012, he will reach age 57 and will have earned 30 Benefit Units. He is planning to retire early, with an Age Pension Date of January 1, 2012. He would be entitled to receive monthly benefit payments of \$1400.00 if he waited to begin receiving them until his Normal Retirement Age of 62.

**Before the Rehabilitation Plan:** The amount of Jeff's monthly benefit payments beginning January 1, 2012, would have been calculated using the subsidized actuarial factors in effect before the Rehabilitation Plan. His age 62 payments of \$1400 would have been reduced by one-half of one percent ( $\frac{1}{2}\%$ ) for each month that his benefit started early. Because he would be receiving his benefits 60 months early, his subsidized actuarial factor would have been .7000, and his benefit payments would have been \$980.00 per month.

**Under the Rehabilitation Plan:** The amount of Jeff's monthly benefit payments beginning January 1, 2012, under the Default Schedule, will be calculated using the full actuarial reduction factors shown in the table above. The factor in the table for a Participant with his characteristics (retiring at age 57 with a Normal Retirement Age of 62) is .6024. His monthly payments will be figured by multiplying his unreduced benefit at age 62 (\$1400.00) by .6024, which produces a monthly benefit payment to him of \$843.36.

2. **Elimination of Early Retirement Benefit.**

**Applies to:** This benefit reduction will apply to all Participants who do not earn at least one Hour of Service with a Participating Employer under a Schedule (including Participants in Category 3, but not including Participants in Category 4).

**Early retirement benefits will no longer be available to Participants covered by this benefit reduction.**

**Before the Rehabilitation Plan:** Participants could choose to begin receiving a reduced pension benefit as early as age 55.

**Under the Rehabilitation Plan:** Participants to whom this benefit reduction applies will not be entitled to commence their benefits until they reach Normal Retirement Age. Such Participants will have to wait until they reach age 65 generally, or age 62 with 30 Benefit Units under the 62/30 Option to begin to receive their pensions.

**Example:** Jan is 60 years old and is a terminated vested participant in the Plan as of the date of this Notice. Her Normal Retirement Age is 65. She does not earn Service under a Schedule.

**Before the Rehabilitation Plan:** Jan could retire and begin receiving her benefits under the Plan at any time before age 65 with a reduced monthly benefit payment.

**Under the Rehabilitation Plan:** Jan may not begin to receive her benefit until age 65.

## **SECTION C – ELIMINATION OF DISABILITY PENSION**

**Applies to:** This benefit reduction applies to all Participants covered under the Default Schedule.

**Disability Pensions will no longer be available under the Default Schedule.**

**Before the Rehabilitation Plan:** The Plan provides a Disability Pension to Participants who become disabled and meet specific eligibility requirements for this benefit. A Disability Pension under the Plan is available only to Participants who:

- Are vested;
- Are no longer working for a Participating Employer;
- Are entitled to Social Security disability benefits; and
- Meet the following Date of Entitlement criteria:
  - A Date of Entitlement is identified on the Participant's Social Security Award Certificate;
  - As of the Date of Entitlement, the Participant was at least age 50 and had earned at least 10 Benefit Units;
  - The Date of Entitlement must be no later than the sixth calendar month next following the calendar month in which the participant was last credited with at least 40 Hours of Service.

The monthly payments for a Disability Pension are equal to the Participant's unreduced Normal Retirement Age benefit and are payable until the Participant becomes eligible for his or her Age Pension.

**Under the Rehabilitation Plan:** Participants covered by the Default Schedule will no longer be eligible to receive a Disability Pension.

**Example:** Emily is working in Covered Employment under the Default Schedule, which begins to apply to her on January 1, 2011. She has earned, as of January 1, 2011, a vested right to a pension benefit under the Plan and has accumulated 10 Benefit Units. On January 15, 2011, Emily reaches age 52 and leaves work because of back problems. She files for Social Security disability benefits and receives a Social Security Award Certificate with a Date of Entitlement of June 1, 2011.

**Before the Rehabilitation Plan:** Emily would have been eligible to receive a Disability Pension with benefits beginning June 1, 2011, and continuing until she became eligible for an Age Pension. The benefit

amount would have been in the same monthly amount she would receive as an Age Pension beginning at her Normal Retirement Age.

**Under the Rehabilitation Plan:** Emily is not eligible for a Disability Pension. She may begin to receive unreduced pension benefit payments only if she waits to begin receiving benefits until her Normal Retirement Age. However, Emily could elect early retirement and begin receiving a reduced benefit payment as early as age 55.

#### **SECTION D – ELIMINATION OF CERTAIN OPTIONAL FORMS OF BENEFIT PAYMENT**

##### **1. Elimination of Level Benefit Adjustment Option Form of Payment.**

**Applies to:** This benefit reduction applies to all Participants not currently in pay status.

**The Level Benefit Adjustment Option form of payment will no longer be available.**

**Before the Rehabilitation Plan:** One of the optional forms of benefit payment available to Participants was the Level Benefit Adjustment Option, which provided higher monthly payments up to a specified date and lower monthly payments after that date for the purpose of leveling a retiree's monthly income taking into account Social Security benefits that would become payable at the specified date.

**Under the Rehabilitation Plan:** The Level Benefit Adjustment Option will no longer be available.

##### **2. Elimination of Single Sum for Small Pension Option Form of Payment.**

**Applies to:** This benefit reduction applies to all Participants not currently in pay status.

**The Single Sum for Small Pension Option form of payment will no longer be available.**

**Before the Rehabilitation Plan:** Another form of benefit payment available to Participants under the Plan before the Rehabilitation Plan was the Single Sum for Small Pension Option, which provided that if the monthly payment to a Participant was less than \$50.00, the Participant could choose to receive his or her benefits in a single sum.

**Under the Rehabilitation Plan:** The Single Sum for Small Pension Option will no longer be available.

#### **SECTION E – REDUCTIONS TO SURVIVING SPOUSE BENEFITS**

##### **1. Elimination of Pre-Retirement Death Benefit Subsidy.**

**Applies to:** This benefit reduction applies to all Participants not currently in pay status.

**The Pre-Retirement Death Benefit will be reduced.**

The Plan pays a Pre-Retirement Death Benefit to the spouse of a Participant who dies before beginning to receive his or her vested accrued benefits, which the spouse may begin receiving as early as the date the Participant would have attained age 55.

**Before the Rehabilitation Plan:** The surviving spouse of such a Participant would receive a Pre-Retirement Death Benefit equal to 75% of the reduced pension the Participant would have received if he or she had retired on the date of his or her death and received benefits in the normal form for married Participants (the Post-Retirement Spousal Benefit, which is a 75% joint and survivor annuity). The subsidized actuarial factors set out in the Plan produced a monthly benefit payment to the surviving spouse that was larger than the amount the Plan would have paid using full actuarial reduction factors to calculate the monthly payment.

**Under the Rehabilitation Plan:** The Pre-Retirement Death Benefit paid to a surviving spouse of a Participant who dies before beginning to receive his or her benefits will be reduced:

- a. The amount of the Pre-Retirement Death Benefit will be 50% of the amount the Participant would have received under the 50% joint and survivor annuity, if he or she had retired on the date of his or her death; and
- b. The subsidy in the joint and survivor factors previously provided for the Pre-Retirement Death Benefit will be eliminated, and the monthly benefit payment to the surviving spouse will be calculated based on a full actuarial reduction. The full actuarial reduction factors for this purpose are set out in Appendix A of the Plan.

**Additional Information About Possible Other Reductions to Pre-Retirement Death Benefits: If a Participant dies before reaching Normal Retirement Age and his or her surviving spouse begins receiving benefits early (before the date on which the Participant would have reached Normal Retirement Age), the spouse's monthly payments may be reduced because full actuarial reduction factors may apply under the Rehabilitation Plan. In some cases, the spouse may not be allowed to begin receiving benefits early. [See Part II, Section B for more information.]**

**Example:** Paul is a vested Participant who, while working for a Participating Employer under the Preferred Schedule, dies in 2011 at age 57 with an age 65 benefit of \$1400.00 per month. His surviving spouse, Amy, is also age 57 at the time of his death.

**Before the Rehabilitation Plan:** Amy, as Paul's surviving spouse, would have been entitled to receive a Pre-Retirement Death Benefit, and Amy would have been able to begin receiving monthly payments right away. The amount of her monthly payments would have been calculated based on the amount Paul would have been entitled to receive as an early

retirement benefit. Based on his age at death (57), his early retirement payments would have been \$728.00 per month, if paid as a single life annuity. [See Example 1 in Part II, Section B.1.] Amy's monthly Pre-Retirement Death Benefit would have been 75% of the amount Paul would have received if his benefit had been paid as a Post-Retirement Spousal Benefit. Using the Plan's subsidized actuarial factor of 95%, Paul's \$728.00 monthly benefit would have been reduced to \$691.60 (\$728.00 multiplied by 95% = \$691.60), and Amy would have been entitled to receive monthly payments equal to 75% of \$691.60, or \$518.70 per month.

**Under the Rehabilitation Plan:** Amy, as Paul's surviving spouse, will receive a monthly Pre-Retirement Death Benefit equal to 50% of the payments that Paul would have received, if he had started receiving his benefits at the time of his death in the 50% joint and survivor annuity optional form. She may begin receiving her benefit payments immediately. The reduction factor that will be applied to calculate Paul's benefit payments (and Amy's 50% portion of Paul's payments) will be the full actuarial reduction factor from Appendix A of the Plan, which, for an age 57 Participant with an age 57 spouse, is 92.6%. Using that factor, Paul's unreduced single-life monthly payment of \$728.00 will be multiplied by 92.6%, which produces \$674.13. Amy's monthly payment will be 50% of this amount, or \$337.07.

## 2. **Elimination of Post-Retirement Spousal Benefit Subsidy**

**Applies to:** This benefit reduction applies to all Participants not currently in pay status.

### **The Post-Retirement Spousal Benefit will be reduced.**

The Plan pays benefits to married Participants automatically as the Post-Retirement Spousal Benefit, which pays monthly payments to the Participant for life and then guarantees that the spouse of the Participant will continue to receive monthly payments for the rest of the spouse's life, if the spouse survives the Participant's death. A Participant may choose, with the consent of his or her spouse, to receive benefits in another available form.

**Before the Rehabilitation Plan:** The Post-Retirement Spousal Benefit would provide surviving spouses with monthly payments of 75% of the amount that the Participant was receiving before death. The Participant's monthly payments, under the Post-Retirement Spousal Benefit form, were reduced based on subsidized joint and survivor factors set out in the Plan. The subsidized factors meant that the monthly benefit payments to both the Participant and the spouse were larger than the amount the Plan would have paid using full actuarial reduction factors to calculate the monthly payments before and after the Participant's death.

**Under the Rehabilitation Plan:** The subsidy previously provided for the Post-Retirement Spousal Benefit will be eliminated under the Rehabilitation Plan. Full actuarial reduction factors will be used to calculate the monthly amounts paid in this form to Participants and their spouses. Below is an illustrative

table showing some of the full actuarial factors that will be used for this purpose.

TABLE SHOWING **SAMPLE** FULL ACTUARIAL REDUCTION FACTORS FOR THE POST-RETIREMENT SPOUSAL BENEFIT UNDER THE REHABILITATION PLAN

Participant's Age at Retirement:	Spouse's Age at Participant's Retirement:	Applicable Full Actuarial Reduction Factor:
65	70	.888
65	65	.858
65	60	.830
62	66	.893
62	62	.872
62	58	.853
60	67	.913
60	60	.882
60	53	.851
55	60	.919
55	55	.902
55	50	.886

**Example:** Elizabeth works for a Participating Employer under the Default Schedule. Her employer's participation agreement provides her with the 62/30 Option. She retires in 2011 at age 60, having earned 30 Benefit Units, with a right to a monthly accrued benefit payable at her Normal Retirement Age of 62 of \$1800.00. Her spouse, Robert, is age 53.

**Before the Rehabilitation Plan:** If Elizabeth had waited until her Normal Retirement Age of 62 and taken her benefits as a single life annuity, she would have been entitled to receive monthly payments of \$1800.00. Beginning at age 60, Elizabeth would have been eligible to receive a monthly payment, in that form, of \$1584.00 because her age 62 benefit of \$1800.00 would have been reduced by one-half of one percent (½%) for each of the 24 months her benefit would have started early. [See Examples in Part II, Section B.1] If she took her benefit as the Post-Retirement Spousal Benefit, Elizabeth's monthly payments, beginning at age 60, would have been \$1488.96 because her early retirement benefit of \$1584.00 would have been multiplied by the subsidized actuarial reduction factor of 94%. [See Example in Part II, Section E.1] Payments to Robert, after her death, if he survived, would have been 75% of her monthly payments, or \$1116.72 per month. (\$1584.00 multiplied by 75% = \$1116.72)

**Under the Rehabilitation Plan:** Elizabeth's monthly early retirement benefit, if paid as a single life annuity beginning at age 60, will be \$1460.52 because her unreduced Normal Retirement Age benefit (\$1800.00) will be multiplied by the full actuarial reduction factor for early retirement benefits of .8114, as shown in the table in Section B, Part I for Participants with her characteristics (age 60 under the 62/30 Option). (\$1800.00 multiplied by .8114 = \$1460.52). Paid as a Post-

Retirement Spousal Benefit, Elizabeth's monthly payments will be \$1242.90 because her single-life monthly payments of \$1460.52 will be multiplied by .851, which is the full actuarial reduction factor shown in the table above for an age 60 Participant with an age 53 spouse. (\$1,460.52 multiplied by .851 = \$1,242.90). Payments to Robert after her death, if he survives, will be 75% of Elizabeth's monthly payments, or \$932.18. (\$1242.90 multiplied by 75% = \$932.18).

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## **Your ERISA Rights**

Federal law requires that this Notice contain information on the rights and remedies of Participants and Beneficiaries. As a Participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. ERISA provides that you may:

Examine, without charge, at the Plan Administrator's office (and at other specified locations as may be necessary to make available all pertinent information to Participants), a complete list of the employers and employee organizations sponsoring the Plan, all documents governing the Plan, including contracts and agreements entered into by the board of Trustees, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions. Copies of the Plan, the Agreement and Declaration of Trust, the Participation Agreement, and the applicable Collective Bargaining Agreement are also available for examination through your Participating Employer and your Union.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, a complete list of the employers and employee organizations sponsoring the Plan, information as to whether a particular employer or union is a Participating Employer or Union under the Plan, and updated summary plan descriptions. The Administrative Agency may make a reasonable charge for the copies.

Receive a copy of the Plan's annual funding notice as required by ERISA.

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 have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your Participating Employer, your Union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or the latest annual report from the Plan and do not receive it within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the Qualified Status of a Domestic Relations Order or a Medical Child Support Order, you may file suit in federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous. If you have any questions about your Plan, you should contact the Administrative Agency.

If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should 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 Benefit Security Administration, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.