

**The New York State Teamsters Conference Pension and Retirement Fund  
Application for Suspension of Benefits under MPRA**

**EXHIBIT 19**

## **APPENDIX F**

### **REHABILITATION PLAN FOR THE NEW YORK STATE TEAMSTERS CONFERENCE PENSION AND RETIREMENT FUND**

**Effective January 1, 2011**

**Amended and Restated January 1, 2015**

#### **I. INTRODUCTION**

Under the Pension Protection Act of 2006 (“PPA”), a multiemployer pension plan’s actuary must certify a plan’s funded status for a plan year within 90 days after the start of that plan year.

As indicated in the April 30, 2012 Notice of Critical Status, the actuary for the New York State Teamsters Conference Pension and Retirement Fund (the “Plan” or “Fund”) has certified the Plan as remaining in “critical status” (sometimes referred to as the “red zone”) for the Plan Year beginning January 1, 2012. The Fund’s Board of Trustees (the “Trustees”), as the plan sponsor of a critical status pension plan, timely adopted a Rehabilitation Plan on May 6, 2010. As required by law, the Trustees review the Rehabilitation Plan annually and update it periodically. Effective June 1, 2012, the Rehabilitation Plan was amended to include a new Schedule F. Effective January 1, 2013, the Trustees are adding a new Alternative Schedule G for certain Employers.

A Rehabilitation Plan contains one or more schedules showing revised benefits, contributions, or both, that are designed to have the Fund emerge from critical status by the end of the ten-year rehabilitation period as defined by the PPA, or where that is not reasonable, to emerge from critical status at a later time or to forestall possible insolvency (the “Schedule” or “Schedules”). The Trustees must provide the Schedule or Schedules to the Fund’s Contributing Employers, Local Unions, and other parties responsible for bargaining over agreements requiring contributions to the Fund (“Bargaining Parties”). Trustees of plans in critical status must include one Schedule for reductions in the amount of future benefit accruals and other benefits necessary to allow the plan to emerge from critical status, assuming no contribution increases other than those necessary after future benefit accruals and “Adjustable Benefits” (described below) have been reduced as much as possible under the law (the “Default Schedule”). A Rehabilitation Plan may also include an additional schedule or schedules.

Each Rehabilitation Plan schedule must reduce or eliminate “Adjustable Benefits” to the extent necessary to meet the legal requirements of the PPA. Adjustable Benefits include: (1) any early retirement benefit or retirement-type subsidy and any benefit payment option (other than the qualified joint and survivor annuity); (2) benefits and features, including post-retirement death benefits, disability benefits not in pay status, and similar benefits; and (3) benefit increases adopted or effective fewer than 60 months before a plan entered critical status.

Effective April 30, 2010, the Fund ceased making all lump sum payments (except those less than or equal to \$5,000 under Section 6.08 of the Plan document) as required by law, and the elimination of all such lump sum payments under the Plan shall continue under this Rehabilitation Plan.

The Trustees have the power, authority, and discretion to amend, construe and apply the provisions of this Rehabilitation Plan including the Schedules.

## II. **TRUSTEES' DETERMINATION TO UTILIZE ALTERNATIVE MEASURES TO EMERGE FROM CRITICAL STATUS**

Under the PPA, a Rehabilitation Plan is intended to enable a pension fund to emerge from critical status by the end of its rehabilitation period. The PPA, however, provides the Board of Trustees with an alternative option if it “determines that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures,” the fund is not reasonably expected to emerge from critical status by the close of the plan’s rehabilitation period. In such case, the trustees are permitted to adopt a Rehabilitation Plan that includes reasonable measures designed to allow the pension fund to emerge from critical status at a later time or forestall possible insolvency under Section 4245 of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

After consideration of various alternatives and exhaustion of all reasonable measures, the Trustees have determined that it would not be reasonably possible for the Fund to emerge from critical status under the PPA by the end of its rehabilitation period. This conclusion is based on the advice and recommendation of the Fund’s actuaries and their use of reasonable actuarial assumptions.

### A. **Alternatives Considered**

The Trustees considered numerous alternatives (including combinations of contribution rate increases and benefit adjustments) that were projected to enable the Fund to emerge from critical status by the end of its rehabilitation period. The Fund’s actuary projected that in order for the Fund to emerge from critical status by the end of its rehabilitation period, the Trustees would need to adopt a schedule (or a similar schedule) that would require a minimum contribution rate increase of more than 20% each year through 2022, even with the maximum, legally-required benefit reductions for all Participants and assuming the contribution increases did not generate future benefit accruals.

### B. **Rationale for Rejecting Alternatives**

After careful consideration, the Trustees concluded that utilizing any and all possible measures to emerge from critical status by the end of the Fund’s rehabilitation period would be unreasonable and would involve considerable risk to the Fund and to Participants. The Trustees determined that adopting a Rehabilitation Plan that would require the Fund’s Contributing Employers to increase their contribution rates at levels of more than 20% each year through 2022 would likely result in a significant number of employer withdrawals from the Fund and an

increase in employer bankruptcy filings, further jeopardizing its funding status. In making these determinations, the Trustees considered, among other things, the financial conditions of many contributing employers, noting in particular that the second largest group of contributing employers, YRC Worldwide, Inc. companies, is experiencing serious financial difficulties.

### III. **DESCRIPTION OF SCHEDULES**

#### A. **Introduction**

The Rehabilitation Plan as of January 1, 2013 includes a Default Schedule and seven Alternative Schedules (A – G). A Participant may qualify for benefits under one or more of the Schedules. A Participant who qualifies for benefits will select a benefit commencement date and form of payment for his entire benefit. Once benefits commence, no changes are permitted to be made with respect to the timing or form of payment and a Participant may not defer any portion of that benefit until a later date.

#### 1. **Selection and Approval of a Schedule**

Until one of the Schedules in this Rehabilitation Plan takes effect with respect to a Contributing Employer, the current Schedule continues to apply. Prior to negotiations, the Bargaining Parties must request in writing from the Fund Office contribution rate sequences that will conform to one of the Schedules. Subsequent to negotiations, the Bargaining Parties must submit all contribution rate sequences in any renewal or extension of a collective bargaining agreement or other agreement requiring contributions to the Fund (“CBA”) to the Fund Office for approval. Subject to the sole discretion of the Trustees, a Schedule is adopted when the Trustees receive substantiation that a CBA includes terms consistent with the requirements of a Schedule. In general, the Trustees will consider the Bargaining Parties to have adopted a particular Schedule, and will consider the terms of a CBA to be consistent with this Rehabilitation Plan, when a CBA is adopted in accordance with the Schedule’s requirements.

Notwithstanding the foregoing, as always, regardless of whether or not a CBA complies with the Rehabilitation Plan, the Trustees reserve the right to reject a CBA that is determined to be detrimental to the actuarial soundness of the Fund.

Notwithstanding anything herein to the contrary, effective January 1, 2013, the monthly amount of any Early, Thirty Year, or Vested Pension for an Employee who first becomes an Active Participant on or after October 15, 2009 and before January 1, 2013, will be the greater of such Participant’s accrued benefit as of December 31, 2012, payable as a monthly benefit at age 65, and reduced by 6% for each year the benefit commences before age 65; and the Early, Thirty Year, or Vested Pension calculated in accordance with the applicable Alternative Schedule, based upon such Participant’s Credited Service as of the Benefit Commencement Date.

#### 2. **Adjustable Benefits**

Effective January 1, 2011, the following Adjustable Benefits were eliminated for all Participants:

- a) The Regular Pension (age 60);
- b) Disability Benefits, including the Disability Pension and Lump Sum Disability Benefit;
- c) Death Benefits, including but not limited to, the Lump Sum Death Benefit and 60-month pre-retirement death benefit;
- d) Supplemental Social Security Benefit – Participants shall not earn any future accruals towards this benefit on or after January 1, 2011; and
- e) All Reciprocal Pensions to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

Effective January 1, 2011, Participants covered under the Default Schedule also had the following Adjustable Benefits eliminated:

- a) The Thirty-Year Pension;
- b) As of October 1, 2007, the benefit accrual rate of 1.3 percent of Employer Contributions was increased to 1.73 percent following the earlier of: (i) the midpoint of the period between a Participant's Unreduced Retirement Date and the Participant's Unreduced Social Security Retirement Date; or (ii) 5 years following a Participant's Unreduced Retirement Date ("Supplemental Accrual Rate"). This Supplemental Accrual Rate is eliminated for any accruals earned on or after January 1, 2011.
- c) The following Benefit Payment options:
  - 1) Five Year Certain Annuity;
  - 2) Ten Year Certain Annuity;
  - 3) Qualified 100% Joint and Survivor Annuity;
  - 4) 50%, 75% and 100% Joint and Survivor Annuity with Pop-Up.
  - 5) Voluntary lump sum payments equal to \$5,000 or more.

Notwithstanding these benefit eliminations, there have been no changes to the Normal Pension benefit, and nothing shall be construed to reduce the level of a Participant's accrued benefit payable at Normal Retirement Age.

**3. Thirty-Year Pension and Special Transition Benefit Under Alternative Schedules A-F**

a. Age Requirement For Thirty-Year Pension

A Participant who has not begun receiving benefits by December 31, 2010 will not be able to retire with an unreduced Thirty-Year Pension solely due to the accrual of 30 years of Credited Service. However, Participants will be eligible to receive an unreduced Thirty-Year Pension upon attaining a certain age prior to retirement ("Unreduced Age") in addition to accruing 30 years of Credited Service. The Unreduced Age for each Schedule is described below.

b. Transition Benefit

Generally, if a Participant retires with 30 years of Credited Service but prior to the attainment of the Unreduced Age applicable to his or her Schedule, that Participant's benefits will be reduced accordingly (as described under each Schedule). However, all of the Alternative Schedules provide a transition benefit. Under the transition benefit, Participants with at least 25 years of Credited Service as of January 1, 2011 who retire after earning at least 30 years of Credited Service but prior to attaining the applicable Unreduced Age will not have their Thirty-Year Pension benefit reduced by as much as otherwise described under each Schedule. Such Participants will have the following early reduction factors applied to their benefit:

<b>Years of Service as of January 1, 2011</b>	<b>Reduction Per Year from Unreduced Age</b>
30	0%
29	1%
28	2%
27	3%
26	4%
25	5%

**4. The Extent to Which Contribution Rate Increases Impact Accruals**

As described below, contribution rate increases under each of the Schedules, except for Schedules F and G, are either "non-benefit bearing" or "one-percent (1%) bearing." Non-benefit bearing means that the contribution rate that is used to calculate benefits for each year in the future shall be the contribution rate in effect in 2010. Any subsequent contribution rate increases will not be taken into account for the purpose of calculating future benefit accruals. One-percent (1%) bearing means that the contribution rate that is used to calculate benefits for

each year in the future shall be the contribution rate in effect in 2010, increased by one-percent (1%) for each year beyond 2010.

Regardless of this distinction, any contribution rate increases above those required by a specific Schedule will be “benefit bearing,” which means that all of the contributions above those required under a Schedule shall be multiplied by the percentage provided under the specific Schedule to calculate future benefit accruals for the Normal Pension. In accordance with Section 305(f)(1)(B) of ERISA, such an increase in benefit accruals is paid for out of additional contributions not contemplated by the Rehabilitation Plan, and the Fund’s actuary has certified that these additional contributions improve the Fund’s actuarial measures after taking their benefit bearing nature into account.

Contributions made under Schedule F are 100% benefit bearing. Contributions under Schedule G are .25% benefit bearing; however, no future rate increases required under Schedule G are non-benefit bearing.

The Schedules adopted by the Trustees as of January 1, 2013 are set forth below. Unless otherwise indicated, all capitalized terms used in these Schedules shall have the definitions and meanings assigned to them in the Plan.

**B. Rehabilitation Plan Schedules**

**1. Default Schedule**

The Default Schedule shall apply to Participants whose Contributing Employers agree to comply with this Default Schedule (or who become subject to the Default Schedule imposed by law due to a failure to achieve an agreement to accept any of the Alternative Schedules within the time period prescribed by Section 305(c)(3)(C) of ERISA).

**a. Contributions**

Compliance with the Default Schedule requires the Contributing Employer’s contribution rate to increase by 6.00% annually.

**b. Future Benefit Accruals**

For Participants covered under the Default Schedule, the future benefit accrual for the Normal Pension will be 1.0% of the Employer Contributions required to be made on behalf of the Participant. However, increases in a Contributing Employer’s contribution rate required under the Default Schedule will be non-benefit bearing.

**c. Adjustable Benefits**

Participants covered under the Default Schedule shall have all of the Adjustable Benefits listed above in Section III.A.2. eliminated. In addition, the Early and Vested Pensions shall equal the Actuarial Equivalent of the monthly amount of the Normal Pension to

which a Participant would have been entitled upon attaining age sixty-five (65) based upon his Credited Service as of the date of his early retirement.

**2. Alternative Schedule A**

a. Contributions

Compliance with Alternative Schedule A requires the Contributing Employer's contribution rate to increase by 6.00% annually.

b. Future Benefit Accruals

For Participants covered under Alternative Schedule A, the future benefit accrual for the Normal Pension will be 0.30% of the Employer Contributions required to be made on behalf of the Participant. However, increases in a Contributing Employer's contribution rate required under Alternative Schedule A will be non-benefit bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule A shall have all of the Adjustable Benefits listed above in Section III.A.2. eliminated. The Supplemental Accrual Rate is also eliminated under Alternative Schedule A for any accruals earned on or after January 1, 2011. In addition, the Early and Vested Pensions shall equal the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age sixty-five (65) based upon his Credited Service as of the date of his early retirement.

Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for the transition benefit and will have their Thirty-Year Pension reduced by the transition benefit's early reduction factors based on an Unreduced Age of 65. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule A and begins receiving benefits at the age of 60 after having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by approximately 42% as they would be for an Early Pension benefit.

**3. Alternative Schedule B**

a. Contributions

Compliance with Alternative Schedule B requires the Contributing Employer's contribution rate to increase by 6.50% annually.

b. Future Benefit Accruals

For Participants covered under Alternative Schedule B, the future benefit accrual for the Normal Pension will be 0.50% of the Employer Contributions required to be

made on behalf of the Participant. However, increases in a Contributing Employer's contribution rate required under Alternative Schedule B will be non-benefit bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule B shall have all of the Adjustable Benefits listed above in Section III.A.2. eliminated. The Supplemental Accrual Rate is also eliminated under Alternative Schedule B as of January 1, 2011 for any Participants who are not eligible for that rate prior to January 1, 2011. In addition, the Early and Vested Pensions shall be calculated by reducing the Normal Pension benefit by 6% for each year prior to the age of 65 that a Participant begins receiving benefits. However, if the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age 65 based upon his Credited Service as of the date of his retirement results in a greater benefit, he will receive the Actuarial Equivalent.

For the Thirty-Year Pension, the Unreduced Age for Participants under Schedule B is 62. As a result, Participants will need to attain Age 62 and accrue 30 years of Credited Service in order to retire with an unreduced Thirty-Year Pension. Generally, if a Participant retires after earning 30 years of Credited Service without attaining the Unreduced Age, benefits are reduced by 6% for each year prior to the Unreduced Age that a Participant begins receiving benefits. However, Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for the transition benefit and will have their Thirty-Year Pension reduced, if at all, by the transition benefit's early reduction factors based on an Unreduced Age of 62. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule B and begins receiving benefits at the age of 57 after having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by 30% (6% x 5 years) as otherwise provided under this Schedule.

4. **Alternative Schedule C**

a. Contributions

Compliance with Alternative Schedule C requires the Contributing Employer's contribution rate to increase by 6.75% annually.

b. Future Benefit Accruals

For Participants covered under Alternative Schedule C, the future benefit accrual for the Normal Pension will be 0.30% of the Employer Contributions required to be made on behalf of the Participant. However, increases in a Contributing Employer's contribution rate required under Alternative Schedule C will be non-benefit bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule C shall have all of the Adjustable Benefits listed above in Section III.A.2. eliminated. The Supplemental Accrual Rate

is also eliminated under Alternative Schedule C as of January 1, 2011 for any Participants who are not eligible for that rate prior to January 1, 2011. In addition, the Early and Vested Pensions shall be calculated by reducing the Normal Pension benefit by 6% for each year prior to the age of 65 that a Participant begins receiving benefits. However, if the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age 65 based upon his Credited Service as of the date of his retirement results in a greater benefit, he will receive the Actuarial Equivalent.

For the Thirty-Year Pension, the Unreduced Age for Participants under Schedule C is 60. As a result, Participants will need to attain Age 60 and accrue 30 years of Credited Service in order to retire with an unreduced Thirty-Year Pension. Generally, if a Participant retires after earning 30 years of Credited Service without attaining the Unreduced Age, benefits are reduced by 6% for each year prior to the Unreduced Age that a Participant begins receiving benefits. However, Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for the transition benefit and will have their Thirty-Year Pension reduced, if at all, by the transition benefit's early reduction factors based on an Unreduced Age of 60. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule C and begins receiving benefits at the age of 55 after having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by 30% (6% x 5 years) as otherwise provided under this Schedule.

## 5. **Alternative Schedule D**

### a. Contributions

Compliance with Alternative Schedule D requires the Contributing Employer's contribution rate to increase by 7.75% annually.

### b. Future Benefit Accruals

For Participants covered under Alternative Schedule D, the future benefit accrual for the Normal Pension will be 0.50% of the Employer Contributions required to be made on behalf of the Participant. Increases in a Contributing Employer's contribution rate required under Alternative Schedule D will be one-percent (1%) bearing.

### c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule D shall have all of the Adjustable Benefits listed above in Section III.A.2. eliminated. The Supplemental Accrual Rate is also eliminated under Alternative Schedule D as of January 1, 2011 for any Participants who are not eligible for that rate prior to January 1, 2011. In addition, the Early and Vested Pensions shall be calculated by reducing the Normal Pension benefit by 6% for each year prior to the age of 65 that a Participant begins receiving benefits. However, if the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age 65 based upon his Credited Service as of the date of his retirement results in a greater benefit, he will receive the Actuarial Equivalent.

For the Thirty-Year Pension, the Unreduced Age for Participants under Schedule D is 57. As a result, Participants will need to attain Age 57 and accrue 30 years of Credited Service in order to retire with an unreduced Thirty-Year Pension. Generally, if a Participant retires after earning 30 years of Credited Service without attaining the Unreduced Age, benefits are reduced by 6% for each year prior to the Unreduced Age that a Participant begins receiving benefits. However, Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for the transition benefit and will have their Thirty-Year Pension reduced, if at all, by the transition benefit's early reduction factors based on an Unreduced Age of 57. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule D and begins receiving benefits at the age of 52 after having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by 30% (6% x 5 years) as otherwise provided under this Schedule.

**6. Alternative Schedule E**

a. Contributions

Compliance with Alternative Schedule E requires the Contributing Employer's contribution rate to increase by 8.25% annually.

b. Future Benefit Accruals

For Participants covered under Alternative Schedule E, the future benefit accrual for the Normal Pension will be 0.50% of the Employer Contributions required to be made on behalf of the Participant. Increases in a Contributing Employer's contribution rate required under Alternative Schedule E will be one-percent (1%) bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule E shall have all of the Adjustable Benefits listed above in Section III.A.2. eliminated. The Supplemental Accrual Rate is also eliminated under Alternative Schedule E as of January 1, 2011 for any Participants who are not eligible for that rate prior to January 1, 2011. In addition, the Early and Vested Pensions shall be calculated by reducing the Normal Pension benefit by 6% for each year prior to the age of 65 that a Participant begins receiving benefits. However, if the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age 65 based upon his Credited Service as of the date of his retirement results in a greater benefit, he will receive the Actuarial Equivalent.

For the Thirty-Year Pension, the Unreduced Age for Participants under Schedule E is 55. As a result, Participants will need to attain Age 55 and accrue 30 years of Credited Service in order to retire with an unreduced Thirty-Year Pension. Generally, if a Participant retires after earning 30 years of Credited Service without attaining the Unreduced Age, benefits are reduced by 6% for each year prior to the Unreduced Age that a Participant begins receiving benefits. However, Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for

the transition benefit and will have their Thirty-Year Pension reduced, if at all, by the transition benefit's early reduction factors based on an Unreduced Age of 55. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule E and begins receiving benefits at the age of 50 after having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by 30% (6% x 5 years) as otherwise provided under this Schedule.

#### 7. **Alternative Schedule F**

Alternative Schedule F is first available effective June 1, 2012 to Contributing Employers who, subject to the approval of the Board of Trustees, withdraw from the Fund, pay the Fund 80% of the present value of their statutorily-required withdrawal liability as a lump sum and return to the Fund immediately as a Renewed Contributing Employer. An Employer may also negotiate to pay its withdrawal liability, with interest, in periodic installments over a period not to exceed five years. A Renewed Contributing Employer shall have its withdrawal liability calculated under the Direct Attribution Method, for which the Trustees have amended the Plan to adopt (subject to necessary governmental approval) as applicable only to Renewed Contributing Employers.

Upon the effective date of the Employer's return as a Renewed Contributing Employer, the Employer shall contribute to the Fund at a rate that is 15% less than the Contributing Employer's rate under the Applicable Schedule. For the purposes of the Rehabilitation Plan, "Applicable Schedule" shall mean the Schedule that the Contributing Employer and its participants were covered under immediately preceding the withdrawal.

Alternative Schedule F is also available to Contributing Employers who, subject to the approval of the Board of Trustees, withdraw from the Fund, return immediately as a Renewed Contributing Employer, and pay amounts that are equivalent to the 80% and 15% figures found in this subsection. Equivalent amounts are to be determined by the Board of Trustees. Once an Employer becomes covered under Alternative Schedule F, that Employer must remain under such Schedule for a period of at least five years.

However, in the event that the Employer, or the Employer's successors, assigns or purchasers of the Employer's assets under ERISA §4204, if any, completely withdraws from the Fund within ten years of the effective date of the withdrawal described in the previous paragraph, for any reason other than those agreed to by the Trustees and the Employer in advance, the Employer or the Employer's successors, assigns or purchasers of the Employer's assets under ERISA §4204, if any, shall pay the Fund an amount equal to: (1) the difference between 100% of the present value of the Employer's statutorily-required withdrawal liability at the time of the withdrawal that allowed it to come under this Schedule F, and the amount that the Employer actually paid, plus (2) the difference between the amount of contributions paid by the Employer under Alternative Schedule F through the effective date of complete withdrawal from the Fund and the amount of contributions that would have otherwise been made by the Employer under the Applicable Schedule, taking into account any discounts on contribution rates or holidays on contribution rate increases provided by Alternative Schedule F.

a. Contributions

Compliance with Alternative Schedule F requires the Contributing Employer's contribution rate to equal an amount 15% less than the Contributing Employer's last rate immediately preceding the Employer's withdrawal under the Applicable Schedule for the first year, no contribution rate increases for the succeeding four years and then the applicable rate increases under the Applicable Schedule.

b. Future Benefit Accruals

For Participants covered under Alternative Schedule F, the future benefit accrual for the Normal Pension will be 1.00% of the Employer Contributions required to be made on behalf of the Participant. Contributions made under Schedule F, including any future increases, will be 100% benefit bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule F shall be subject to the provisions under the "Adjustable and Transition Benefits" section of their Applicable Schedule.

**8. Alternative Schedule G**

Alternative Schedule G is first available effective January 1, 2013 for Contributing Employers that have been specifically accepted and approved by the Trustees, in their sole discretion, as satisfying the following conditions:

- 1) the common stock of the Contributing Employer or its parent corporation (or other affiliate under 80% or more common control with the Contributing Employer) is publicly traded and registered pursuant to the securities laws of the United States;
- 2) the Contributing Employer submits to a review of its financial condition and operations by the Fund Office and outside experts and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund Office to any such review, with this reimbursement to be made at market rates for comparable services performed by the Fund Office);
- 3) on the basis of this financial and operational review, the Trustees determine that (a) the Contributing Employer is not able to contribute to the Fund at the higher rate required by its current or most-recent Participation Agreement, and (b) acceptance of a proposed new Participation Agreement and collective bargaining agreement that meet the requirements of Alternative Schedule G is in the best interest of the Fund

under all the circumstances and advances the goals of this Rehabilitation Plan; and

- 4) the Contributing Employer must not have any outstanding liabilities owed to the Fund and must be current in its contributions.

Note: If a Contributing Employer becomes subject to this Alternative Schedule G with respect to a particular Bargaining Unit, the Fund will not accept from that Contributing Employer any Participation Agreements or Collective Bargaining Agreements which are covered by Alternative Schedules A-F, except as determined by the Trustees in their sole discretion.

a. Contributions

Compliance with Alternative Schedule G requires the Contributing Employer's contribution rate to have been specifically accepted and approved by the Trustees, in their sole discretion, but in no case shall the contribution rate ever be less than 25% of the last contribution rate required to be paid by the Contributing Employer.

Additionally, compliance with Alternative Schedule G requires the Contributing Employer's contribution rate to increase by 6.00% annually. Alternatively, subject to the approval of the Trustees, the required 6.00% increase in the annual contribution rate, or any portion thereof, may be satisfied for the duration of the collective bargaining agreement through a reduction of the 0.25% future benefit accrual rate by the actuarial equivalent of the required 6% increase or any part thereof or by a reduction of the bearing portion of the contribution rate as determined by the Trustees.

b. Future Benefit Accruals

For Participants covered under Alternative Schedule G, the future benefit accrual for the Normal Pension will be 0.25% of the Employer Contributions required to be made on behalf of the Participant or other percentage as determined by the Trustees. However, increases in a Contributing Employer's contribution rate required under Alternative Schedule G will be non-benefit bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule G shall have all of the Adjustable Benefits listed above in Section III.A.2. eliminated including those under the Default Schedule. In addition, the Early and Vested Pensions shall equal the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age sixty-five (65) based upon his Credited Service as of the date of his early retirement.

d. Employer Withdrawal Liability

If a Contributing Employer that elected Alternative Schedule G withdraws from the Fund, the employer withdrawal liability shall be calculated as if Alternative Schedule G had not been elected and instead shall be calculated as if the Contributing Employer continued to be covered by the Schedule applicable to it prior to becoming covered by Alternative Schedule G. The contribution rates used to calculate withdrawal liability shall be the rates, including any increases, required by the Contributing Employer's Participation Agreement prior to becoming covered by Alternative Schedule G. The contribution base units shall be the greater of the actual contribution base units while participating in Alternative Schedule G or an average of the contribution base units during the three years immediately prior to becoming covered by Alternative Schedule G, which will be imputed for each year of participation in said Schedule.

In addition, if a Contributing Employer that elected Alternative Schedule G withdraws from the Plan with any gap in the contribution history due to, among other reasons, a temporary termination or cessation of contributions, the Contributing Employer's contributions shall be imputed for any such gap period solely for the purpose of calculating withdrawal liability. The imputed contributions, which shall be treated as contributions required to be made under the Fund by the Contributing Employer, shall be calculated using the rates, including any increases, required by the Contributing Employer's Participation Agreement immediately prior to becoming covered by Alternative Schedule G. The contribution base units used in calculating withdrawal liability during the gap period shall be based on the average of the contribution base units during the three years immediately prior to the gap period.

Notwithstanding anything in the Section (d), the employer withdrawal liability for a Contributing Employer that elected Alternative Schedule G and later withdraws from the Fund shall be calculated in accordance with the assumptions and methods used by the Fund's actuary.

**C. Summary of All Schedules**

The following chart summarizes the annual contribution rate increases, future benefit accrual rates, and the unreduced age at which a participant may retire with an unreduced benefit upon the attainment of 30 years of service, for each Schedule.

Schedule	Annual Contribution Rate Increases	Future Benefit Accruals as a % of Contributions	Unreduced Age for Transitional Benefit	Contribution Increases Benefit Bearing
Default	6.00% each year Non-benefit bearing	1.00%	N/A	1.00% accrual on amount above required
Alternative Schedule A	6.00% each year Non-benefit bearing	0.30%	65	0.30% accrual on amount above required
Alternative Schedule B	6.50% each year Non-benefit Bearing	0.50%	62	0.50% accrual on amount above required
Alternative Schedule C	6.75% each year Non-benefit bearing	0.30%	60	0.30% accrual on amount above required
Alternative	7.75% each year	0.50%	57	0.50% accrual on

Schedule D	1.00% Bearing			amount above required
Alternative Schedule E	8.25% each year 1.00% Bearing	0.50%	55	0.50% accrual on amount above required
Alternative Schedule F	15.00% reduction first year; 0.00% increase for 4 years; Applicable Schedule Thereafter 100% Bearing	1.00%	Applicable Schedule	1.00% accrual on all contributions
Alternative Schedule G	6.00% each year Non-benefit bearing	0.25%	N/A	0.25% accrual on amount above required

**D. Inactive Vested Participants**

Inactive vested participants shall be covered under the terms of the Default Schedule. For these purposes, an “inactive vested participant” is a Participant who is vested under the Plan but who has not earned at least one (1) Hour of Service in this Fund on or after January 1, 2011.

**E. Participant Benefits Under a Schedule**

Once a Participant becomes covered under one of these Schedules by earning one Hour of Service under that Schedule, the provisions included in that Schedule shall govern the determination of that individual’s benefits. This includes any Participants who previously participated in plans that merged into the Fund. Any benefits, rights and features provided under those merged-in plans that may have been included in the Fund’s Plan document will be superseded by the applicable Schedule to the extent permitted by law.

In order to qualify for the unreduced early retirement provisions of a particular Schedule, a participant must earn 5,000 Hours of Service under that Schedule, with no more than 1,000 Hours of Service being taken into account for that purpose in any particular plan year (“Hours Requirement”). If an Employer becomes covered under Alternative Schedule F, Hours of Service that a participant has earned under an Applicable Schedule will be combined with Hours of Service earned under Alternative Schedule F to satisfy the Hours Requirement. Any accruals under a Schedule for which the Hours Requirement has not been met will be at the Schedule’s accrual rate, but will be based on the Default Schedule’s early retirement reduction provisions. In addition, benefits accrued as of December 31, 2010 will “attach” to the eligibility requirements of the highest Schedule under which a Participant has satisfied the Hours Requirement. Notwithstanding the foregoing, Participants who earned 25 or more Years of Credited Service as of December 31, 2010, are not subject to the Hours Requirement, but will qualify for the provisions of a Schedule after earning one Hour of Service under that Schedule. However, if a Participant who has earned 25 or more years of Credited Service as of December 31, 2010, does not qualify for benefits under a particular Schedule by August 20, 2014, such Participant must earn 1,000 Hours of Service under that Schedule before the Participant will qualify for benefits that are calculated and paid pursuant to that Schedule.

**F. Rehabilitation Plan Withdrawal**

Notwithstanding anything herein to the contrary, subject to applicable law and the discretion of the Trustees, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after June 1, 2012 shall have their Adjustable Benefits listed in Section III.A.2 eliminated or reduced to the extent indicated below.

**1. Adjustable Benefits Eliminated or Reduced**

Subject to the provisions indicated in this Section F, effective June 1, 2012, all Adjustable Benefits listed in Section III.A.2, including those under the Default Schedule, shall be eliminated or reduced with respect to any Participant whose benefit commencement date with the Fund is on or after June 1, 2012 and who (i) has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after June 1, 2012 incurs a Rehabilitation Plan Withdrawal, and (ii) whose last year of Credited Service prior to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit ultimately incurring such Withdrawal. In addition, the Early and Vested Pensions shall equal the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age sixty-five (65) based upon his Credited Service as of the date of his early retirement.

Provided, however, that any Pensioner otherwise subject to the elimination of Adjustable Benefit due to a Rehabilitation Plan Withdrawal pursuant to this section, who has a benefit commencement date one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal, or (ii) the date of the expiration of the last CBA requiring Employer Contributions under Schedules A – G prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits.

And provided that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits due to a Rehabilitation Plan Withdrawal shall not incur a loss of Adjustable Benefits with respect to any surviving spouse benefits for which such spouse has a benefit commencement date prior to the date of the Rehabilitation Plan Withdrawal.

**2. Rehabilitation Plan Withdrawal**

Subject to the discretionary authority of the Board of Trustees indicated in this Section F.2., a “Rehabilitation Plan Withdrawal” occurs on the date a Contributing Employer is no longer required to make Employer Contributions to the Fund under one or more of its CBAs as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

- (1) decertification or other removal of the Union as a bargaining agent;
- (2) ratification or other acceptance of a CBA which permits withdrawal of the Bargaining Unit, in whole or in part, from the Fund;

- (3) administrative termination of the Contributing Employer with respect to any or all of its CBAs due to: (i) a violation of the Fund's rules with respect to the terms of a CBA; or (ii) a violation of any other Fund rule or policy; or
- (4) any transaction or other event whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to the number of participants and contribution rate) as existed before the transaction.

Provided, however, that with respect to the circumstances described in subparagraphs (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

- (i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;
- (ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;
- (iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;
- (iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and
- (v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

Notwithstanding anything in this subsection 2 to the contrary, a Rehabilitation Plan Withdrawal shall not occur at the time a Contributing Employer withdraws from the Fund pursuant to Alternative Schedule F.

### **3. Restoration of Adjusted Benefits**

Any Participant who incurs a benefit adjustment or elimination under the terms of this Section III.F. may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant (i) permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal, and (ii) subsequently earns one year of Credited Service with a Contributing Employer while that Employer is in compliance with one of the Alternative Schedules described herein.

**G.     Surcharges for Noncompliant Contracts**

Under the PPA, if Bargaining Parties fail to submit a CBA which the Trustees have determined to comply with one of the Schedules, a Contributing Employer is subject to monthly surcharges equal to a percentage of contributions owed to the Fund every month. The monthly surcharge will continue until the Trustees approve a CBA submitted by the Bargaining Parties that meets the requirements of one of the Schedules (or the Default Schedule is imposed in accordance with the PPA as explained above). A Contributing Employer's failure to make a surcharge payment is treated as a delinquent contribution. Participants will not accrue any benefits as a result of the payment of these surcharges.

**H.     Annual Review of Rehabilitation Plan and Schedules**

The Trustees will review the Rehabilitation Plan and its Schedules annually with the assistance of the Fund's actuary, as they find necessary. If, for example, the Fund's actual experience does not reflect the assumptions used to develop the Rehabilitation Plan and its Schedules, the Trustees may amend or modify the Rehabilitation Plan and/or its Schedules, based on the advice of the Fund's actuary, to reflect the Fund's experience over the preceding plan year(s). However, if the Bargaining Parties have adopted a CBA that complies with one of the Schedules, the contribution rate requirements in the Schedules will continue for the duration of that CBA.