Notice of Critical and Declining Status
for
New York State Teamsters Conference Pension and Retirement Fund
EIN: 16-6063585 / Plan Number: 074

This is to inform you that on March 31, 2017, the actuary for the New York State Teamsters Conference Pension and Retirement Fund (the "Plan") certified to the U.S. Department of the Treasury and the Board of Trustees (the "Trustees") that the Plan is in Critical and Declining status for the Plan year beginning January 1, 2017. Federal law requires that you receive this notice.

Critical and Declining Status

The Plan is considered to be in Critical and Declining status, a new funding status category under the Multiemployer Pension Reform Act of 2014 ("MPRA"), because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan's funded percentage is 65% or less, and the Plan is projected to have an accumulated funding deficiency within the next four years and that it is projected to go insolvent within the next 19 Plan Years. Currently, the Plan is expected to become insolvent and require financial assistance from the PBGC by the year 2026.

Rehabilitation Plan

Prior to the passage of MPRA, federal law required pension plans in Critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. Prior law also permitted pension plans in Critical status to reduce or eliminate benefits called "adjustable benefits" as part of a rehabilitation plan. Prior law also required all contributing employers pay to pension plans in Critical status a surcharge of between 5-10% of the amount the employer is otherwise required to contribute until the employer's collective bargaining agreement was amended to comply with the rehabilitation plan.

For the 2010 through 2015 Plan Years, the actuary certified the Plan as being in Critical status. The Trustees adopted a rehabilitation plan effective January 1, 2011, which was subsequently amended and restated effective January 1, 2015. Pursuant to the Plan's rehabilitation plan, you were previously notified if your adjustable benefits were reduced or eliminated and that the Plan was no longer permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it was in Critical status.

Accrued Benefits

Prior to MPRA, most adjustable benefits could not be reduced below the level of a participant's basic benefit at normal retirement, and the reductions could only apply to participants and beneficiaries whose benefit commencement date was on or after April 30, 2010. Any reduction of adjustable benefits, as allowed for under the current rehabilitation plan, has not reduced the level of a participant's basic benefit payable at normal retirement.

For the 2016 Plan Year, the actuary certified the Plan as being in Critical and Declining Status. With the certification of the Plan as Critical and Declining status under MPRA, there are additional benefit adjustments that the Trustees must consider to improve the funding and liquidity problems facing the Plan. MPRA provides for pension plans to suspend accrued benefits payable at normal retirement for participants, including those in pay status (retirees). Specifically, the suspension of accrued benefits could include reduction of the normal retirement age benefit for active employees and terminated employees who have not started their pension as well as a reduction in the benefit currently payable to retirees and beneficiaries. Any suspension of accrued benefits may not reduce the level of a participant's benefit to less than 110% of the PBGC benefit guarantee level nor may it reduce benefits for any participant on a disability pension or who is over the age of 80 (and any benefit suspension is phased in from age 75 to 80).

On August 31, 2016, the Board of Trustees of the New York State Teamsters Conference Pension and Retirement Fund ("Plan") submitted an application to the U.S. Treasury Department for approval to reduce benefits under the Plan effective July 1, 2017. The Treasury Department originally had until April 13th, 2017 to decide if the application met all of the legal requirements under Federal law. On April 5, 2017, the Plan withdrew its application. It intends to submit a revised application as soon as practicable.

If the application is approved, all Participants and Beneficiaries of the Fund will have the opportunity to vote on the proposed reduction. Unless a majority of all participants and beneficiaries of the Plan vote to reject the reduction, the Treasury Department must allow the reduction of benefits to take effect. This means that not voting counts the same as a vote to approve the reduction.

Even if a majority votes to reject the proposed reduction of benefits, Federal law requires the Treasury Department to allow the proposed benefit reduction (or a modified version) to take effect if the cost to PBGC to provide guaranteed benefits is particularly large. This rule applies if the value of payments from PBGC (if the plan runs out of money) is expected to be more than $1 billion. Before the Treasury Department permits a reduction in this circumstance, PBGC's Participant and Plan Sponsor Advocate may recommend possible modifications to the proposed reduction.

You will be notified of the outcome of the Treasury Department decision and details regarding the voting process (if approved) as soon as it is available.

Where to Get More Information

For more information about this Notice, you may contact Kenneth Stilwell, Executive Administrator, New York State Teamsters Conference Pension and Retirement Fund, P.O. Box 4928, Syracuse, NY 13221-4928; phone number 315.455.9790; email benefits@nytfund.org. You have a right to receive a copy of the rehabilitation plan from the Plan.