

Notice of Critical and Declining Status For

Teamsters Union Local No. 52 Pension Fund

This is to inform you that on March 29, 2019, the plan actuary certified to the U.S. Department of the Treasury, and to the plan sponsor, that the Teamsters Union Local No. 52 Pension Fund (hereafter, the "Plan") is in critical and declining status for the plan year beginning January 1, 2019. Federal law requires that you receive this notice.

Critical and Declining Status

Critical and declining status is a category of pension plan funding status created by the recent Multiemployer Pension Reform Act of 2014 ("MPRA"). The Plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan had a funding deficiency in the Funding Standard Account as of the end of the Plan Year beginning January 1, 2018, and was projected to become insolvent within 15 years.

Rehabilitation Plan

Prior to the passage of MPRA, federal law already required that pension plans in critical status adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the twelfth year the Plan has been in critical status and the fifth year the Plan has been in critical and declining status. Prior law also permitted pension plans in the red zone to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. On April 28, 2008, you were notified that as of that date, the Plan while it is in critical status is not permitted to pay lump sum benefits or any other payment in excess of the monthly amount paid under a single life annuity (except for the payout of benefits worth less than \$5,000). On June 1, 2008, you were notified that the Plan had adopted a Rehabilitation Plan that included several different funding schedules and certain schedules reduced or eliminated adjustable benefits provided under the Plan. Also, adjustable benefits were eliminated for participants who on or before April 28, 2008 became so-called "deferred vested participants" and for participants with an employer that underwent a rehabilitation plan withdrawal after April 28, 2008.

On December 15, 2010, the Rehabilitation Plan was updated to forestall insolvency and the required contribution rate increases were revised. On July 25, 2012, the Rehabilitation Plan was updated to clarify what it means to forestall insolvency and the required contribution rate increases were revised. On October 22, 2014, the Rehabilitation Plan was updated to further forestall insolvency. All schedules in the Rehabilitation Plan were updated to include changes to early retirement subsidies under the Service Pension, changes to the Disability Pension Benefit, and changes to the Pre-Retirement Surviving Spouse Benefit effective January 1, 2015. If the trustees of the Plan determine that further benefit reductions become necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

Participants who submitted an application for retirement benefits before April 28, 2008 are not affected by the Rehabilitation Plan.

Adjustable Benefits

The Plan offers the following adjustable benefits that may be reduced or eliminated as part of any update to the current Rehabilitation Plan:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- Other similar benefits, rights, or features under the Plan, such as the Golden 90 pension.

Employer Surcharge

The law requires that all contributing employers that have not elected a schedule under the Rehabilitation Plan pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Plan is in critical status.

Benefit Suspensions and Partition

Under MPRA, a plan that has been determined to be in critical and declining status and is projected to become insolvent may be able to adopt certain reductions to accrued benefits, subject to various requirements and limitations, if doing so is projected to prevent insolvency. Generally, in order for the plan sponsor to adopt a benefit suspension, the suspension must be approved by the Department of the Treasury (Treasury) in consultation with the Department of Labor and the Pension Benefit Guaranty Corporation (PBGC), and ratified by a vote of the plan's participants and beneficiaries. MPRA also provides that a plan in critical and declining status that cannot be projected to avoid insolvency by benefit suspension alone, may be eligible to apply to the PBGC for a partition, subject to various requirements and limitations, if a partition (in addition to suspension) is projected to prevent insolvency. Because the Plan is in critical and declining status for the 2019 plan year, the plan sponsor is eligible to apply to Treasury for approval of benefit suspensions and, if necessary, to PBGC for a partition.

Where to Get More Information

For more information about this Notice, you may contact Board of Trustees at 6511 Eastland Road, Suite 160, Brook Park, OH 44142-1309; 440-243-8459. You have a right to receive a copy of the Rehabilitation Plan from the Plan.

This Notice is dated April 26, 2019.

As required by law, this notice is being provided to all required parties including the Pension Benefit Guaranty Corporation (PBGC), the U.S. Department of Labor, each Plan Participant and Beneficiary, the Union and each the Contributing Employer.

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