

**Notice of Critical 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 30, 2018, 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 Status for the Plan year beginning January 1, 2018. Federal law requires that you receive this notice.

**Critical Status**

The Plan is considered to be in critical status 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.

**Rehabilitation Plan**

Prior to the passage of Multiemployer Pension Reform Act of 2014 ("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 October 1, 2017. Pursuant to the Plan's rehabilitation plan, you were previously notified if your adjustable benefits were reduced or eliminated as well as 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 and 2017 Plan Years, 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 were additional benefit adjustments that the Trustees were required to 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 May 15, 2017, 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 October 1, 2017. The application was approved by the Treasury on September 13, 2017 and the benefit reductions were implemented on October 1, 2017.

### **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](mailto:benefits@nytfund.org). You have a right to receive a copy of the rehabilitation plan from the Plan.