

TEAMSTERS LOCAL UNION NO. 211

Pension Fund



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JOSEPH A. MOLINERO
Chairman

WILLIAM SOUTHERN
Secretary

MEMORANDUM

To: Participants and Surviving Spouse Beneficiaries under the Teamsters Local Union No. 211 Pension Plan

From: Joseph A. Molinero, Chairman

Date: April 29, 2022

Re: Teamsters Local Union No. 211 Pension Plan: Notice of Critical Status

Enclosed is a legally required notice about the current funding status of the Teamsters Local Union No. 211 Pension Plan (the "Plan"). Below is some additional explanation.

Why is it called "critical" status? The term "critical" status is a term assigned to multiemployer pension plans that meet a list of specific criteria set by the Internal Revenue Service. The standards used to determine the "critical" status of the Plan are also set by the Internal Revenue Service. The Plan's "critical" status does not mean that the Plan is going to run out of money to pay benefits over the next few years. It means that the Plan has reached a certain funding level based on actuarial calculations dictated by the Internal Revenue Service.

How does this "critical" status affect the benefit that I have earned to date? At this time, based on the Plan's current funding status:

- **Benefits that you have earned to date cannot be reduced.** This means that at this time the normal retirement benefit that you have earned to date cannot be reduced. Currently, the only benefits that can possibly be reduced are future accruals or "adjustable benefits" (which are described in the attached Notice) but those reductions would not reduce the normal retirement benefit that you have already earned.
- **Any benefit payments that you (as a participant or surviving spouse) are currently receiving from the Plan cannot be reduced.** This means that at this time you will continue to receive the monthly benefit that you have been receiving from the Plan.

You will be notified in advance if there are any future changes. In addition, you will be notified if any adjustments are made to future accruals or adjustable benefits – *neither of which would affect individuals who are currently receiving benefit payments.*

What happens next? On November 11, 2015, the Joint Board of Administration – which is made up of union and employer representatives – adopted a rehabilitation plan with several rehabilitation options, each of which meets the specific requirements set by the Internal Revenue Service. Effective as of September 27, 2017, the default rehabilitation schedule went in effect and will remain in effect unless and until another optional rehabilitation schedule is approved as a result of a new collective bargaining agreement. The default schedule requires an increase in employer contributions and eliminates the disability pension subsidies for those who first incur a disability on or after October 27, 2017.

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NOTICE OF CRITICAL STATUS FOR TEAMSTERS LOCAL UNION NO. 211 PENSION PLAN

This is to inform you that on March 30, 2022, the Plan actuary certified to the U.S. Department of the Treasury, and also the Plan sponsor, that the Teamsters Local Union No. 211 Pension Plan (Pension Plan) remains in critical status for the plan year beginning January 1, 2022. Federal law requires that you receive this notice.

Critical Status

A plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Pension Plan's actuary determined that the Pension Plan has an accumulated funding deficiency for the 2022 plan year.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the sixth year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On September 27, 2017, you were notified that as of October 27, 2017, the plan would be reducing or eliminating adjustable benefits. On April 15, 2015, you were notified that as of March 30, 2015 the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 15, 2015.

Adjusted Benefits

The Pension Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Pension Plan may adopt:

- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy; and
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA).

Employer Surcharge

The law requires that all contributing employers pay to the Pension Plan a surcharge to help correct the Pension 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. A 10% surcharge is applicable for the 2022 plan year and each year thereafter in which the Pension Plan is in critical status until the employer agrees to a collective bargaining agreement that implements a rehabilitation option under the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact the Fund Office at 412-276-2373. Or, you may write to the Teamsters Local Union No. 211 Pension Plan, 1100 Washington Avenue, Suite 205, Carnegie, PA 15106. You have a right to receive a copy of any rehabilitation plan adopted by the Joint Board of Administration of the Pension Plan.

April 29, 2022