Notice of Critical and Declining Status
for
Teamsters Local 102 Pension Fund
EIN: 22-6106515 / PN: 001

This is to inform you that on June 29, 2019, the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Plan is in Critical and Declining status for the Plan year beginning April 1, 2019. Federal law requires that you receive this notice.

Critical and Declining Status

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 has not passed the "Emergence Test", meaning that the Plan was in Critical status last year, is in critical status this year and is projected to become insolvent (that is, to lack sufficient assets to pay benefits) within the next 19 years, and the inactive to active participant ratio is in excess of 2 to 1. Currently, the Plan is expected to become insolvent and require financial assistance from the PBGC by the year 2030.

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 9th year the Plan has been in critical status. While the law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan, the Trustees have been very selective in doing so. The Trustees have formulated schedules, including, as required by the PPA, a "Default Schedule", to be provided to the bargaining parties. These schedules are effective June 1, 2011 and are expected to be sufficient to allow the Fund to emerge from critical status by the end of the Rehabilitation Period.

The schedules are attached hereto and are incorporated into, and made a part, hereof. Each schedule contains two options, both of which are intended to enable the Plan to emerge from Critical Status by curing the Plan's projected funding deficit. The first option, referred to as the "Preferred Schedule", is recommended by the Trustees in that it allows for the Plan to continue without any decrease in the benefit accrual rate or elimination of adjustable benefits (described below). The second option, referred to as the "Default Option", provides for a lower increase in the contribution rate than the Preferred Schedule, but requires prospective decreases in the benefit accrual rate and elimination of the ability to retire with a Disability or Early Retirement pension ("adjustable benefits").

<u>Preferred and Default Schedules by Employer</u>

Benefit Changes

Preferred	*Default*
None	(i) reduces the benefit accrual rate on a prospective basis equal to 1% of contributions made on participants behalf. (ii) Prospectively eliminates the right to retire with a Disability or Early Retirement Pension, effective as of June 1, 2011 and

Hourly Contribution Rate Increases Required

2014 Rehabilitation Plan updated rates reflected in ***blue bold italics*** below.

Preferred

Effective Date: April 1	Teamsters 102	Peterson Stamping	Mount Lebanon Cemetery	Chemtura Corp.	Jones Apparel Group, Inc.	Jersey Paper Plus, Inc.
2011	$1.42	$0.46	$1.09		$1.42	
2012	$1.64	*$0.53*	$1.26		$1.64	
2013	$1.86	*$0.60*	$1.43	$1.37	$1.86	$1.34
2014	$2.08	*$0.67*	$1.60	$1.69	$2.08	$1.65
2015	***$2.81***					

Default

Effective Date: April 1	Teamsters 102	Peterson Stamping	Mount Lebanon Cemetery	Chemtura Corp.	Jones Apparel Group, Inc.	Jersey Paper Plus, Inc.
2011	$1.31	$0.43	$1.00		$1.31	
2012	$1.42	$0.47	$1.08		$1.42	
2013	$1.53	$0.51	$1.16	$1.21	$1.53	$1.19
2014	$1.64	$0.55	$1.24	$1.37	$1.64	$1.35
2015		***$0.74***	***$1.67***	***$1.85***		

Further, because the Plan is in Critical and Declining status, accrued benefits and benefits that are in pay status may be reduced, subject to the following restrictions and to the approval of governmental agencies and Plan participants, as indicated on the prior page:

- Benefits may be not be reduced for
  - Participants age 80 or older
  - Participants who are disabled
- Reductions are limited for participants between age 75 and 80, pro-rated for each month a participant is less than 80 years old
- Benefits may not be reduced below 110% of the PBGC maximum benefit guarantee of 100% of the first $11 plus 75% of the next $33 per year of service, or $39.33 per year of service

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation until such time as their collective bargaining agreements are updated to reflect the contribution increases required by the Rehabilitation Plan. 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.

Where to Get More Information

For more information about this Notice, you may contact:

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You have a right to receive a copy of the Rehabilitation Plan from the Plan.

Date sent: ________________________