

Notice of Critical Status For

Midwestern Teamsters Pension Plan

This is to inform you that on March 31, 2015 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning January 1, 2015. 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 was in critical status in the immediately preceding plan year and a funding deficiency was projected within the next 10 plan years.

Also as required by the recently enacted Multiemployer Pension Reform Act of 2014, the Plan was certified as not being in critical and declining status.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires that a plan in critical status adopt a "Rehabilitation Plan" aimed at restoring the financial health of the plan. This is the second time the Plan has been certified in critical status. The Plan is operating under the Rehabilitation Plan that was adopted by the Trustees on November 26, 2014.

The law permits pension plans in critical status to eliminate or change benefits called "adjustable benefits" as part of a Rehabilitation Plan. These include:

- Plan benefits, rights, and provisions, including pre and post-retirement death benefits (other than qualified joint and survivor annuities), disability benefits not yet in pay status, and similar benefits;
- Early retirement benefits or retirement-type subsidies; and
- Temporary supplemental benefits.

The Rehabilitation Plan reduced some of these adjustable benefits and specified required contribution rate increases under both schedules (Default and Alternate)

If the Trustees determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Unless the Plan is in critical and declining status, any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement, and the reductions may only apply to participants and beneficiaries whose pension commencement date is on or after April 30, 2014.

Adjustable Benefits

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

- Post-retirement death benefits;
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA)

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Employer Surcharge

The law requires that all contributing employers 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.

Multiemployer Pension Reform Act of 2014

Under the Multiemployer Pension Reform Act of 2014 (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 not in critical and declining status for the 2015 plan year, the plan sponsor is not eligible to apply for either benefit suspension or partition.

Where to Get More Information

For more information about this Notice, you may contact the Fund Administrator at (602) 248-8434, Midwestern Teamsters Pension Plan, 2001 West Camelback Road, Suite B-350, Phoenix, AZ 85015. You have a right to receive a copy of the rehabilitation plan from the plan when it is available.