Notice of Critical and Declining Status For

Southwestern Pennsylvania and Western Maryland Area Teamsters and Employers Pension Fund

This is to inform you that on September 28, 2016 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 July 1, 2016. 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 an accumulated funding deficiency for the current plan year, and the plan is projected to become insolvent in 2028.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical and declining status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the first year the plan has been in critical and declining status (such status was added by the Multiemployer Pension Reform Act of 2014 (MPRA)). The prior eight years the plan was in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. As a result of the actuary's certification that the Plan was in critical status for the 2008-09 plan year, the Trustees adopted such a rehabilitation plan in April 2009.

The Trustees are required to annually review the Plan to determine whether it is making the scheduled progress that had been the basis of the rehabilitation plan. If the trustees of the plan determine that further benefit reductions are necessary, they will be adopted within an updated rehabilitation plan and you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) 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 September 24, 2008. Effective as of September 24, 2008, 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. The Trustees adopted an updated rehabilitation plan in February, 2011. On March 11, 2011 you were sent a Notice of Plan Amendment Reducing Adjustable Benefits effective July 1, 2011. The Trustees adopted an update to the rehabilitation plan effective July 1, 2014. On May 23, 2014 you were sent a Notice of Plan Changes Reducing Adjustable Benefits effective July 1, 2014.

Please see section below entitled, **"Multiemployer Pension Reform Act of 2014 (MPRA)"** for additional information on possible benefit reductions.

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:

- Pre-Retirement 10 Year Certain & Life Death Benefit
- Joint & Survivor Pop-Up Benefit

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation until a rehabilitation plan schedule is adopted within the collective bargaining or participation agreement. 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 currently applicable.

Multiemployer Pension Reform Act of 2014 (MPRA)

Under the MPRA, a pension plan in critical and declining status may suspend benefits. Generally, a suspension of benefits is a temporary or permanent reduction in current or future pension payments for participants, including reductions to the basic benefit payable to participants at normal retirement age and the pensions payable to retirees younger than age 80. This reduction is in addition to the reductions in adjustable benefits noted above.

There are a number of other requirements that must be satisfied in order for a suspension of benefits to occur. This includes an application to the Secretary of the Treasury and notice to all of the participants, beneficiaries, contributing employers, and unions that represent participants in the plan. The Board of Trustees has been reviewing MPRA with the assistance of its advisors. The Board of Trustees has not taken any action to suspend benefits at this time, but may take such action in the future.

Where to Get More Information

For more information about this Notice, you may contact Francine George at 724-438-0512 or 112 Morgantown Street, Uniontown, PA 15401. You have a right to receive a copy of the rehabilitation plan from the plan.