[INSERT DATE]

Notice of Applications for Approval of a Proposed Reduction of Benefits, and for Partition, Under the Teamsters Local 805 Pension and Retirement Plan

On February 15, 2018, the Board of Trustees of the Teamsters Local 805 Pension and Retirement Fund ("Plan") submitted an application to the U.S. Treasury Department for approval to reduce benefits under the Plan. This type of benefit reduction is allowed by the Federal law called the Multiemployer Pension Reform Act of 2014.

You are getting this notice because you have a pension benefit under the Plan. **The individual statement attached to this notice describes the proposed reduction of your monthly payments.** This notice will also answer the following questions for you—

1. Why is the Board of Trustees proposing to reduce benefits?
2. What will happen if the Plan runs out of money?
3. How did the Board of Trustees decide whose benefits to reduce and by how much?
4. What are the proposed reductions in benefits?
5. What comes next?

A version of this notice that does not include the estimate of the effect on your benefit is being sent to unions that represent Plan participants and to all contributing employers.

1. Why is the Board of Trustees proposing to reduce benefits?

The Plan's actuary estimated that, unless benefits are reduced, the Plan will not have enough money to pay benefits in the Plan Year ending 3/31/2022. This estimate is based on how much money the actuary expects the Plan to receive and to pay out each year. The Plan's actuary estimated that, with the reduction of benefits that the Board of Trustees has proposed, the plan should not run out of money.

2. What will happen if the Plan runs out of money?

If the Plan does not have enough money to pay benefits, then only the amount guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") will be paid. You can find the amount of your benefit that is guaranteed by PBGC at the end of this notice.

3. How did the Board of Trustees decide whose benefits to reduce and by how much?

Under Federal law, the Board of Trustees must apply the following rules to the proposed reduction—

- The total reduction in everybody's benefits must be estimated to be large enough to keep the plan from running out of money but not larger than needed to do that.

- Your monthly benefit and the benefit of your beneficiary cannot be reduced below 110% of the amount guaranteed by PBGC.

- Disability benefits (as defined under the Plan) cannot be reduced, and the benefits payable to their beneficiaries will similarly not be reduced.

- The benefits of people who are at least 80 years old on January 31, 2019 and their beneficiaries cannot be reduced.

- The benefits of people who are at least 75 years old on January 31, 2019 and their beneficiaries are partially protected, and the closer the person is to age 80 the less the benefits can be reduced.

- The reduction of benefits must be spread fairly among the people who have a pension benefit under the plan.

Since all participants' benefits are being reduced the maximum amount, the proposed reduction is spread fairly.

4. What are the proposed reductions in benefits?

The Board of Trustees proposes the following reduction of benefits:

> <u>Past Benefits (Prior to the Effective Date)</u>
>
> Reduce all participants' benefits by the maximum amount subject to the limitations described below for all benefits earned through 1/1/2019. The proposed benefit suspension will treat all current and future participants under the Plan equally and will take into account the limitations on benefit suspensions under the rules of Sections 432(e)(9)(D)(i), (ii) and (iii). As such, this distributes the proposed benefit suspension equally across the Plan's population, and there is no category or group that is treated differently within the Plan's participant and beneficiary population. For this reason, none of the factors listed in IRC §432(e)(9)(D)(vi)(I) through (XI) were relevant in designing the proposed suspension.
>
> <u>Future Benefits</u>
>
> Continue to provide accruals of 1% of employer contributions, up to a maximum of $50 per year of service.

The proposed suspension will remain in effect indefinitely, and is projected to prevent the Plan's insolvency. An estimate of how the proposed reduction applies to you is also enclosed.

5. What comes next?

<u>Approval or denial of the application by the Treasury Department</u>

The Treasury Department will review the application to see whether it meets all of the legal requirements under Federal law. If the application meets all of those requirements, the Treasury

Department is required to approve the application. If the application does not meet the legal requirements, the Treasury Department will deny the application. The Treasury Department will have until 9/13/2018 to make a decision.

You can get information from the Treasury Department

More information about the proposed benefit reductions and a copy of the application is available at www.treasury.gov/mpra.

The application will be available on that website within 30 days after the Treasury Department receives it. The application includes more information about the proposed reduction, including details about: 1) the Plan actuary's certification that the Plan will run out of money (that is, that the plan is in "critical and declining status"); 2) how the proposed reduction would satisfy the requirement that it be large enough so that the Plan is estimated not to run out of money, while not being larger than needed; and 3) the sensitivity of these estimates to the assumptions used.

The application describes the steps the Board of Trustees has already taken to keep the Plan from running out of money and why the Board of Trustees believes that a benefit reduction is the only remaining option to keep the plan from running out of money. In addition, the application explains why the Board of Trustees believes that the proposed reduction is spread fairly among the people who have a pension benefit under the plan.

The Treasury Department website will also provide updated information on the application, such as whether the application has been updated or withdrawn.

For further information and assistance you can also write to the Treasury Department at the following address:

Department of the Treasury
Attn: MPRA Office, Room 1001
1500 Pennsylvania Avenue, NW
Washington, DC 20220

You can comment on the application to reduce benefits

You can submit a comment on the application by going to www.treasury.gov/mpra. Comments may also be mailed to the Department of the Treasury, at the address listed above. All interested parties can make comments, and the comments will be publicly available.

Retiree Representative

If a plan has 10,000 or more participants, the Board of Trustees must select a retiree representative to advocate for the interests of retirees, beneficiaries, and deferred vested participants as part of this process. A plan is required to pay the reasonable expenses of the retiree representative.

The Board of Trustees is not required to select a retiree representative, because the Plan has fewer than 10,000 participants. The Board of Trustees has not chosen to select a retiree representative.

Vote on the proposed benefit reduction

If the application for the proposed reduction of benefits is approved by the Treasury Department, then you will have the opportunity to vote on the proposed reduction. Unless a majority of all participants and beneficiaries of the Plan vote to reject the reduction, the Treasury Department must allow the reduction of benefits to take effect. This means that not voting counts the same as a vote to approve the reduction.

Your right to challenge incorrect calculations

If you think the Plan miscalculated the reduction to your benefits, then you have the right to submit a claim to the Plan to have the calculation corrected. The Plan's summary plan description ("SPD") tells you how to submit a claim. The SPD also describes your right to have a court review the Plan's final decision on your claim.

If you believe the information used to calculate your estimate at the end of this notice is wrong, please contact the Plan office at

60 Broad Street, 37th Floor, New York, NY 10004
local805pension@Savastaandco.com
Phone: (212) 308-4200

Application for Partition

This notice is also to inform you that in addition to the application for suspension, on 1/31/2018, Board of Trustees of the Teamsters Local 805 Pension and Retirement Fund ("Board of Trustees") filed a complete application with the Pension Benefit Guaranty Corporation ("PBGC") requesting approval for a partition of the Teamsters Local 805 Pension and Retirement Plan, EIN 13-1917612, PN 001 (the "Plan").

What is partition?

A multiemployer plan that is in critical and declining status may apply to PBGC for an order that separates (*i.e.*, partitions) and transfers the PBGC-guaranteed portion of certain participants' and beneficiaries' benefits to a newly-created successor plan. The total amount transferred from the original plan to the successor plan is the minimum amount needed to keep the original plan solvent. While the Board of Trustees will administer the successor plan, PBGC will provide financial assistance to the successor plan to pay the transferred benefits.

PBGC guarantees benefits up to a legal limit. However, if the PBGC-guaranteed amount payable by the successor plan is less than the benefit payable under the original plan after taking into account benefit reductions or any plan amendments after the effective date of the partition, Federal law requires the original plan to pay the difference. The partition itself does not change the amount payable to any participant or beneficiary.

What are the rules for partition?

Federal law permits, but does not require, PBGC to approve an application for partition. PBGC generally will make a decision on the application for partition within 270 days. A plan is eligible for partition if certain requirements are met, including:

1. The pension plan is in critical and declining status. A plan is in critical and declining status if it is in critical status (which generally means the plan's funded percentage is less than 65%) and is projected to run out of money within 15 years (or 20 years if there are at least twice as many inactive as active participants, or if the plan's funded percentage is less than 80%).

2. PBGC determines, after consulting with the PBGC Participant and Plan Sponsor Advocate, that the Board of Trustees has taken (or is taking) all reasonable measures to avoid insolvency, including reducing benefits to the maximum allowed under the law.

3. PBGC determines that: (1) providing financial assistance in a partition will be significantly less than providing financial assistance in the event the plan becomes insolvent; and (2) partition is necessary for the plan to remain solvent.

4. PBGC certifies to Congress that its ability to meet existing financial assistance obligations to other multiemployer plans (including plans that are insolvent or projected to become insolvent within 10 years) will not be impaired by the partition.

5. The cost of the partition is paid exclusively from PBGC's multiemployer insurance fund.

Why are partition and benefit reductions needed?

The Plan is in critical and declining status, is approximately 25% funded, and is projected to become insolvent during the Plan Year ending March 31, 2022. The Board of Trustees has taken reasonable measures to avoid insolvency, but has determined that these measures are insufficient and that the proposed partition and reduction of benefits combined are necessary for the Plan to avoid insolvency.

In consideration of the Plan's projected date of insolvency, the Trustees' proposed effective date of the Plan's partition is January 1, 2019. The Trustees propose to partition (that is, transfer) to the successor plan the guaranteed benefit liabilities of approximately 727 retirees in pay status as well as all of the guaranteed benefit liabilities of deferred vested terminated employees not yet in pay status. Using the Plan's assumptions, this represents a transfer of about $55 million in guaranteed benefit liabilities (34% of the Plan's total liabilities of $163 million, and 50% of the Plan's liabilities of $111.4 million after Plan benefits are suspended to the maximum extent permissible). The Trustees have determined that this is the minimum amount of liabilities that must be partitioned for the Plan to remain solvent. The Plan's remaining liabilities would include an ongoing benefit payment obligation by the Plan to participants in the successor plan.

The Plan's large ratio of retirees and terminated vested individuals to participants currently employed (approximately 4 to 1), coupled with the fact that the benefits liabilities with respect to a retiree or terminated vested individual are usually larger than the benefit liabilities with respect to a currently employed active participant, mandates that that the benefit liabilities of the retirees and terminated vested individuals, as opposed to the currently employed participants, be partitioned in order for the Plan to remain solvent. If instead, the Plan becomes insolvent, the benefits of all participants and beneficiaries whose benefits exceed the PBGC-guaranteed amount would be reduced to the PBGC-guaranteed amount.

What is PBGC's multiemployer plan guarantee?

Federal law sets the maximum that the PBGC may guarantee. For multiemployer plan benefits, PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

PBGC guarantees vested pension benefits payable at normal retirement age, early retirement benefits, and certain survivor benefits, if the participant met the eligibility requirements for a benefit before plan termination or insolvency. A benefit or benefit increase that has been in effect for less than 60 months is not eligible for PBGC's guarantee. PBGC also does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

How will I know when PBGC has made a decision on the application for partition?

If PBGC approves the Board of Trustees' application for partition, PBGC will issue a notice to affected participants and beneficiaries whose benefits will be transferred to the successor plan no later than 14 days after it issues the order of partition. You may also visit www.pbgc.gov/MPRA for a list of applications for partition received by PBGC and the status of those applications.

Plan Contact Information

For more information about this Notice, you may contact:

Teamsters Local 805 Pension and Retirement Fund
60 Broad Street, 37th Floor, New York, NY 10004
local805pension@Savastaandco.com
Phone: (212) 308-4200

PBGC Contact Information

Multiemployer Program Division, PBGC, 1200 K Street, NW, Washington, DC 20005-4026
Email: Multiemployerprogram@pbgc.gov
Phone: (202) 326-4000 x6047

PBGC Participant and Plan Sponsor Advocate Contact Information
Constance Donovan, PBGC, 1200 K Street, NW, Washington, DC 20005-4026
Email: Advocate@pbgc.gov
Phone: (202) 326-4448

Your right to see Plan documents

You may want to review Plan documents to help you understand your rights and the proposed reduction to your benefits. The Plan administrator must respond to your request for the following documents within 30 days:

- The Plan document (including any amendments adopted to reflect an authorized reduction of benefits), trust agreement, and other documents governing the Plan (such as collective bargaining agreements).
- The Plan's most recent summary plan description (SPD or plan brochure) and any summary of material modifications.
- The Plan's Form 5500 annual reports, including audited financial statements, filed with the U.S. Department of Labor during the last six years.
- The annual funding notices furnished by the Plan during the last six years.
- Actuarial reports, including reports prepared in anticipation of the benefit reduction, furnished to the Plan within the last six years.
- The Plan's current rehabilitation plan, including contribution schedules and annual plan-sponsor determinations that all reasonable measures to avoid running out of money continue to be taken and that the Plan would run out of money if there were no benefit reductions.
- Any quarterly, semi-annual or annual financial reports prepared for the Plan by an investment manager, fiduciary or other advisor and furnished to the Plan within the last six years.

If your benefits are transferred to the successor plan, you will be furnished a successor plan SPD within 120 days of the partition; and the plan document, trust agreement, and other documents governing the successor plan will be available for review following the partition.

The Plan administrator may charge you the cost per page to the Plan for the cheapest way of copying documents, but cannot charge more than 25 cents per page. The Plan's Form 5500 Annual Return/Report of Employee Benefit Plan is also available free of charge at www.dol.gov/ebsa/5500main.html. Some of the documents also may be available for examination, without charge, at the plan administrator's office, your worksite or union hall.

Individual Estimate of Effect of Proposed Reduction in Benefits

NAME

How the Proposed Reduction in Benefits Would Affect You

It is estimated that if the proposed reductions are not implemented, then the Plan is projected to be insolvent and unable to pay benefits when due during the Plan Year ending March 31, 2022. **If** the Plan becomes insolvent, your benefit would be reduced to the monthly PBGC-guaranteed level. Your estimated monthly PBGC-guaranteed level is $1,070.71.

You are a participant not currently in pay status. Your projected benefit for your life only as of 7/1/2030 is proposed to be reduced from $2,199.01 to $1,177.78. The proposed reduction is permanent. Note this reduction assumes you will earn 1.75 years of service between 4/1/2017 and 1/1/2019. The actual reduced amount will be based upon your actual accrued benefit and years of service as of 1/1/2019.

The benefit reduction as of 1/1/2019 replaces any minimum benefit expressed in the Plan to which you might otherwise be entitled.

Information Used in Calculating the Estimated Benefit Reduction

This is an estimate of your benefit under the proposed reduction. It is not a final benefit calculation. This estimate of the proposed reduction is based on an assumed effective date of January 1, 2019 (this date may be subject to change). If the proposed reduction is effective at a later date, then the amount of the reduction to your benefit might change.

This estimate is also based on the following information:

Years of Service

Plan records show that you have 29.95 years of Pension Credits limited to one per year under the Plan.

Age as of the Effective Date of the Proposed Reduction

Plan records show that you will be 53.58 years old as of the end of the month of the effective date of the proposed reduction (i.e. 1/31/2019).

Disability Benefits

Plan records show that the portion of your benefit that is based on disability is $ 0.00.

PLAN ADMINISTRATOR CONTACT INFORMATION

If you believe the information used to calculate your estimate is incorrect, please contact the Plan office at 60 Broad Street, 37th Floor, New York, NY 10004 T: (212) 308-4200, E: local805pension@Savastaandco.com

Individual Estimate of Effect of Proposed Reduction in Benefits

NAME

How the Proposed Reduction in Benefits Would Affect You

It is estimated that if the proposed reductions are not implemented, then the Plan is projected to be insolvent and unable to pay benefits when due during the Plan Year ending March 31, 2022. **If** the Plan becomes insolvent, your benefit would be reduced to the monthly PBGC-guaranteed level. Your estimated monthly PBGC-guaranteed level is $ 178.98.

You are a participant not currently in pay status. Your accrued benefit for your life only as of 6/1/2027 is proposed to be reduced from $216.67 to $196.88. The proposed reduction is permanent.

The benefit reduction as of 1/1/2019 replaces any minimum benefit expressed in the Plan to which you might otherwise be entitled.

Information Used in Calculating the Estimated Benefit Reduction

This is an estimate of your benefit under the proposed reduction. It is not a final benefit calculation. This estimate of the proposed reduction is based on an assumed effective date of January 1, 2019 (this date may be subject to change). If the proposed reduction is effective at a later date, then the amount of the reduction to your benefit might change.

This estimate is also based on the following information:

Years of Service

Plan records show that you have 6.00 years of Pension Credits limited to one per year under the Plan.

Age as of the Effective Date of the Proposed Reduction

Plan records show that you will be 56.67 years old as of the end of the month of the effective date of the proposed reduction (i.e. 1/31/2019).

Disability Benefits

Plan records show that the portion of your benefit that is based on disability is $ 0.00.

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Individual Estimate of Effect of Proposed Reduction in Benefits

NAME

How the Proposed Reduction in Benefits Would Affect You

It is estimated that if the proposed reductions are not implemented, then the Plan is projected to be insolvent and unable to pay benefits when due during the Plan Year ending March 31, 2022. **If** the Plan becomes insolvent, your benefit would be reduced to the monthly PBGC-guaranteed level. Your estimated monthly PBGC-guaranteed level is $ 216.67.

You are a participant not currently in pay status. Your accrued benefit for your life only as of 1/1/2019 of $216.67 will not be reduced.

The benefit reduction as of 1/1/2019 replaces any minimum benefit expressed in the Plan to which you might otherwise be entitled.

Information Used in Calculating the Estimated Benefit Reduction

This is an estimate of your benefit under the proposed reduction. It is not a final benefit calculation. This estimate of the proposed reduction is based on an assumed effective date of January 1, 2019 (this date may be subject to change). If the proposed reduction is effective at a later date, then the amount of the reduction to your benefit might change.

This estimate is also based on the following information:

Years of Service

Plan records show that you have 21.00 years of Pension Credits limited to one per year under the Plan.

Age as of the Effective Date of the Proposed Reduction

Plan records show that you will be 65.92 years old as of the end of the month of the effective date of the proposed reduction (i.e. 1/31/2019).

Disability Benefits

Plan records show that the portion of your benefit that is based on disability is $ 0.00.

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Individual Estimate of Effect of Proposed Reduction in Benefits

NAME

How the Proposed Reduction in Benefits Would Affect You

It is estimated that if the proposed reductions are not implemented, then the Plan is projected to be insolvent and unable to pay benefits when due during the Plan Year ending March 31, 2022. **If** the Plan becomes insolvent, your benefit would be reduced to the monthly PBGC-guaranteed level. Your estimated monthly PBGC-guaranteed level is $ 858.00.

You are a participant currently in pay status. Your monthly benefit as of January 1, 2019 of $1,827.00 will not be reduced.

Information Used in Calculating the Estimated Benefit Reduction

This is an estimate of your benefit under the proposed reduction. It is not a final benefit calculation. This estimate of the proposed reduction is based on an assumed effective date of January 1, 2019 (this date may be subject to change). If the proposed reduction is effective at a later date, then the amount of the reduction to your benefit might change.

This estimate is also based on the following information:

Years of Service

Plan records show that you have 24.00 years of Pension Credits limited to one per year under the Plan.

Age as of the Effective Date of the Proposed Reduction

Plan records show that you will be 70.67 years old as of the end of the month of the effective date of the proposed reduction (i.e. 1/31/2019).

Disability Benefits

Plan records show that the portion of your benefit that is based on disability is $1,827.00.

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Individual Estimate of Effect of Proposed Reduction in Benefits

NAME

How the Proposed Reduction in Benefits Would Affect You

It is estimated that if the proposed reductions are not implemented, then the Plan is projected to be insolvent and unable to pay benefits when due during the Plan Year ending March 31, 2022. **<u>If</u>** the Plan becomes insolvent, your benefit would be reduced to the monthly PBGC-guaranteed level. Your estimated monthly PBGC-guaranteed level is $ 965.97.

You are a participant currently in pay status. Your monthly benefit as of January 1, 2019 of $2,137.25 will not be reduced.

Information Used in Calculating the Estimated Benefit Reduction

This is an estimate of your benefit under the proposed reduction. It is not a final benefit calculation. This estimate of the proposed reduction is based on an assumed effective date of January 1, 2019 (this date may be subject to change). If the proposed reduction is effective at a later date, then the amount of the reduction to your benefit might change.

This estimate is also based on the following information:

Years of Service

Plan records show that you have 27.02 years of Pension Credits limited to one per year under the Plan.

Age as of the Effective Date of the Proposed Reduction

Plan records show that you will be 87.58 years old as of the end of the month of the effective date of the proposed reduction (i.e. 1/31/2019).

Disability Benefits

Plan records show that the portion of your benefit that is based on disability is $ 0.00.

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Individual Estimate of Effect of Proposed Reduction in Benefits

NAME

How the Proposed Reduction in Benefits Would Affect You

It is estimated that if the proposed reductions are not implemented, then the Plan is projected to be insolvent and unable to pay benefits when due during the Plan Year ending March 31, 2022. **If** the Plan becomes insolvent, your benefit would be reduced to the monthly PBGC-guaranteed level. Your estimated monthly PBGC-guaranteed level is $1,078.58.

You are a participant currently in pay status. Your monthly benefit as of January 1, 2019 is proposed to be reduced from $2,474.63 to $1,186.44. The proposed reduction is permanent.

Information Used in Calculating the Estimated Benefit Reduction

This is an estimate of your benefit under the proposed reduction. It is not a final benefit calculation. This estimate of the proposed reduction is based on an assumed effective date of January 1, 2019 (this date may be subject to change). If the proposed reduction is effective at a later date, then the amount of the reduction to your benefit might change.

This estimate is also based on the following information:

Years of Service

Plan records show that you have 30.17 years of Pension Credits limited to one per year under the Plan.

Age as of the Effective Date of the Proposed Reduction

Plan records show that you will be 63.08 years old as of the end of the month of the effective date of the proposed reduction (i.e. 1/31/2019).

Disability Benefits

Plan records show that the portion of your benefit that is based on disability is $ 0.00.

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