

**REHABILITATION PLAN FOR THE
NEW YORK STATE TEAMSTERS CONFERENCE
PENSION AND RETIREMENT FUND
Effective January 1, 2011**

Amended and Restated December 15, 2010

I. INTRODUCTION

Under the Pension Protection Act of 2006 (“PPA”), a multiemployer pension plan’s actuary must certify a plan’s funded status for a plan year within 90 days after the start of that plan year. As indicated in the April 30, 2010 Notice of Critical Status that you received, the actuary for the New York State Teamsters Conference Pension and Retirement Fund (the “Plan” or “Fund”) has certified the Plan as being in “critical status” (sometimes referred to as the “red zone”) for the Plan Year beginning January 1, 2010. The Fund’s Board of Trustees (the “Trustees”), as the plan sponsor of a critical status pension plan, is required under the PPA to adopt a “Rehabilitation Plan.” The Trustees timely adopted a Rehabilitation Plan on May 6, 2010.

A Rehabilitation Plan contains one or more schedules showing revised benefits, contributions, or both, that are designed to have the Fund emerge from critical status by the end of the ten-year rehabilitation period as defined by the PPA, or where that is not reasonable, to emerge from critical status at a later time or to forestall possible insolvency (the “Schedules”). The Trustees must provide the Schedule or Schedules to the Fund’s Contributing Employers, Local Unions, and other parties responsible for bargaining over agreements requiring contributions to the Fund (“Bargaining Parties”). Trustees of plans in critical status must include one proposal for reductions in the amount of future benefit accruals and other benefits necessary to allow the plan to emerge from critical status, assuming no contribution increases other than those necessary after future benefit accruals and “Adjustable Benefits” (described below) have been reduced as much as possible under the law (the “Default Schedule”). A Rehabilitation Plan may also include an additional schedule or schedules.

Each Rehabilitation Plan schedule must reduce or eliminate “Adjustable Benefits” to the extent necessary to meet the legal requirements of the PPA. Adjustable Benefits include: (1) any early retirement benefit or retirement-type subsidy and any benefit payment option (other than the qualified joint and survivor annuity); (2) benefits and features, including post-retirement death benefits, disability benefits not in pay status, and similar benefits; and (3) benefit increases adopted or effective fewer than 60 months before a plan entered critical status.

Effective April 30, 2010, the Fund ceased making all lump sum payments (except those less than or equal to \$5,000 under Section 6.08 of the Plan document) as required by law, and the elimination of all such lump sum payments under the Plan shall continue under this Rehabilitation Plan.

The Trustees have the power, authority, and discretion to amend, construe and apply the provisions of this Rehabilitation Plan including the Schedules.

II. **TRUSTEES' DETERMINATION TO UTILIZE ALTERNATIVE MEASURES TO EMERGE FROM CRITICAL STATUS**

Under the PPA, a Rehabilitation Plan is intended to enable a pension fund to emerge from critical status by the end of its rehabilitation period. The PPA, however, provides the Board of Trustees with an alternative option if it “determines that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures,” the fund is not reasonably expected to emerge from critical status by the close of the plan’s rehabilitation period. In such case, the trustees are permitted to adopt a Rehabilitation Plan that includes reasonable measures designed to allow the pension fund to emerge from critical status at a later time or forestall possible insolvency under Section 4245 of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

After consideration of various alternatives and exhaustion of all reasonable measures, the Trustees have determined that it would not be reasonably possible for the Fund to emerge from critical status under the PPA by the end of its rehabilitation period. This conclusion is based on the advice and recommendation of the Fund’s actuaries and their use of reasonable actuarial assumptions.

A. **Alternatives Considered**

The Trustees considered numerous alternatives (including combinations of contribution rate increases and benefit adjustments) that were projected to enable the Fund to emerge from critical status by the end of its rehabilitation period. The Fund’s actuary projected that in order for the Fund to emerge from critical status by the end of its rehabilitation period, the Trustees would need to adopt a schedule (or a similar schedule) that would require a 14% contribution rate increase each year through 2020 even if there were immediate, maximum, legally-required benefit reductions for all Participants and the contribution increases did not generate future benefit accruals.

B. **Rationale for Rejecting Alternatives**

After careful consideration, the Trustees concluded that utilizing any and all possible measures to emerge from critical status by the end of the Fund’s rehabilitation period would be unreasonable and would involve considerable risk to the Fund and to Participants. The Trustees determined that adopting a Rehabilitation Plan that would require the Fund’s Contributing Employers to increase their contribution rates at levels of 14% or more annually through 2020 would likely result in a significant number of employer withdrawals from the Fund and an increase in employer bankruptcy filings, further jeopardizing its funding status. In making these determinations, the Trustees considered, among other things, the financial conditions of many contributing employers, noting in particular that the second largest contributing employers, YRC Worldwide, Inc. companies, are currently experiencing serious financial difficulties and have suspended pensions contributions pursuant to a concessions agreement with the Teamsters Union in order to stave off a possible business failure.

III. **DESCRIPTION OF SCHEDULES**

A. **Introduction**

The Rehabilitation Plan for 2011 includes a Default Schedule and five Alternative Schedules (A – E). A Participant may qualify for benefits under one or more of the Schedules. A Participant who qualifies for benefits will select a benefit commencement date and form of payment for his entire benefit. Once benefits commence, no changes are permitted to be made with respect to the timing or form of payment and a Participant may not defer any portion of that benefit until a later date.

1. **Selection and Approval of a Schedule**

Prior to negotiations, the Bargaining Parties must request in writing from the Fund Office contribution rate sequences that will conform to one of the Schedules. Subsequent to negotiations, the Bargaining Parties must submit all contribution rate sequences in any renewal or extension of a collective bargaining agreement or other agreement requiring contributions to the Fund (“CBA”) to the Fund Office for approval. Subject to the sole discretion of the Trustees, a Schedule is adopted when the Trustees receive substantiation that a CBA includes terms consistent with the requirements of a Schedule. In general, the Trustees will consider the Bargaining Parties to have adopted a particular Schedule, and will consider the terms of a CBA to be consistent with the Rehabilitation Plan, when a CBA is adopted in accordance with the Schedule’s requirements. Current CBAs that require at least a 5% contribution rate increase during 2010 will be deemed to satisfy the Fund’s Rehabilitation Plan requirements for 2010 and deemed adopted by the Trustees through December 31, 2010.

Notwithstanding the foregoing, as always, regardless of whether or not a CBA complies with the Rehabilitation Plan, the Trustees reserve the right to reject a CBA that is determined to be detrimental to the actuarial soundness of the Fund.

2. **Adjustable Benefits**

Participants covered under any of the Schedules shall have the following Adjustable Benefits eliminated:

- a) The Regular Pension (age 60);
- b) Disability Benefits, including the Disability Pension and Lump Sum Disability Benefit;
- c) Death Benefits, including but not limited to, the Lump Sum Death Benefit and 60-month pre-retirement death benefit;
- d) Supplemental Social Security Benefit – Participants shall not earn any future accruals towards this benefit on or after January 1, 2011; and

- e) All Reciprocal Pensions to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

Participants covered under the Default Schedule shall also have the following Adjustable Benefits eliminated:

- a) The Thirty-Year Pension;
- b) As of October 1, 2007, the benefit accrual rate of 1.3 percent of Employer Contributions was increased to 1.73 percent following the earlier of: (i) the midpoint of the period between a Participant's Unreduced Retirement Date and the Participant's Unreduced Social Security Retirement Date; or (ii) 5 years following a Participant's Unreduced Retirement Date ("Supplemental Accrual Rate"). This Supplemental Accrual Rate is eliminated for any accruals earned on or after January 1, 2011.
- c) The following Benefit Payment options:
 - 1) Five Year Certain Annuity;
 - 2) Ten Year Certain Annuity;
 - 3) Qualified 100% Joint and Survivor Annuity; and
 - 4) 50%, 75% and 100% Joint and Survivor Annuity with Pop-Up.
 - 5) Voluntary lump sum payments equal to \$5,000 or more.

Notwithstanding these benefit eliminations, there have been no changes to the Normal Pension benefit, and nothing shall be construed to reduce the level of a Participant's accrued benefit payable at Normal Retirement Age.

3. Thirty-Year Pension and Special Transition Benefit Under the Alternative Schedules (not the Default Schedule)

a. Age Requirement For Thirty-Year Pension

A Participant who has not begun receiving benefits by December 31, 2010 will not be able to retire with an unreduced Thirty-Year Pension solely due to the accrual of 30 years of Credited Service. However, Participants who first became Active Participants prior to October 15, 2009 will be eligible to receive an unreduced Thirty-Year Pension upon attaining a certain age prior to retirement ("Unreduced Age") in addition to accruing 30 years of Credited Service. The Unreduced Age for each Schedule is described below.

b. Transition Benefit

Generally, if a Participant retires with 30 years of Credited Service but prior to the attainment of the Unreduced Age applicable to his or her Schedule, that Participant's benefits will be reduced accordingly (as described under each Schedule). However, all of the Alternative Schedules provide a transition benefit. Under the transition benefit, Participants with at least 25 years of Credited Service as of January 1, 2011 who retire after earning at least 30 years of Credited Service but prior to attaining the applicable Unreduced Age will not have their Thirty-Year Pension benefit reduced by as much as otherwise described under each Schedule. Such Participants will have the following early reduction factors applied to their benefit:

| Years of Service as of January 1, 2011 | Reduction Per Year from Unreduced Age |
|---|--|
| 30 | 0% |
| 29 | 1% |
| 28 | 2% |
| 27 | 3% |
| 26 | 4% |
| 25 | 5% |

4. **The Extent to Which Contribution Rate Increases Impact Accruals**

As described below, contribution rate increases under each of the Schedules are either "non-benefit bearing" or "one-percent (1%) bearing." Non-benefit bearing means that the contribution rate that is used to calculate benefits for each year in the future shall be the contribution rate in effect in 2010. Any subsequent contribution rate increases will not be taken into account for the purpose of calculating future benefit accruals. One-percent (1%) bearing means that the contribution rate that is used to calculate benefits for each year in the future shall be the contribution rate in effect in 2010, increased by one-percent (1%) for each year beyond 2010.

Regardless of this distinction, any contribution rate increases above those required by a specific Schedule will be "benefit bearing," which means that all of the contributions above those required under a Schedule shall be multiplied by the percentage provided under the specific Schedule to calculate future benefit accruals for the Normal Pension. In accordance with Section 305(f)(1)(B) of ERISA, such an increase in benefit accruals is paid for out of additional contributions not contemplated by the Rehabilitation Plan, and the Fund's actuary has certified that these additional contributions improve the Fund's actuarial measures after taking their benefit bearing nature into account.

The Schedules adopted by the Trustees for the Plan Year beginning January 1, 2011 are set forth below. Unless otherwise indicated, all capitalized terms used in these Schedules shall have the definitions and meanings assigned to them in the Plan.

B. Rehabilitation Plan Schedules

1. Default Schedule

The Default Schedule shall apply to Participants whose Contributing Employers agree to comply with this Default Schedule (or who become subject to the Default Schedule imposed by law due to a failure to achieve an agreement to accept any of the Alternative Schedules within the time period prescribed by Section 305(c)(3)(C) of ERISA).

a. Contributions

Compliance with the Default Schedule requires the Contributing Employer's contribution rate to increase by 5.00% annually for the first five years, and by 3.50% annually for each year thereafter (See Exhibit A).

b. Future Benefit Accruals

For Participants covered under the Default Schedule, the future benefit accrual for the Normal Pension will be 1.0% of the Employer Contributions required to be made on behalf of the Participant. However, increases in a Contributing Employer's contribution rate required under the Default Schedule will be non-benefit bearing.

c. Adjustable Benefits

Participants covered under the Default Schedule shall have all of the Adjustable Benefits listed above in this Section III.A.2. eliminated. In addition, the Early and Vested Pensions shall equal the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age sixty-five (65) based upon his Credited Service as of the date of his early retirement.

2. Alternative Schedule A

a. Contributions

Compliance with Alternative Schedule A requires the Contributing Employer's contribution rate to increase by 5.00% annually for the first six years, and by 3.50% annually for each year thereafter (See Exhibit A).

b. Future Benefit Accruals

For Participants covered under Alternative Schedule A, the future benefit accrual for the Normal Pension will be .30% of the Employer Contributions required to be made on behalf of the Participant. However, increases in a Contributing Employer's contribution rate required under Alternative Schedule A will be non-benefit bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule A shall have all of the Adjustable Benefits listed above in this Section III.A.2. eliminated. The Supplemental Accrual Rate is also eliminated under Alternative Schedule A for any accruals earned on or after January 1, 2011. In addition, the Early and Vested Pensions shall equal the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age sixty-five (65) based upon his Credited Service as of the date of his early retirement.

Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for the transition benefit and will have their Thirty-Year Pension reduced by the transition benefit's early reduction factors based on an Unreduced Age of 65. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule A and begins receiving benefits at the age of 60 after having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by approximately 42% as they would be for an Early Pension benefit.

3. **Alternative Schedule B**

a. Contributions

Compliance with Alternative Schedule B requires the Contributing Employer's contribution rate to increase by 5.00% for the first year, 6.50% annually for the next five years and 6.00% annually for each year thereafter (See Exhibit A).

b. Future Benefit Accruals

For Participants covered under Alternative Schedule B, the future benefit accrual for the Normal Pension will be 0.50% of the Employer Contributions required to be made on behalf of the Participant. However, increases in a Contributing Employer's contribution rate required under Alternative Schedule B will be non-benefit bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule B shall have all of the Adjustable Benefits listed above in this Section III.A.2. eliminated. The Supplemental Accrual Rate is also eliminated under Alternative Schedule B as of January 1, 2011 for any Participants who are not eligible for that rate prior to January 1, 2011. In addition, the Early and Vested Pensions shall be calculated by reducing the Normal Pension benefit by 6% for each year prior to the age of 65 that a Participant begins receiving benefits. However, if the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age 65 based upon his Credited Service as of the date of his retirement results in a greater benefit, he will receive the Actuarial Equivalent.

For the Thirty-Year Pension, the Unreduced Age for Participants under Schedule B is 62. As a result, Participants will need to attain Age 62 and accrue 30 years of Credited Service in order to retire with an unreduced Thirty-Year Pension. Generally, if a Participant retires after earning 30 years of Credited Service without attaining the Unreduced Age, benefits are reduced by 6% for each year prior to the Unreduced Age that a Participant begins receiving benefits. However, Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for the transition benefit and will have their Thirty-Year Pension reduced, if at all, by the transition benefit's early reduction factors based on an Unreduced Age of 62. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule B and begins receiving benefits at the age of 57 after having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by 30% (6% x 5 years) as otherwise provided under this Schedule.

4. **Alternative Schedule C**

a. Contributions

Compliance with Alternative Schedule C requires the Contributing Employer's contribution rate to increase by 5.00% for the first year and 6.50% annually for each year thereafter (See Exhibit A).

b. Future Benefit Accruals

For Participants covered under Alternative Schedule C, the future benefit accrual for the Normal Pension will be 0.30% of the Employer Contributions required to be made on behalf of the Participant. However, increases in a Contributing Employer's contribution rate required under Alternative Schedule C will be non-benefit bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule C shall have all of the Adjustable Benefits listed above in this Section III.A.2. eliminated. The Supplemental Accrual Rate is also eliminated under Alternative Schedule C as of January 1, 2011 for any Participants who are not eligible for that rate prior to January 1, 2011. In addition, the Early and Vested Pensions shall be calculated by reducing the Normal Pension benefit by 6% for each year prior to the age of 65 that a Participant begins receiving benefits. However, if the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age 65 based upon his Credited Service as of the date of his retirement results in a greater benefit, he will receive the Actuarial Equivalent.

For the Thirty-Year Pension, the Unreduced Age for Participants under Schedule C is 60. As a result, Participants will need to attain Age 60 and accrue 30 years of Credited Service in order to retire with an unreduced Thirty-Year Pension. Generally, if a Participant retires after earning 30 years of Credited Service without attaining the Unreduced Age, benefits are reduced by 6% for each year prior to the Unreduced Age that a Participant begins receiving benefits.

However, Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for the transition benefit and will have their Thirty-Year Pension reduced, if at all, by the transition benefit's early reduction factors based on an Unreduced Age of 60. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule C and begins receiving benefits at the age of 55 after having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by 30% (6% x 5 years) as otherwise provided under this Schedule.

5. **Alternative Schedule D**

a. Contributions

Compliance with Alternative Schedule D requires the Contributing Employer's contribution rate to increase by 5.00% for the first year, 10.50% annually for the next three years and 6.50% annually for each year thereafter (See Exhibit A).

b. Future Benefit Accruals

For Participants covered under Alternative Schedule D, the future benefit accrual for the Normal Pension will be 0.50% of the Employer Contributions required to be made on behalf of the Participant. Increases in a Contributing Employer's contribution rate required under Alternative Schedule D will be one-percent (1%) bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule D shall have all of the Adjustable Benefits listed above in this Section III.A.2. eliminated. The Supplemental Accrual Rate is also eliminated under Alternative Schedule D as of January 1, 2011 for any Participants who are not eligible for that rate prior to January 1, 2011. In addition, the Early and Vested Pensions shall be calculated by reducing the Normal Pension benefit by 6% for each year prior to the age of 65 that a Participant begins receiving benefits. However, if the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age 65 based upon his Credited Service as of the date of his retirement results in a greater benefit, he will receive the Actuarial Equivalent.

For the Thirty-Year Pension, the Unreduced Age for Participants under Schedule D is 57. As a result, Participants will need to attain Age 57 and accrue 30 years of Credited Service in order to retire with an unreduced Thirty-Year Pension. Generally, if a Participant retires after earning 30 years of Credited Service without attaining the Unreduced Age, benefits are reduced by 6% for each year prior to the Unreduced Age that a Participant begins receiving benefits. However, Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for the transition benefit and will have their Thirty-Year Pension reduced, if at all, by the transition benefit's early reduction factors based on an Unreduced Age of 57. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule D and begins receiving benefits at the age of 52 after

having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by 30% (6% x 5 years) as otherwise provided under this Schedule.

6. Alternative Schedule E

a. Contributions

Compliance with Alternative Schedule E requires the Contributing Employer's contribution rate to increase by 5.00% for the first year, 11.50% annually for the next three years and 6.50% annually for each year thereafter (See Exhibit A).

b. Future Benefit Accruals

For Participants covered under Alternative Schedule E, the future benefit accrual for the Normal Pension will be 0.50% of the Employer Contributions required to be made on behalf of the Participant. Increases in a Contributing Employer's contribution rate required under Alternative Schedule E will be one-percent (1%) bearing.

c. Adjustable and Transition Benefits

Participants covered under Alternative Schedule E shall have all of the Adjustable Benefits listed above in this Section III.A.2. eliminated. The Supplemental Accrual Rate is also eliminated under Alternative Schedule E as of January 1, 2011 for any Participants who are not eligible for that rate prior to January 1, 2011. In addition, the Early and Vested Pensions shall be calculated by reducing the Normal Pension benefit by 6% for each year prior to the age of 65 that a Participant begins receiving benefits. However, if the Actuarial Equivalent of the monthly amount of the Normal Pension to which a Participant would have been entitled upon attaining age 65 based upon his Credited Service as of the date of his retirement results in a greater benefit, he will receive the Actuarial Equivalent.

For the Thirty-Year Pension, the Unreduced Age for Participants under Schedule E is 55. As a result, Participants will need to attain Age 55 and accrue 30 years of Credited Service in order to retire with an unreduced Thirty-Year Pension. Generally, if a Participant retires after earning 30 years of Credited Service without attaining the Unreduced Age, benefits are reduced by 6% for each year prior to the Unreduced Age that a Participant begins receiving benefits. However, Participants with at least 25 years of Credited Service as of January 1, 2011 will be eligible for the transition benefit and will have their Thirty-Year Pension reduced, if at all, by the transition benefit's early reduction factors based on an Unreduced Age of 55. For example, if a Participant who had earned 28 years of Credited Service by January 1, 2011 is covered by Alternative Schedule E and begins receiving benefits at the age of 50 after having earned 30 years of Credited Service, that Participant's benefits will be reduced by 10% (2% x 5 years) – rather than being reduced by 30% (6% x 5 years) as otherwise provided under this Schedule.

C. Summary of All Schedules

The following chart summarizes the annual contribution rate increases, future benefit accrual rates, and the unreduced age at which a participant may retire with an unreduced benefit upon the attainment of 30 years of service, for each Alternative Schedule.

| Alternative Schedule | Annual Contribution Rate Increases (See Exhibit A) | Future Benefit Accruals as a % of Contributions | Unreduced Age for Transitional Benefit | Contribution Increases Benefit Bearing |
|-----------------------------|--|--|---|---|
| Default | 5.00% for the first 5 years 3.50% for the remaining years Non-benefit bearing | 1.00% | N/A | 1% accrual on amount above required |
| Alternative Schedule A | 5.00% for the first 6 years 3.50% for the remaining years Non-benefit bearing | 0.30% | 65 | 0.30% accrual on amount above required |
| Alternative Schedule B | 5.00% for the first year 6.50% for the next 5 years 6.00% for the remaining years Non-benefit Bearing | 0.50% | 62 | 0.50% accrual on amount above required |
| Alternative Schedule C | 5.00% for the first year 6.50% for the remaining years Non-benefit bearing | 0.30% | 60 | 0.30% accrual on amount above required |
| Alternative Schedule D | 5.00% for the first year 10.50% for the next 3 years 6.50% for the remaining years 1.00% Bearing | 0.50% | 57 | 0.50% accrual on amount above required |
| Alternative Schedule E | 5.00% for the first year 11.50% for the next 3 years 6.50% for the remaining years 1.00% Bearing | 0.50% | 55 | 0.50% accrual on amount above required |

D. Inactive Vested Participants

Inactive vested participants shall be covered under the terms of the Default Schedule. For these purposes, an “inactive vested participant” is a Participant who is vested under the Plan but who has not earned at least one (1) Hour of Service in this Fund on or after January 1, 2011.

E. Participant Benefits Under a Schedule

Once a Participant becomes covered under one of these Schedules effective January 1, 2011 by earning one Hour of Service under that Schedule, the provisions included in that Schedule shall govern the determination of that individual's benefits. This includes any Participants who previously participated in plans that merged into the Fund. Any benefits, rights and features provided under those merged-in plans that may have been included in the Fund's Plan document will be superseded by the applicable Schedule to the extent permitted by law.

In order to qualify for the unreduced early retirement provisions of a particular Schedule, a participant must earn 5,000 Hours of Service under that Schedule, with no more than 1,000 Hours of Service being taken into account for that purpose in any particular plan year ("Hours Requirement"). Any accruals under a Schedule for which the Hours Requirement has not been met will be at the Schedule's accrual rate, but will be based on the Default Schedule's early retirement reduction provisions. In addition, benefits accrued as of December 31, 2010 will "attach" to the eligibility requirements of the highest Schedule under which a Participant has satisfied the Hours Requirement. The Hours Requirement does not apply to those Participants who have earned 25 or more years of Credited Service as of December 31, 2010. However, the Hours Requirement shall not apply to Participants who first become Active Participants on or after October 15, 2009.

F. Surcharges for Noncompliant Contracts

Under the PPA, if Bargaining Parties have failed to submit a CBA which the Trustees have determined to comply with one of the Schedules in this Rehabilitation Plan within 30 days following the April 30, 2010 Notice of Critical Status, a Contributing Employer will be subject to a monthly surcharge equal to five percent (5%) of contributions owed to the Fund every month for the plan year ending December 31, 2010. Any Contributing Employer that has not submitted an acceptable CBA one year later, by April 30, 2011, will be subject to a monthly surcharge equal to ten percent (10%) of contributions owed every month, as mandated by the PPA. The monthly surcharge will continue until the Trustees approve a CBA submitted by the Bargaining Parties that meets the requirements of one of the Schedules (or the Default Schedule is imposed in accordance with the PPA as explained above). A Contributing Employer's failure to make a surcharge payment is treated as a delinquent contribution. Participants will not accrue any benefits as a result of the payment of these surcharges.

As noted above in Section III.A.1., the Trustees may deem current CBAs that require at least a 5% contribution rate increase during 2010 to satisfy the Fund's Rehabilitation Plan requirements for 2010. In that event, no surcharges would be owed to the Fund.

G. Annual Review of Rehabilitation Plan and Schedules

The Trustees will review the Rehabilitation Plan and its Schedules annually with the assistance of the Fund's actuary, as they find necessary. If, for example, the Fund's actual experience does not reflect the assumptions used to develop the Rehabilitation Plan and its Schedules, the Trustees may amend or modify the Rehabilitation Plan and/or its Schedules, based on the advice of the Fund's actuary, to reflect the Fund's experience over the preceding

plan year(s). However, if the Bargaining Parties have adopted a CBA that complies with one of the Schedules, the contribution rate requirements in the Schedules will continue for the duration of that CBA.

EXHIBIT A

CONTRIBUTION RATE INCREASES – COMPOUNDED ANNUALLY

| Calendar Year | Default Schedule | Alternative Schedule A | Alternative Schedule B | Alternative Schedule C | Alternative Schedule D | Alternative Schedule E |
|----------------------|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 2010 | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| 2011 | 5.0% | 5.0% | 6.5% | 6.5% | 10.5% | 11.5% |
| 2012 | 5.0% | 5.0% | 6.5% | 6.5% | 10.5% | 11.5% |
| 2013 | 5.0% | 5.0% | 6.5% | 6.5% | 10.5% | 11.5% |
| 2014 | 5.0% | 5.0% | 6.5% | 6.5% | 6.5% | 6.5% |
| 2015 | 3.5% | 5.0% | 6.5% | 6.5% | 6.5% | 6.5% |
| 2016 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2017 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2018 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2019 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2020 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2021 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2022 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2023 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2024 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2025 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2026 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2027 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2028 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |
| 2029 | 3.5% | 3.5% | 6.0% | 6.5% | 6.5% | 6.5% |