Cement Masons Pension Trust Fund for Northern California

Withdrawal Liability Valuation as of August 31, 2014

This report has been prepared at the request of the Board of Trustees for the purposes of establishing the basis for withdrawal liability assessments during the period 09/01/2014 through 08/31/2015. This report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety. The measurements shown in this report may not be applicable for other purposes.

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June 8, 2015

Board of Trustees
Cement Masons Pension Trust Fund for Northern California
Fairfield, California

Dear Trustees:

This report summarizes and reviews the Plan's status and experience with respect to employer withdrawal liability. It outlines the withdrawal liability methods adopted and explains the calculation of the amount of liability of a withdrawn employer. It also establishes the basis for assessments of withdrawal liability for withdrawal during the period September 1, 2014 through August 31, 2015.

The actuarial calculations were completed under the supervision of Mark Hamwee, FSA, MAAA, Enrolled Actuary. The basic participant and financial data used in this report are the same as those used in the actuarial valuation as of September 1, 2014. The benefit provisions included in the calculations are those that were in effect on August 31, 2014.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal Consulting

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JZR/hy

Significant Issues in Valuation Year

1. The unfunded vested liability as of August 31, 2014 is $291.8 million. A positive basic pool of $14.1 million was established.
2. Interest rates used to determine the funded portion of the present value of vested benefits changed from 2.60% for 20 years and 3.43% thereafter to 3.43% for 20 years and 3.66% thereafter (PBGC interest rates).
3. The decrease in the unfunded vested liability since last year was primarily caused by the increase in the PBGC interest rates, as well as favorable investment experience during the year.
4. The benefit changes effective February 1, 2014 pursuant to the implementation of the FIP Alternative Schedule are first recognized in this report and reflected in the determination of the unfunded vested liability. In addition, the assumed mortality rates have been updated to recognize increasing life expectancies that are occurring nationally, regionally, and within the plan's participant group.

Summary of Key Results

	August 31	
	2014	**2013**
Demographic Data:		
Number of pensioners and beneficiaries	1,842	1,793
Number of inactive vested participants	930	977
Number of active vested employees	1,406	1,396
Interest Assumptions:		
Valuation (funding) interest rate	7.50%	7.50%
PBGC interest rates	3.43% for 20 years, 3.66% thereafter	2.60% for 20 years, 3.43% thereafter
Present Value of Vested Benefits:		
Present value of vested benefits at funding interest rate	$479,511,588	$452,253,422
Present value of vested benefits at PBGC rates, including allowance for expenses	827,860,885	854,505,637
Present value of vested benefits for withdrawal liability purposes	615,863,794	589,540,856
Unfunded Present Value of Vested Benefits:		
Market value of assets	$324,044,455	$291,640,125
Unfunded vested liability for withdrawal liability purposes	291,819,339	297,900,731
Withdrawal liability pool established	14,078,030	29,206,626

A. DETERMINATION OF WITHDRAWAL LIABILITY

The Multiemployer Pension Plan Amendments Act of 1980 (MPPAA), signed into law on September 26, 1980 and amended by the Deficit Reduction Act of 1984 (DEFRA), requires assessment of withdrawal liability on an employer that withdraws from the Plan. In general, "withdrawal" means the employer has permanently ceased operations under the Plan or has permanently ceased to have an obligation to contribute to the Plan.

An employer in the construction industry is considered to have withdrawn from the Plan only if it continues (or within five years resumes) the same type of work in the jurisdiction of the labor contract.

A withdrawal also may be partial. Partial withdrawals are described in more detail in Section 3, Exhibit A.

If an employer reenters the Plan after incurring withdrawal liability, the withdrawal liability may be abated. This is also described in more detail in Section 3, Exhibit A.

Determination of Unfunded Vested Liability

The amount of withdrawal liability is based on the Plan's unfunded vested liability at the time of withdrawal. The "unfunded vested liability" refers to the value of vested benefits not covered by assets.

For withdrawal liability purposes, "vested benefits" are the benefits that are considered non-forfeitable if the participant incurs a permanent break in service. In accordance with Opinion Letter 86-24 from the Pension Benefit Guaranty Corporation (PBGC), no death benefits are considered vested, except for payments connected with the normal or optional form of benefit (such as benefits due a beneficiary under a Joint and Survivor pension). The value of these benefits is determined as of August 31, 2014 and is based on the Plan provisions as of the same date.

Determinations of the value of the liability for vested benefits are based on a set of actuarial assumptions. The law prescribes that the assumptions and methods used must be reasonable in the aggregate and "offer the actuary's best estimate of anticipated experience under the plan." It also authorizes the PBGC to promulgate assumptions and methods for use by the Plan's actuary. However, the PBGC has not yet promulgated any assumptions or methods.

The actuary's "best estimate" of unfunded vested liability involves the same actuarial assumptions as are used in our valuations for plan funding with the exception of the assumed rate of investment return (i.e., a blend of interest assumptions prescribed by the PBGC and plan funding assumptions), the value ascribed to Plan assets (i.e., market value), and administrative expenses. Details are provided in Section 4, Exhibit III.

Allocation

The Plan's method of allocation is fully described in Section 3, Exhibit A. Briefly, the method involves prorating the unfunded vested liability as of August 31, 1980 plus (or minus) a proration of changes in that figure in each subsequent year before withdrawal. The original unfunded vested liability and each year's change are subject to 5% annual write-downs. This method is known as the "presumptive method" and is the method adopted by the Trustees.

Another amount is added to the total amount to be allocated for possible withdrawal liability, namely, the amounts not collected because of bankruptcy, deductibles subtracted from amounts actually assessed, or other limitations on withdrawal assessments specified by law. These uncollected or nonassessable amounts are reallocated among the employer accounts and are also subject to 5% annual write-downs.

The PBGC has affirmed that a multiemployer plan may assess withdrawal liability to employers that withdraw even if the plan currently has no unfunded vested liability.

De minimis

Each withdrawal liability assessment is the total of the unamortized balances of the allocation amounts, as defined above, less a *de minimis* deductible. The deductible is \$50,000 but not more than ¾% of the Plan's unfunded vested liability. This deductible amount is reduced, dollar for dollar, by the amount by which the total of charges prorated to the employer exceeds \$100,000.

Payment of Withdrawal Liability

The total amount of an employer's withdrawal liability is not ordinarily payable in a lump sum. The law sets forth a basis for calculating annual amounts, to be paid in quarterly installments unless the plan has fixed some other schedule, and there is a 20-year payment maximum. The payment schedule is more fully detailed in Section 3, Exhibit A.

Under certain circumstances, as allowed by ERISA, the Trustees may require immediate payment of withdrawal liability assessments.

B. UNFUNDED VESTED LIABILITY

The determination of the unfunded vested liability is based on the actuarial assumptions and methods and plan of benefits described in Section 4 of this report.

Changes Since Prior Year

The following assumption changes were made since last year's determination:

- PBGC interest rates changed from 2.60% for 20 years and 3.43% thereafter to 3.43% for 20 years and 3.66% thereafter.

To better reflect past experience and future expectations, changes were made to the mortality assumptions. Details to these changes are shown in Section 4, Exhibit VII of the Actuarial Valuation and Review as of September 1, 2014. These changes are fully reflected in this report.

There are two changes to plan benefits being made pursuant to the Funding Improvement Plan Alternative Schedule and collective bargaining in 2013. First, the 2.00% benefit multiplier is being reduced to 1.75% effective for work that takes place on and after February 1, 2014. Second, the Plan's supplemental benefit for Credited Service earned after February 1, 2014 will be reduced by 12.5% (87.5% of the original amount). Benefits earned prior to February 1, 2014 remain unchanged.

Basic Pools
The Plan's unfunded vested liabilities, as calculated for withdrawal liability purposes, for each of the past thirteen plan years are detailed in Chart 1. No unfunded vested liability existed in the last 20 years other than for the years shown below. Pools established more than 20 years ago have been fully amortized. The chargeable change for each year and the remaining unamortized balance as of the valuation date are also shown.

The chargeable change amount is determined as the unfunded vested liability for a given year less the greater of the sum of the previous unamortized balances or zero. The unamortized balance of each chargeable change is equal to the initial amount with a 5% write-down each year since the establishment of said amount.

The chargeable changes for the last thirteen years are summarized in this chart.

CHART 1
Basic Pools as of August 31, 2014

Plan Year Ended August 31	Unfunded Vested Liability	Chargeable Change	Unamortized Balance of Chargeable Change
2002	$ 53,969,131	$53,969,131	$21,587,652
2003	100,542,134	49,271,460	22,172,157
2004	112,597,423	17,217,318	8,608,659
2005	133,092,325	26,517,798	14,584,789
2006	95,430,113	(30,313,427)	(18,188,056)
2007	109,776,955	20,179,957	13,116,972
2008	143,616,113	40,681,269	28,476,888
2009	213,761,065	79,021,127	59,265,845
2010	237,088,172	36,154,338	28,923,470
2011	256,611,318	34,158,094	29,034,380
2012	287,393,195	47,124,731	42,412,258
2013	297,900,731	29,206,626	27,746,295
2014	291,819,339	14,078,030	14,078,030
Total			$291,819,339

Reallocated Amounts

Withdrawing employers are charged with prorated shares of the “nonassessable” or “uncollectible” liabilities that are reallocated. Reallocation is more fully described in Section 3, Exhibit A.

Each annual reallocated amount is written down by 5% of the original amount for each full year from the date that it was originally determined to the end of the plan year preceding withdrawal.

We are unaware of any such liabilities; therefore, there are no additional amounts to be allocated.

C. WITHDRAWAL LIABILITY EXPERIENCE

We have not been notified of any employers withdrawing from the fund during the last plan year, nor of any outstanding withdrawal liability payments.

An employer is entitled to be advised, upon its request, of the amount of its potential withdrawal liability.

It is advisable for the Fund to maintain a reserve against outstanding withdrawal liability assessments that are deemed uncollectible. Otherwise, the total of outstanding assessments may come to be viewed as Plan assets. The basis for setting such a reserve is, we believe, a matter for the Trustees, subject of course to any advice that legal counsel may offer and to a finding by the auditor that it is reasonable.

The Plan's Trustees, auditor, counsel, or administrator may have bases for a realistic appraisal. In any event, it may be a difficult judgment to make. We cannot offer more than an initial suggestion that the Trustees may want to consider, in case there is no specific basis for fixing the amount of that reserve. The Trustees may, for example, want to consider a reserve equal to some percentage of the outstanding total. That would not necessarily be a judgment as to the collectibility of any one assessment; it would be a discount from the total that had been assessed. The reserve figure for each successive year will be adjusted so as to reflect experience. And, of course, ultimately the facts and circumstances may provide a very concrete basis for setting the reserve.

EXHIBIT A
Method for Allocating Withdrawal Liability

The Plan determines the liability of an employer that has completely withdrawn on the basis of the statutory presumptive method defined in Section 4211(b) of ERISA.

The liability of an employer for complete withdrawal from the Plan is determined as the sum of the unamortized balances, as of the end of the Plan Year preceding withdrawal, of the employer's prorated shares of each of the following:

(1) the Plan's unfunded vested liability as of August 31, 1980;

(2) the change in the Plan's unfunded vested liability as of the end of each subsequent Plan year (to the end of the Plan year preceding withdrawal); and

(3) reallocated amounts that would have been payable to the Plan as withdrawal liability payments for withdrawals in preceding years, except that they were nonassessable under certain statutory provisions or not collectible

Unamortized Balances
The "unamortized balance" of each of these sources of liability assessment is determined by reducing each figure by 5% of its original amount for each full year from the end of the Plan Year as of which the charge was originally determined to the end of the Plan Year immediately preceding withdrawal.

Initial Amount
The Plan's unfunded vested liability as of August 31, 1980 was determined by subtracting the market value of Plan assets from the value of vested benefits under the Plan.

Annual Changes
The change in the Plan's unfunded vested liability as of the end of any Plan year is determined as follows:

(1) by establishing the Plan's unfunded vested liability as of the end of that Plan year, and

(2) by subtracting the total, not less than zero, of (a) the unamortized balance of the unfunded vested liability as of August 31, 1980 and (b) the unamortized balances of each previous annual change after August 31, 1980.

If the Plan had no unfunded vested liability as of the end of a year, it is entered as zero.

A "positive" change represents an unfunded vested liability greater than the total of the unamortized balances and is therefore an addition to potential liability assessments for future withdrawals. A "negative" change represents an unfunded vested liability lower than the total of unamortized balances and is therefore a credit against amounts that would otherwise determine potential liability assessments for future withdrawals.

Reallocated Amounts
The total amount, if any, of unfunded vested liability determined in any Plan year after August 31, 1980 to be nonassessable or uncollectible with respect to employers that withdrew is established as an amount to be prorated among each of the participating employers as an additional withdrawal liability amount. Nonassessable amounts consist of amounts deducted under the *de minimis* rule (ERISA Section 4209), amounts not payable because of the 20-year limit (ERISA Section 4219(c)(1)), and amounts not payable because of the limitations in the event of sale of all of the employer's assets (ERISA Section 4225). Uncollectible amounts consist of amounts that the Trustees have determined are uncollectible for reasons arising out of cases under federal bankruptcy law or similar proceedings. They also include any other amount of assessed liability determined by the Plan's Trustees to be uncollectible.

Each annual amount of reallocable nonassessables and uncollectibles is written down by 5% of the original amount for each full year from the date as of which it was originally determined to the end of the Plan year preceding withdrawal.

Proration to the Employer
For determining the amount of its liability in the event of its complete withdrawal, the initial amount of unfunded vested liability, each annual change in the unfunded vested liability and each annual reallocable amount of nonassessable and uncollectible amounts is prorated to an employer on the basis of a ratio of contributions. The ratio is the employer's obligated contributions to the Plan to total employer contributions made to the Plan during an "apportionment base period," consisting of the 5 years ending with the end of the Plan year as of which each of the amounts was determined.

The total of employer contributions with respect to an apportionment base period is reduced by any contributions otherwise included in the total that were made by a significant employer that withdrew from the Plan in or before the plan year in which the change or reallocation arose. The total is also reduced by any employer surcharges paid to a plan that resulted from the plan being in critical status under PPA '06.

Payment of Withdrawal Liability
A withdrawn employer's withdrawal liability assessment is paid in quarterly installments. The quarterly installment is calculated as one-fourth of the product of:

(a) The average base units in the three consecutive years that produce the highest average within the 10-year period ending before the plan year of withdrawal, and

(b) the highest contribution rate in the 10-year period ending with the plan year of withdrawal.

The number of quarterly installments is calculated on the basis of the amount of withdrawal liability and crediting interest at the actuarial valuation rate used for funding purposes. Payments are limited to a maximum of 20 years.

Maintenance of Allocations
Even if no employer withdrawal had occurred, the method requires determination annually of the value of the Plan's unfunded vested liability and of any reallocable uncollectible withdrawal liability amounts. It is also necessary for the Plan to be in a position to allocate liability to any particular employer based on its contribution history. These procedures and records are necessary in order to be able to determine an assessment should withdrawal occur and also to respond, as required

by law, to an inquiry from a participating employer as to the amount of its potential liability.

Partial Withdrawal
The withdrawal may also be partial. A "partial withdrawal" occurs if there is a 70% decline in the number of contribution base units or there is a partial cessation of the employer's obligation to contribute. A 70% decline occurs if the contribution base units in the plan year and the preceding two plan years (the testing period) are less than 30% of contribution base units for the high base year. The "high base year" is the average of the base units in the two plan years in which the base units were the highest within the five plan years preceding the testing period. A partial withdrawal may also occur if an employer ceases to have an obligation to contribute under one or more, but not all of its collective bargaining agreements, and continues work in the jurisdiction, or if the employer permanently ceases to be obligated to contribute for work performed at one or more, but not all, of the facilities covered but continues the work at that facility.

For a construction-industry plan, a partial withdrawal occurs only if the employer is obligated to contribute to the plan for only an insubstantial portion of its continuing work of the type covered by the plan within the jurisdiction of the labor agreement.

Under a partial withdrawal, the amount of liability is equal to the amount of withdrawal liability for a complete withdrawal (net of any deductible), multiplied by a fraction, which is one minus a ratio. The ratio is that of the employer's contributory hours in the plan year following the year of the partial withdrawal to the employer's average contributory hours in the five plan years preceding the year of the partial withdrawal.

Plan Reentry
PBGC has issued regulations describing the procedure to be followed in the event an employer reenters the Plan after incurring withdrawal liability. Withdrawal liability will be abated if the post-reentry level of contributory hours exceed 30% of the average of the contributory hours in the two plan years in which the hours were the highest within the five plan years preceding the plan year of withdrawal.

Withdrawal liability payments due after plan reentry are abated, provided the employer posts a bond or escrow account equal to 70% of the withdrawal liability payments otherwise due. In the event of a withdrawal following reentry, the withdrawal liability is adjusted to reflect prior withdrawal liability payments.

EXHIBIT B
Employer Withdrawal Liability Worksheet For Withdrawals from September 1, 2014 Through August 31, 2015

Employer Name: ______________________

Year Ended August 31[1] (1)	Unamortized Balance of Withdrawal Liability Pools: Basic Pools[2] (2)	Reallocated Pools[3] (3)	Contributions During 5-Year Period Ending With Date Pool Established: Total Plan Contributions[4] (4)	Obligated Employer Contributions[5] (5)	Liability Allocated: [(5) ÷ (4)] x [(2) + (3)] (6)
2002	$21,587,652	$0	$45,506,979		
2003	22,172,157	0	49,749,745		
2004	8,608,659	0	53,824,771		
2005	14,584,789	0	56,436,078		
2006	(18,188,056)	0	58,309,355		
2007	13,116,972	0	63,778,235		
2008	28,476,888	0	68,530,210		
2009	59,265,845	0	69,493,216		
2010	28,923,470	0	68,199,704		
2011	29,034,380	0	68,228,399		
2012	42,412,258	0	70,245,326		
2013	27,746,295	0	77,677,926		
2014	14,078,030	0	91,152,748		

A. Gross liability: (Sum of Column 6)	
B. *De minimis*	50,000
C. Deductible: $100,000 + (B) – (A), but not greater than (B) nor less than zero	
D. Allocable Unfunded Vested Liability: (A) – (C), not less than zero and without regard to annual payment limitations	

[1] *Years not shown have no withdrawal liability component*

[2] *Original value of changes in unfunded vested benefits, written down 5% per year.*

[3] *Original value of nonassessable and uncollectible withdrawal liability, written down 5% per year.*

[4] *Total Fund contributions for the Plan year listed and the four preceding years, excluding contributions from withdrawn significant employers who withdrew on or before the date the pool was established.*

[5] *Obligated employer contributions for the Plan year listed and the four preceding years, including contributions owed but not yet paid.*

EIN 94-6277669/ PN 001

June 8, 2015

ACTUARIAL CERTIFICATION OF WITHDRAWAL LIABILITY

This is to certify that The Segal Company has prepared an Actuarial Valuation to calculate the pools used to assess withdrawal liability to employers who withdraw during the year beginning September 1, 2014. The calculations were performed in accordance with generally accepted actuarial principles and practices. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

Certificate Contents

The valuation was based on information supplied by the auditor with respect to contributions and assets and by the Plan Administrator with respect to the data required on participants. We have not verified and customarily would not verify such information, but we have no reason to doubt its substantial accuracy.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this Actuarial Valuation is complete and accurate, except as noted in Exhibit I, and in my opinion the assumptions used, in the aggregate, (a) are reasonable (taking into account the experience of the Plan and reasonable expectations) and (b) represent my best estimate of anticipated experience under the Plan.

Mark Hamwee, FSA, MAAA
Vice-President and Actuary
Enrolled Actuary No. 14-05829

EXHIBIT I
Calculation of Unfunded Vested Liability

The calculations include the following participants as of August 31, 2014:		
a.	Pensioners and beneficiaries (including 458 beneficiaries and 22 pensioners in suspended status)	1,842
b.	Inactive participants with vested pension rights (including 6 with unknown age)	930
c.	Active vested employees	1,406

The actuarial factors are shown below as of August 31, 2014:		
1.	Present value of vested benefits at funding interest rate	$479,511,588
2.	Present value of vested benefits at PBGC interest rates, including allowance for expenses	827,860,885
3.	Market value of assets	324,044,455
4.	Ratio funded at PBGC interest rates [(3)÷(2), not greater than 1.0]	0.3914
5.	Present value of vested benefits for withdrawal liability purposes [(4) x (2) + (1.0 – (4)) x (1)]	$615,863,794
6.	Unfunded vested liability [(5) – (3), not less than zero]	291,819,339

EIN 94-6277669/ PN 001

EXHIBIT II

Withdrawal Liability Pools

Pool Established August 31:	Original Amount		Pool Balance on August 31, 2014*		
	Basic Pool	Reallocated Pool	Basic Pool	Reallocated Pool	Total Pools
2002	$53,969,131	0	$21,587,652	0	$21,587,652
2003	49,271,460	0	22,172,157	0	22,172,157
2004	17,217,318	0	8,608,659	0	8,608,659
2005	26,517,798	0	14,584,789	0	14,584,789
2006	(30,313,427)	0	(18,188,056)	0	(18,188,056)
2007	20,179,957	0	13,116,972	0	13,116,972
2008	40,681,269	0	28,476,888	0	28,476,888
2009	79,021,127	0	59,265,845	0	59,265,845
2010	36,154,338	0	28,923,470	0	28,923,470
2011	34,158,094	0	29,034,380	0	29,034,380
2012	47,124,731	0	42,412,258	0	42,412,258
2013	29,206,626	0	27,746,295	0	27,746,295
2014	14,078,030	0	14,078,030	0	14,078,030

* *Basic and reallocated pools are written down annually at the rate of 5% of the original amount.*

EIN 94-6277669/ PN 001

EXHIBIT III

Actuarial Assumptions and Methods

Investment return:	To the extent the present value of vested benefits is matched by the market value of plan assets on hand: interest assumptions prescribed by the Pension Benefit Guaranty Corporation under 29 C.F.R. Ch. XL, Part 4044, which are in effect for the applicable withdrawal liability valuation date. PBGC Interest Rates as of August 31, 2014: Select rate: 3.43% Ultimate rate after 20 years: 3.66% To the extent the vested benefits are not matched by plan assets (at market), the interest assumption is the same as used for plan funding: 7.50%. The portion of the vested benefits that is matched by readily available assets is determined by comparing the total present value of vested benefits — at PBGC rates — with the total market value of assets; each vested benefit is treated as covered by assets to the same extent as all other vested benefits.
Administration expenses:	No separate expense charge except for that portion of the vested benefits that is matched by assets. For that portion, an expense load equal to that prescribed in Appendix C to PBGC reg. Part 4044 is used.
Valuation of assets:	At market value
All other assumptions:	The same as used for minimum funding purposes as of the valuation date that is the day following the date for determination of unfunded vested liability
Allocation method:	Presumptive

EIN 94-6277669/ PN 001

Contribution period for prorating liabilities:	5 years
***De minimis* deductible:**	\$50,000, or ¾ of 1% of the unfunded vested liability, if smaller. The deductible is reduced, dollar for dollar, if the gross assessment is in excess of \$100,000.

EXHIBIT IV
Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	September 1 through August 31
Pension Credit Year:	February 1 through January 31
Plan Status:	Ongoing plan
Regular Pension:	
Age and Service requirements	65 and 5 years; or attainment of Normal Retirement Age.
Amount	$25.75 per month for each Past Service Benefit Unit; plus $50.00 per month for each Future Service Benefit Unit earned prior to February 1, 1980; plus 4.00% of the contributions received from February 1, 1980 to January 31, 2004; plus 2.00% of the contributions received on the participant's behalf from February 1, 2004 to January 31, 2014; plus 1.75% of the contributions received on the participant's behalf for service thereafter. Beginning with hours worked in July 2003, no more than $3.20 per hour in contributions is recognized for benefit computation purposes.
Early Retirement Pension:	
Age and Service requirements	Age 55 and 10 years.
Amount	Accrued Regular Pension amount, reduced ½ of 1% for each month that the retiring participant is younger than age 65. (The supplemental benefit of $240/$210 per month is not subject to the Early Retirement reduction factor.)

Supplemental Pension:

Age and Service requirements	Eligible for Regular, Service, Early, Disability, or Deferred Vested Pension.
Amount	Sum of: (a) $240 per month, times a fraction (not to exceed one), whose numerator equals the participant's credited service as of February 1, 2014, and whose denominator is the participant's credited service of the earlier of the benefit effective date or the earliest date as of which he could have retired under the plan, and (b) $210 per month, times 1 minus the fraction used in (a) above. This benefit accrues ratably such that, in the event of a vested termination for reasons other than retirement or a qualifying disability, only a prorated portion of the benefit described above is payable.

Service Pension:

Age and Service requirements	Age 55 and 25 Benefit Units, or age 62 and 20 Benefit Units.
Amount	Accrued Regular Pension amount.

Disability Pension:

Age and Service requirements	10 years of Credited Service; and, as a result of actual employment, earned at least two quarters of Credited Service in the two consecutive Plan Credit Year period preceding the date of disability.
Other requirements	Totally disabled and entitled to a Social Security Disability award.
Amount	$50.00 per month per Benefit Unit up to a maximum of 30 units but not less than the actuarial equivalent , or if higher 40%, of the accrued benefit payable at Normal Retirement Age.

Deferred Vested Pension:

Age and Service requirements	5 years of Credited Service, regardless of age.
Amount	Accrued Regular Pension amount, payable at Normal Retirement Age or, on a reduced basis, as early as age 55. In addition, a prorated portion of the $240/$210 supplement is provided as noted above.
Normal Retirement Age	65, or fifth anniversary of participation, if later.

Pro Rata/Partial Pension:	This type of pension is available for participants who have earned at least 5 years of Combined Credited Service under this Plan and Related Pension Plans.
Spouse's Benefit:	
Age and Service requirements	5 years of Credited Service, regardless of age.
Amount	50% of the benefit that the participant would have received had he or she retired, on a Husband-and-Wife pension, the day before death. If death occurs before attainment of age 55, payments will commence when the participant would have reached that age, and the amount will equal the amount that would have been payable had the participant left Covered Employment on the date of death, retired on a Husband-and-Wife pension upon reaching age 55, and died immediately thereafter.
Husband- and-Wife Pension:	All retirements are paid in the form of a 50% joint and survivor annuity unless this form is rejected by the participant and spouse. The benefit amount otherwise payable is reduced to reflect the joint and survivor coverage (95% for same age participant/spouse on non-disability pension). In the event that the spouse predeceases the participant, the monthly pension amount will revert back to the original amount. If this type of pension is rejected, benefits are payable for the life of the participant (with a minimum guarantee of 36 monthly payments) without reduction or in any other available optional form (see list below) elected by the participant in an actuarially equivalent amount.
Optional Forms of Payment:	In addition to the Husband-and-Wife Pension described above, the following optional forms of benefit are available: ➤ Single-Life pension (with a Three-Year Guarantee), or ➤ 75% Husband-and-Wife Pension, or ➤ 100% Husband-and-Wife Pension, or ➤ Level Income Option.
Post-Retirement Death Benefit:	A lump sum benefit shall be paid to the surviving spouse of a deceased pensioner, in an amount equal to $100 for each Benefit Unit earned under the Plan at the time of retirement.

Service Schedules:	
Credited Service	Commencing February 1, 1976, a participant who works at least 300 hours in a Plan Credit Year receives 1/4 year of Credited Service for each 250 hours of work up to a maximum of one year for 870 hours or more.
Benefit Units	Commencing February 1, 1982, a participant who works at least 300 hours in a Plan Credit Year receives 1/12 of a Benefit Unit for each 100 hours of work up to a maximum of one Benefit Unit for 1,200 hours or more.
Break in Service Rules:	
One Year Break	A participant incurs a One Year Break in Service if he or she fails to work at least 300 hours in a Plan Credit Year.
Permanent Break	A nonvested participant incurs a Permanent Break in Service if the number of consecutive One Year Breaks in Service is at least five and it equals or exceeds the number of full years of Credited Service previously accumulated. At this time, all accumulated Credited Service and Benefit Units are canceled.
Participation Rules:	
Participation	An employee becomes a “Participant” the February 1 or August 1 next following a twelve month period during which he or she worked at least 300 hours in Covered Employment.
Termination of Participation	A Participant who incurs a One Year Break in Service ceases to be a Participant as of the last day of the Plan Year which constituted the One Year Break in Service, unless he or she has retired or attained vested rights.
Separation from Employment	A participant is deemed to be separated from employment at the end of any two consecutive Plan Credit Year period in which he or she does not work at least 300 hours in Covered Employment in at least one of the two Plan Credit Years. The monthly amount payable for Benefit Units earned prior to the last separation from employment is frozen at the then current benefit level.

Plan Amendments:	There are two changes to plan benefits being made pursuant to the Funding Improvement Plan Alternative Schedule and collective bargaining in 2013. First, the 2.00% benefit multiplier is being reduced to 1.75% effective for work that takes place on and after February 1, 2014. Second, the Plan's supplemental benefit for Credited Service earned after February 1, 2014 will be reduced by 12.5% (87.5% of the original amount). Benefits earned prior to February 1, 2014 remain unchanged.

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