CENTRAL STATES PENSION FUND

CENTRAL STATES PENSION FUND AND AMERICAN RESCUE PLAN ACT

YRC PARTICIPANTS

The pension relief contained in the **American Rescue Plan Act (ARPA)** will provide a badly needed and long-sought solution to the nationwide multiemployer pension crisis that faced Central States and other pension funds. Because of the passage of ARPA, Central States can avoid its projected insolvency (out of money) in 2025. ARPA prevented a near-total loss of benefits for our participants — including the YRC participants who risked their health and lives to keep our economy moving throughout this pandemic. Although ARPA does not eliminate the March 2011 YRC benefit modifications that resulted from the ratified YRC Restructuring Plan which remain in effect today, ARPA does protect these modified benefits that otherwise would have been lost due to the Fund's insolvency in 2025. Please find below some frequently asked questions related to YRC participants pension benefits:

1. Please explain what this ARPA legislation means to me. How does it work?

ARPA provides financial relief to financially distressed multiemployer pension plans, including Central States, which enables these plans to continue to provide benefits through 2051 and likely beyond. The federal government provides this financial relief through an up-front single payment expected to be received in 2022.

2. How does the new legislation affect YRC participants in the Pension Fund?

Without legislation Central States was projected to be out of money in 2025. This would have resulted in all Fund participants, including YRC participants, to have a near-total loss of their pension benefits. This legislation protects the participant's benefit through at least 2051.

3. As a YRC active employee (or retiree), how does the legislation affect my pension benefits?

In short, ARPA protects the benefit that otherwise would have been lost in 2025 if the Fund became insolvent.

As you recall, in 2009 YRC (which includes Yellow, Roadway, USF Holland, etc.) began experiencing severe financial distress and ceased participation in Central States until YRC and the IBT ratified a Restructuring Plan which provided that YRC would resume contributions to the Pension Fund beginning in June 2011 at a reduced contribution rate that was only 25% of the rate YRC had been obligated to pay. Although this rate has increased a small amount since then, the YRC reduced rate still lags behind and currently the weekly rate paid for YRC members is $106.55 compared to the full rate of $342.00.

As a result of the sharply reduced contribution rates and contribution delinquencies, benefits were modified for YRC participants under the "Distressed Employer Schedule" of the Central States Pension Plan. Despite the passage of ARPA, these benefit modifications remain in effect for current YRC employees, retirees after September 24, 2010 and former employees of YRC whose last year of contributory credit was with YRC (or with a predecessor of YRC).

4. What are the benefit modifications that went into effect in 2011 for YRC participants?

YRC participants have their pension benefits determined under the "Distressed Employer Schedule" of the Pension Plan which provides the following notable differences from "Primary Schedule" benefits:

- Because of this, YRC participants are only eligible for the Contribution-Based Pension (1% - 2% accrual rate formula) and certain survivor benefits based on the Contribution-Based Pension.
    - Under the Distressed Employer Schedule, the Contribution-Based Pension is payable at the normal retirement age of 65 with an actuarial reduction for each year of early retirement prior to age 65.
    - The Central States minimum retirement age of 57 applies to YRC as well as all other Central States participants.

- However, participants are not eligible for any “Adjustable Benefits” including Contributory Credit Pensions (and-out benefits) and the age 62 unreduced Contribution-Based Pension with 20 or more years of Service Credit;

- Participants will continue to grow their benefit under the accrual rate based on the amount of contributions paid.

5. How much does a YRC member’s pension increase for each additional year worked?

A YRC member’s monthly pension benefit payable for life at the current contribution rate increases by up to $55 for each additional full year worked, payable at full retirement age of 65. Because the accrual rate is based on a percentage of contributions paid, in the event future collective bargaining agreements provide for increased contribution rates, future accruals will increase accordingly. The formula for the current Central States accrual rate for each year worked is: *Weekly (or daily) Rate X Weeks (or days if daily rate) Worked X 1% = Annual Accrual.* Please refer to the “**Benefit Estimator” link** found at **MyCentralStatesPension.org** for projecting benefit estimates for hypothetical future retirement dates.

6. Is there anything a YRC participant can do to regain Adjustable Benefits?

Yes, a YRC Participant may restore their Adjustable Benefits by earning one year of Contributory Service Credit (40 weeks or 180 days in a plan year) with another Central States employer under the Primary Schedule. The impact of regaining Adjustable Benefits varies from one participant to the next depending on years of service and age. A YRC participant who is interested in restoring their Adjustable Benefits by earning a year of Contributory Service Credit with another Central States employer under the Primary Schedule may contact the Pension Fund for a benefit estimate with and without Adjustable Benefits.

7. How can a YRC member obtain additional information or ask further questions?

You can email the Pension Fund through the secure *Message Center* at **MyCentralStatesPension.org** or by calling **800-323-5000**.

This handout is meant as a summary. All information is subject to the terms of the actual Pension Plan document, which is the final written authority on all matters about the Plan. Only the Board of Trustees is authorized to interpret the Pension Plan and this booklet. No employer or union or any representative of any employer or union is authorized to interpret the Plan.