



# New York State Teamsters Conference Pension and Retirement Fund

Mailing Address:  
PO Box 4928  
Syracuse, NY 13221-4928  
Telephone: 315.455.9790  
Fax: 315.455.1237  
E-mail: [benefits@nytfund.org](mailto:benefits@nytfund.org)



February 5, 2016

Dear Participant:

For the past several years, you have received a legally-required notice informing you that the New York State Teamsters Conference Pension and Retirement Fund (the "Plan") was in Critical status. This year, we are sending you the legally-required Notice of Critical and Declining status for the Plan Year beginning January 1, 2016. "Critical and Declining" is a new status created under the Multiemployer Pension Reform Act of 2014 ("MPRA"). As the enclosed Notice explains, a plan in Critical and Declining status does not have enough money to pay all the benefits that have been promised and is headed toward insolvency unless action is taken.

For the many pension plans like ours that are in Critical and Declining status, MPRA provides new rules that allow necessary action to save our Plan. One of these new rules requires the trustees of a Critical and Declining status plan to consider benefit suspensions to avoid running out of money. Any potential benefit suspensions under MPRA, however, are subject to strict conditions and limitations, which are outlined below.

Unfortunately, we must consider these benefit suspensions and currently are doing so. With the assistance of counsel and Plan professionals, we are looking at all options and considering every possible alternative. Based on all the information available, however, benefit suspensions are almost certainly necessary in the near future. You can be assured that you will be notified in advance of any decisions regarding suspensions.

As we carefully consider benefit suspensions, it is important that you have additional information about how the process will work:

- Plan trustees must file an application with the Secretary of the U.S. Department of Treasury ("Treasury") in order to suspend any benefits under MPRA. The application process takes approximately nine months, and no suspension will become effective until after the application period.
- Once plan trustees apply to Treasury, they must immediately provide notice to, among others, all participants and beneficiaries. The notice must include individualized statements showing the effect of any suspensions on each participant and beneficiary's benefit.
- Treasury has 225 days to approve or deny the application (the application is deemed approved if Treasury does not act within the 225-day period). Additionally, while undergoing its review, Treasury must publish a notice in the Federal Register soliciting public comments.

## BOARD OF TRUSTEES

### Employer Representatives

**Michael S. Scalzo, Sr.**  
Co-Chairman  
Broad Brook, CT

**Robert L. Schaeffer**  
Bernville, PA

**Daniel W. Schmidt**  
Lebanon, PA

**Tom J. Ventura**  
Overland Park, KS

### Labor Representatives

**John A. Bulgaro**  
Co-Chairman  
Albany, NY

**Brian K. Hammond**  
Potsdam, NY

**Paul A. Markwitz**  
Rochester, NY

**Mark D. May**  
Syracuse, NY

## PARTICIPATING TEAMSTER LOCALS

118 Rochester, NY

264 Cheektowaga, NY

294 Albany, NY

317 Syracuse, NY

449 Buffalo, NY

529 Elmira, NY

560 Union City, NJ

687 Potsdam, NY

812 Great Neck, NY

- Once the application is approved, all participants and beneficiaries have the right to vote on the proposed benefit suspensions. Under the voting procedures, the benefit suspensions would go into effect unless a majority of all participants and beneficiaries vote to reject them.
- Treasury may authorize the benefit suspensions despite a negative vote, if the plan is deemed to be “systemically important.”

Benefits may be suspended regardless of the participant’s status as an active, terminated vested, or retired participant (including those benefits already in pay status), *with the following exceptions*:

- Monthly benefit of any participant or beneficiary may not be reduced below 110 percent of the monthly benefit that is guaranteed by the PBGC.
- Benefits of a participant or beneficiary who is 80 years old or older as of the effective date of the benefit suspension may not be suspended, and there are certain phase-in benefit protections for those participants and beneficiaries who are 75 to 79 years old.
- No benefits based on disability (as defined under the plan) may be suspended.

When considering benefit suspensions under MPRA, the Trustees are required to appoint a Retiree Representative, who will serve as an advocate on behalf of retirees and deferred vested participants and beneficiaries.

You will receive information from the Fund as soon as there are any MPRA-related decisions or updates.

Sincerely,

The Board of Trustees



**Notice of Critical and Declining Status  
for  
New York State Teamsters Conference Pension and Retirement Fund  
EIN: 16-6063585 / Plan Number: 074**

This is to inform you that on January 7, 2016, the actuary for the New York State Teamsters Conference Pension and Retirement Fund (the “Plan”) certified to the U.S. Department of the Treasury and the Board of Trustees (the “Trustees”) that the Plan is in Critical and Declining status for the Plan year beginning January 1, 2016. Federal law requires that you receive this notice.

**Critical and Declining Status**

The Plan is considered to be in Critical and Declining status, a new funding status category under the Multiemployer Pension Reform Act of 2014 (“MPRA”), because it has funding or liquidity problems, or both. More specifically, the Plan’s actuary determined that the Plan’s funded percentage is 65% or less, and the Plan is projected to have an accumulated funding deficiency within the next four years and that it is projected to go insolvent within the next 19 Plan Years. Currently, the Plan is expected to become insolvent and require financial assistance from the PBGC by the year 2027.

**Rehabilitation Plan**

Prior to the passage of MPRA, federal law required pension plans in Critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. Prior law also permitted pension plans in Critical status to reduce or eliminate benefits called “adjustable benefits” as part of a rehabilitation plan. Prior law also required all contributing employers pay to pension plans in Critical status a surcharge of between 5-10% of the amount the employer is otherwise required to contribute until the employer’s collective bargaining agreement was amended to comply with the rehabilitation plan.

For the past six (6) years, the actuary certified the Plan as being in Critical status. The Trustees adopted a rehabilitation plan effective January 1, 2011, which was subsequently amended and restated effective January 1, 2015. Pursuant to the Plan’s rehabilitation plan, you were previously notified if your adjustable benefits were reduced or eliminated as well as that the Plan was no longer permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it was in Critical status.

**Accrued Benefits**

Prior to MPRA, most adjustable benefits could not be reduced below the level of a participant’s basic benefit at normal retirement, and the reductions could only apply to participants and beneficiaries whose benefit commencement date was on or after April 30, 2010. Any reduction of adjustable benefits, as allowed for under the current rehabilitation plan, has not reduced the level of a participant's basic benefit payable at normal retirement.

With the certification of the Plan as Critical and Declining status under MPRA, there are additional benefit adjustments that the Trustees must consider to improve the funding and liquidity problems facing the Plan. MPRA provides for pension plans to suspend accrued benefits payable at normal retirement for participants, including those in pay status (retirees). Specifically, the suspension of accrued benefits could include reduction of the normal retirement age benefit for active employees and terminated employees who have not started their pension as well as a reduction in the benefit currently payable to retirees and beneficiaries. Any suspension of accrued benefits may not reduce the level of a participant's benefit to less than 110% of the PBGC benefit guarantee level nor may it reduce benefits for any participant on a disability pension or who is over the age of 80 (and any benefit suspension is phased in from age 75 to 80).

If the Trustees determine that it is in the best interest of the Plan and its participants and beneficiaries to suspend accrued benefits, you will receive a separate notice in the future explaining the effect of those reductions on your pension benefit.

### **Where to Get More Information**

For more information about this Notice, you may contact Kenneth Stilwell, Executive Administrator, New York State Teamsters Conference Pension and Retirement Fund, P.O. Box 4928, Syracuse, NY 13221-4928; phone number 315.455.9790; email [benefits@nytfund.org](mailto:benefits@nytfund.org). You have a right to receive a copy of the rehabilitation plan from the Plan.