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PENSION COMMUNICATOR

Graphic Communications Conference of the International Brotherhood of Teamsters Supplemental Retirement and Disability Fund ("GCC/IBT-SRDF")

Formerly the Graphic Communications International Union Supplemental Retirement and Disability Fund

Plan Changes Intended To Stabilize Fund Within 10-Year Compliance Period

GCC/IBT-SRDF Board of Trustees Takes Action To Comply With Requirements Of The Pension Protection Act of 2006

On September 12, 2007, a Notice was mailed to all affected parties informing them of the Fund Actuary's Critical Status Certification, the Board of Trustee's adoption of a Rehabilitation Plan and the changes to the Retirement Plan called for under the Rehabilitation Plan. Only after conducting a painstaking review of the provisions of the Pension Protection Act of 2006 ("PPA"), in consultation with its professional advisers, did the Trustees take these actions. The required changes are intended to comply with the requirements of the PPA by bringing the Fund's assets and liabilities into closer alignment thereby providing for the continued payment of retirement benefits for many years into the future.

Since the mailing of the September 12, 2007 Notice, the Fund has received numerous inquiries. Answers to the vast majority of the questions can be viewed in the Questions & Answers section of the Fund's website at www.gccibt-srdf.org

The single most frequently asked question after the recent announcement was — Why was there no advance notice? While in the past the Fund typically provided advance notice of Plan changes, under the current circumstances, any notice which may have resulted in a "spike" of retirements, or a so called "run on the bank", could have had an immediate negative impact on the Rehabilitation Plan. Opening the door to so many retirements under the old benefit structure would have severely jeopardized the benefits of any Participants too young or not able to retire at this time. Also, down the line, it could have compromised the benefits of current Retirees and those who would have chosen to retire early prior to the May 1, 2008 Plan Year. It is almost certain that allowing Participants to retire early, under the former benefit structure, would have resulted in much more drastic benefit cuts being needed in the future to the benefits of Active and Deferred Vested Participants, and possibly even to those benefits that Retirees are already receiving. After much thought, consideration and consultation with experts in the actuarial field, the Trustees took action that would allow them to preserve the maximum amount of retirement benefits for the maximum amount of Participants, while being in compliance with the Pension Protection Act of 2006.

This issue of the *Pension Communicator* discusses the need for the changes to the Retirement Plan's benefit structure and Employer Contribution requirements. Also included is a discussion of what could have occurred if no action was taken and the Fund was to come under the control of the Pension Benefit Guarantee Corporation ("PBGC"), the federal agency responsible for distressed retirement plans.

THE NEED FOR CHANGES TO THE RETIREMENT PLAN

There is no disagreement that the changes to the Retirement Plan are significant and will have an impact on Plan Participants. Nevertheless, these changes are clearly necessary in order for the Fund to comply with the requirements of the PPA and improve its current funding deficiency. It is important to note that

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Pension Protection Act

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even with the changes called for under the Rehabilitation Plan, the amount of every Participant's current monthly retirement benefit at Normal Retirement Age, age 65, remains unchanged under the Preferred Schedule of the Rehabilitation Plan. In other words, if a Participant covered under the Preferred Schedule of the Rehabilitation Plan waits to retire until age 65, the Rehabilitation Plan basically has no effect on their monthly retirement benefit. It should also be noted

that, consistent with the PPA and other applicable laws, Retiree benefits will not be changed.

WHAT DO THE CHANGES ACCOMPLISH

The changes called for in the Rehabilitation Plan are intended to improve the SRDF's funding levels significantly, so that the Fund is able to meet the funding requirements of the PPA and emerge from Critical Status. Emerging from Critical Status is an indicator that the Plan is sufficiently funded to ensure that it can pay current benefit levels into the future. It should also be noted that the PPA required the Rehabilitation Plan to be designed in such a way that appropriate funding levels are projected to continue for a minimum of 10 years following the completion of the Rehabilitation Plan. Annual certifications from the Fund's Actuary as to the Fund's progress under the Rehabilitation Plan are also required.

The Board of Trustees reasserts its continuing commitment to all Participants, Participating Employers, Local Unions, Retirees and Beneficiaries and has taken this required action so that the Fund can emerge from Critical Status and continue to pay retirement benefits long into the future.

WHAT COULD HAVE OCCURRED

Had no action been taken, the Fund would ultimately be in violation of the PPA. Under the PPA, monetary penalties would have been assessed against the Fund and the Fund would have at some point become insolvent with the Pension Benefit Guarantee Corporation (PBGC) becoming responsible for the Retirement Plan.

PBGC

It is important to note that under PBGC control, benefit reductions would be harsher for all Participants. Retirees would also be affected.

Below please find a chart that sets forth two examples of Participant benefits under the Rehabilitation Plan and what they could have been had the PBGC become responsible for the Plan.

SAMPLE CALCULATION OF PENSION BENEFIT GUARANTEE CORPORATION MAXIMUM GUARANTEED ACCRUED MONTHLY BENEFIT *

		PARTICIPANT	
		A	B
I.	Participants Accrued Monthly Benefit at age 65 under Rehabilitation Plan	$2,000	$1,200
II.	Years of Service	30	30
III.	Average Accrual I ÷ II	$66.67	$40
IV.	PBGC "Lower Max" minimum of III or $11	$11	$11
V.	PBGC "Excess Max" maximum of $0 and 75% of minimum of {$33, III - $11}	$24.75	$21.75
VI.	PBGC Guarantee Accrual IV + V	$35.75	$32.75
VII.	PBGC Guaranteed Accrued Monthly Benefit VI x II at age 65	$1,072.50	$982.50

** Calculations and reductions will differ based on years of service and other factors*

As can be seen in the chart above, the maximum benefit allowed under the PBGC's method of calculating benefits at age 65 would be a dramatic reduction from what would be paid out at age 65 under the Fund's Rehabilitation Plan. Under the PBGC, some Participants' benefits could be cut as much as 50% or more. Also, future benefit accruals for Active Participants could be frozen if the Fund did not improve its funding level.

Special Participation Agreements Still Required from Bargaining Parties

Pursuant to the Fund's Rehabilitation Plan, the Fund has now embarked on an effort to assist Participating Employers and Local Union's in accepting the more favorable Preferred Schedule under the Rehabilitation Plan. Special Participation Agreements have been distributed to all Bargaining Parties (Employers and Local Unions), which, when fully executed and returned to the Fund Office by the April 30, 2008 deadline, will qualify Participants and Participating Employers for treatment under the Preferred Schedule of the Rehabilitation Plan. As previously communicated, the Preferred Schedule is more advantageous to both Employers (i.e., lesser increase in contributions) and Participants (i.e. lesser reduction in benefits).

Early acceptance of the Preferred Schedule and execution of the Special Participation Agreements is encouraged and will remove doubt for Participants and assist the Fund in its record keeping and planning. The sooner the Bargaining Parties accept the Preferred Schedule, the sooner the Fund will be able to advise individual participants as to how the Rehabilitation Plan affects them.

If you have not returned the fully executed Special Participation Agreement to the Fund Office yet, please do so as soon as possible. Should Participating Employers and/or Local Unions require any assistance in this regard, please contact the Fund Office at your earliest convenience.

Clarifications Regarding Active and Deferred Vested Status under the Rehabilitation Plan

There have been many questions asked regarding the calculation of and eligibility for benefits under the Rehabilitation Plan based on Participants either being in Active or Deferred Vested Status. Initially, the Rehabilitation Plan contemplated a strict interpretation of Active Status as meaning a Participant had to have a contribution paid into the Fund on his behalf the previous month in order to be considered Active.

Subsequent analysis suggests the initial interpretation is harsher than necessary and would be difficult to administer in an efficient manner. Furthermore, the Fund's Actuary has advised that such a strict standard is not required to maintain the integrity of the Rehabilitation Plan. Therefore, the Board of Trustees has approved a modification to the Rehabilitation Plan regarding the definition of Active and Deferred Vested Status.

Generally, Participants under the age of 55 will retain their Active Status for three months following the cessation of contributions on their behalf. The implication is that following the expiration of the 3-month period, a Participant will then be classified as a Deferred Vested Participant and will automatically fall under the less favorable Default Schedule of the Rehabilitation Plan.

For Participants who have a contribution paid into the Fund on their behalf after reaching age 55, the current Plan provision calling for continuity of Active Status for two full Plan Years following the cessation of contributions will continue to apply under the Rehabilitation Plan. Therefore, for a Participant who falls under the Preferred Schedule, once that Participant reaches age 55 and has a contribution paid into the Fund on his behalf, he will be considered an Active Participant for up to two full Plan Years. This change will allow a Participant who becomes eligible for the Basic Benefit upon reaching his 55th birthday to cease participation in the Plan and remain eligible for the Basic Benefit under the Preferred Schedule for up to two full Plan Years. Once the two Plan Year period expires, the Participant would be considered a Deferred Vested Participant and thereby subject to the Default Schedule of the Rehabilitation Plan.

This modification is consistent with the Plan's historical provisions providing for preferred treatment for those Participants who continue participation in the Plan through their 55th birthday and also allows for more efficient administration of the Fund while being consistent with the goals of the Rehabilitation Plan.

Judge Rules in Favor of the Fund's Former Actuary in Fund's Lawsuit

Please be advised that the Judge in the lawsuit against the Fund's former actuary issued an unfavorable decision in favor of the former actuary at the end of December 2007.

Fund Name to Change Effective May 1, 2008

The Board of Trustees has taken action to change the Fund's name to the Graphic Communications Conference of the International Brotherhood of Teamsters National Pension Fund ("GCC/IBT-NPF") effective May 1, 2008.

Use the Fund's 24 Hour Toll Free Information Line at (877) 888-2935 to learn more about the Retirement Benefit Plan, ask questions or to leave us a message

Whether it be learning more about the Plan, requesting an estimate, finding out how to apply for benefits or asking for a form, you can use the Fund's 24 Hour Toll Free Information Line to obtain general information about the Fund, request information from our staff or to just leave a message.

Call (877) 888-2935.

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RETURN SERVICE REQUESTED

This issue of the Pension Communicator discusses the Fund's Rehabilitation Plan which takes effect May 1, 2008.

NO ACTION IS REQUIRED