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P E N S I O N COMMUNICATOR

Graphic Communications Conference of the International Brotherhood of



Teamsters National Pension Fund ("GCC/IBT-NPF")



Formerly the Graphic Communications International Union Supplemental Retirement and Disability Fund

Retirees, beneficiaries and participants who formally submit their Application for Retirement - Part "A" and retire on or before May 1, 2011 are not affected by the changes

PENSION PROTECTION ACT OF 2006 MANDATES FURTHER CHANGES TO GCC/IBT NATIONAL PENSION FUND'S RETIREMENT PLAN IN ORDER TO FORESTALL INSOLVENCY

Over the past eight years, the Fund has been communicating with all interested parties regarding the financial status of the Fund and the various efforts that have been undertaken in attempts to bring the Fund's liabilities into closer alignment with its assets.

Pursuant to the Pension Protection Act of 2006 (PPA), the Fund's Board of Trustees approved a Rehabilitation Plan in August 2007 which was implemented on May 1, 2008. At the time the Rehabilitation Plan was approved, the Fund's Actuary forecasted that the Fund would emerge from Critical Status in 10 years so long as the Fund's actuarial assumptions were met.

Unfortunately, shortly after the Rehabilitation Plan was approved in August 2007, the world's investment markets experienced a historic downturn of the likes not seen since the Great Depression. Although the markets have recovered somewhat since that time, the near 40% combined decline in the Fund's asset base experienced during the Plan Years ending April 30, 2008 and 2009 knocked the Fund from its trajectory of emerging from Critical Status.

After extensive review and deliberation, the Board of Trustees has now determined that it would be unreasonable to conclude that the Fund will emerge from Critical Status. While the Trustees considered numerous alternative combinations of contribution

rate increases and benefit adjustments, after careful consideration of all of the alternatives, the Trustees concluded that none of the alternatives could reasonably be expected to result in the Fund avoiding insolvency. Furthermore, implementation of aggressive benefit changes and contribution increases would more likely result in a significant number of employers withdrawing from the Fund, which would further jeopardize the funding status of the Retirement Plan. Adopting any of these aggressive alternatives would be unreasonable and would involve considerable risk to the Fund and its participants. The Board of Trustees reached this conclusion after consultation with the Fund's professional advisors and has based its current action on the projections of the Fund's Actuary and by taking into account the decline in the Fund's asset base and the economic condition of the printing industry covered by the Fund.

However, the provisions of the Pension Protection Act of 2006 require the Board of Trustees to amend the Fund's existing Rehabilitation Plan by taking reasonable measures in order to forestall the insolvency of the Fund. Therefore, the Trustees have adopted an Amended Rehabilitation Plan that provides for contribution increases and benefit adjustments that will preserve participation in the Fund, and which is designed to forestall insolvency.



Retirees and beneficiaries currently in pay status or who file their Application for Retirement - Part "A" by April 30, 2011 requesting a retirement effective date of May 1, 2011 or earlier will not be affected by any of the changes called for in the Amended Rehabilitation Plan.

Please be advised that a summary of the Amended Rehabilitation Plan adopted by the Board of Trustees at its October 2010 meeting follows.

The Amended Rehabilitation Plan contains a PREFERRED SCHEDULE, which both the Management and Union members of the Board of Trustees strongly urge Participating Employers and Local Unions (bargaining parties) to accept as soon as possible. The Amended Rehabilitation Plan also contains a more severe Default Schedule that will be imposed if the Preferred Schedule is not accepted by the bargaining parties by April 30, 2011.

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CHANGES (continued)

When reviewing the summary that follows, please note the significant differences in the Preferred and Default Schedules. Additional information and the documentation required to formally adopt the Preferred Schedule of the Amended Rehabilitation Plan will be sent to Participating Employers and Local Unions in the

near future.

Participating Employers and their employees operating under the current Rehabilitation Plan's Default Schedule will not be afforded the opportunity to elect the Preferred Schedule of the Amended Rehabilitation Plan.

Additional information, including the Amended Rehabilitation Plan in its entirety, is available on the Fund's website at: www.gccibt-npf.org You can also call the Fund's Toll Free Information Line at (877) 888-2935 for additional details.

GCC/IBT NATIONAL PENSION FUND AMENDED REHABILITATION PLAN SUMMARY

This outline summarizes the Amended Rehabilitation Plan adopted by the Board of Trustees pursuant to the requirements of the Pension Protection Act of 2006 ("PPA").

IMPORTANT NOTE: RETIREES AND BENEFICIARIES who are presently receiving benefits and **PARTICIPANTS** who formally file their Application for Retirement - Part A with the Fund Office on or before April 30, 2011 and apply for a retirement effective date of May 1, 2011 or earlier **ARE NOT AFFECTED BY THE AMENDED REHABILITATION PLAN**. Your current and projected benefits will continue to be paid under the Retirement Plan in effect at the time you submitted your Application for Retirement - Part A with the Fund Office.

Amended Rehabilitation Plan Overview

The Amended Rehabilitation Plan is effective May 1, 2011. It makes changes to the Rehabilitation Plan adopted by the Board of Trustees on September 12, 2007. In addition to the changes to the Retirement Plan that resulted from the initial Rehabilitation Plan adopted by the Board of Trustees, the Amended Rehabilitation Plan requires additional changes to the Retirement Plan as well as additional increases in Employer contributions. The date that the Amended Rehabilitation Plan applies to you could be as soon as May 1, 2011 depending on the action of your Participating Employer and Collective Bargaining Representative ("Bargaining Parties").

IMPORTANT NOTE: EMPLOYERS (and their employees) who are currently operating under the **DEFAULT SCHEDULE** of the Rehabilitation Plan adopted by the Board of Trustees on September 12, 2007 **WILL NOT** be afforded the opportunity to elect the Preferred Schedule of the Amended Rehabilitation Plan.

The impact of the Amended Rehabilitation Plan on **Active Participants** (defined as those currently working for a Participating Employer and covered under the Retirement Plan or those who have not incurred a "Break in Continuity" as defined in the Retirement Plan), **Deferred Vested Participants** (defined as those no longer working for a Participating Employer and who have incurred a "Break in Continuity" as defined in the Retirement Plan but who have attained "Vested" status under the Retirement Plan) and **Participating Employers** is as follows.

Impact of Amended Rehabilitation Plan

IF YOU ARE A PARTICIPANT:

CHANGES TO EARLY RETIREMENT REDUCTION FACTORS (These changes apply to all Retirement Plan Participants under the Amended Rehabilitation Plan effective May 1, 2011):

Active Participants (as defined above), who:

1. meet the eligibility requirements for the current "Basic Benefit", and
2. submit an Application for Retirement - Part A with the Fund Office on or after May 1, 2011,

will be eligible to receive full retirement benefits at age 65 with a **4.5% early retirement reduction** for each year (.375% for each month) their retirement date precedes age 65 down to age 55. The cumulative actuarial reduction for benefits commencing prior to age 65 are as follows: age 64 - 4.5%; age 63 - 9%; age 62 - 13.5%; age 61 - 18%; age 60 - 22.5%; age 59 - 27%; age 58 - 31.5%; age 57 - 36%; age 56 - 40.5%; and age 55 - 45%.

A **full actuarial reduction** for each year a Participant's retirement date precedes age 65 down to age 55 applies to the following groups under the Amended Rehabilitation Plan:

1. All Active Participants operating under a Default Schedule. Note: The 4.5% early retirement reduction factor applies to otherwise eligible Active Participants who retire on or after May 1, 2011, only so long as the Default Schedule (i.e. the schedule for those Employers and Local Unions that do not timely adopt the Preferred Schedule) is not lawfully imposed on, nor adopted by, their last Employer. Once the Default Schedule is imposed or adopted, the full actuarial reduction for retirement before age 65 will apply and the Participant's monthly benefit will be adjusted to reflect the full actuarial reduction on a prospective basis, even if the Participant had retired under the 4.5% factor under the rules of this paragraph.

2. All Active Participants who do not meet the eligibility requirements for the current "Basic Benefit", and
3. All Deferred Vested Participants eligible to retire with a benefit.

The cumulative full actuarial reductions for benefits commencing prior to age 65 are as follows: age 64 - 11%; age 63 - 21%; age 62 - 29%; age 61 - 37%; age 60 - 43%; age 59 - 49%; age 58 - 54%; age 57 - 58%; age 56 - 62%; and age 55 - 66%.

CHANGES TO THE ACCRUAL RATES

- Under the **Preferred Schedule** of the Amended Rehabilitation Plan (**only available if Bargaining Parties adopt the Preferred Schedule by April 30, 2011**):

FUTURE BENEFIT ACCRUAL RATES TO REFLECT THE ADDITIONAL 5% EMPLOYER CONTRIBUTION (see discussion under IF YOU ARE A PARTICIPATING EMPLOYER below)

Example: The Employer contributes to the Plan on behalf of participating employees at 6.3% of Covered Wages. The monthly accrual for contributions made under the current Preferred Schedule of the Rehabilitation Plan is 1.71% of contributions. Under the Preferred Schedule of the **Amended Rehabilitation Plan**, the Employer must contribute 6.615% of Covered Wages (5% increase). The monthly accrual for contributions made under the Preferred Schedule of the **Amended Rehabilitation Plan** remains at 1.71% but applies to the entire 6.615% contribution amount.

- Under the **Default Schedule** of the Amended Rehabilitation Plan (**if Bargaining Parties do not adopt the Preferred Schedule by April 30, 2011**):

FUTURE BENEFIT ACCRUALS ARE CAPPED AT A MAXIMUM OF 1% OF EMPLOYER CONTRIBUTIONS

NO ADDITIONAL ACCRUALS WILL APPLY TO THE EMPLOYER SURCHARGES OR TO THE ADDITIONAL 20% EMPLOYER CONTRIBUTION REQUIRED UNDER ANY DEFAULT SCHEDULE (see discussion under IF YOU ARE A PARTICIPATING EMPLOYER below)

IF YOU ARE A PARTICIPATING EMPLOYER:

- **PREFERRED SCHEDULE** (**only available if the Bargaining Parties adopt the Preferred Schedule under the Amended Rehabilitation Plan by April 30, 2011**):

- Increases Employer's current contribution rate as of May 1, 2011 by an additional 5% effective for contributions due for hours worked on and after May 1, 2011 (i.e., if April 2011 contribution is 6.3%, the new May 2011 contribution would be 6.615%); and
- Active Participants will receive benefit accruals on the additional 5% Employer contribution

- **DEFAULT SCHEDULE:**

- Surcharge of 5% of Employer's contribution rate as of May 2011 effective for contributions due for hours worked on and after May 1, 2011, which increases to 10% of Employer's contribution rate as of May 2012 effective for contributions due for hours worked on and after May 1, 2011, until the Default Schedule contribution increase can be lawfully imposed;
- Increases Employer's contribution rate as of May 2011 by 20% (i.e., if April 2011 contribution is 6.3%, the new Default Schedule contribution would be 7.56%) effective for contributions due 180 days after the expiration of the collective bargaining agreement in effect on May 1, 2011 or after October 27, 2011, if no collective bargaining agreement is in effect on May 1, 2011;
- No future benefit accruals on the surcharges or additional 20% Employer contribution; and
- Future benefit accruals will be capped at a maximum of 1% of Employer contributions

(Please note that this is an abbreviated version of the Amended Rehabilitation Plan that is being distributed to all Employers and Local Unions. Therefore, you should refer to that document for more detailed information. To the extent there is any inconsistency between the foregoing and the Amended Rehabilitation Plan, the terms of the Amended Rehabilitation Plan control. This is also intended to serve as a Summary of Material Modifications to the Retirement Plan.)

¹For Active Participants who are eligible for the Basic Benefit and who submit their Application for Retirement - Part "A" on or before April 30, 2011 and apply for a retirement effective date of May 1, 2011 or earlier, the Early Retirement Reduction Factor continues to be 4% for each year (.33% for each month) their retirement date precedes age 65 down to age 55.

Fund Changes Banking Services Provider to Comerica Bank

Please be advised that effective January 1, 2011, the GCC/IBT National Pension Fund has changed its banking services provider to Comerica Bank. This change is intended to be seamless to all retirees and beneficiaries receiving benefit payments from the Fund as benefit payments will continue to be processed in the same manner.

Participating Employers should discontinue sending any further payments to the old Baltimore Lock Box. All future Contribution Remittances, Employer Withdrawal Liability Payments or any other payments should be sent to the Detroit Lock Box going forward. Correspondence without monies should continue to be sent to the GCC/IBT National Pension Fund Office at 455 Kehoe Blvd., Suite 101, Carol Stream, IL 60188.

Erratum

After the mailing of the August 2010 *Pension Communicator*, it was discovered that the Introductory paragraph of the Annual Funding Notice, starting on page 2 of the *Pension Communicator*, should state: This notice is for the Plan Year beginning May 1, 2009 and ending April 30, 2010 (referred to hereafter as "Plan Year") rather than the May 1, 2008 and April 30, 2009 dates which appear.

The Plan Year dates are set forth correctly in all other instances where they appear in the body of the Funding Notice and all other information contained therein is correct.



Use the Fund's 24-Hour
Toll Free Information Line
at (877) 888-2935

to learn more about the Fund.

We can also be found on the
World Wide Web at
www.gccibt-npf.org or you can send
us an e-mail at
info@gccibt-npf.org

Notice of Your Right to Receive a Individualized Participant Benefit Statement

This is to notify you that if you worked for a participating employer who was required to make contributions into the Fund on your behalf in the last calendar year, you may request and receive an individualized Participant Benefit Statement from the Fund. The Statement sets forth the amount of wages reported by a participating employer, the participant's accrued benefit at age 65, and whether or not the participant is vested (and if not, when vesting will occur). Please be sure to distinguish your request for a Participant Benefit Statement from a benefit estimate request. Benefit estimates set forth a hypothetical projection of a participant's accrued benefit from age 55 to 65 and can be requested once a year.

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This issue of the *Pension Communicator* contains important information regarding changes to the Fund's Rehabilitation Plan

GCC/IBT-NPF
455 Kehoe Boulevard, Suite 101
Carol Stream, IL, 60188
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