

PENSION PLAN OF THE NATIONAL RETIREMENT FUND
BOARD OF TRUSTEES OF THE NATIONAL RETIREMENT FUND
EIN / PN = 13-6130178 / 001
Schedule R, Summary of Rehabilitation Plan

VIII. SMOOTHING OF BENEFIT ACCRUALS FOR PARTICIPANTS OF CERTAIN MERGED-IN PENSION FUNDS - PREFERRED SCHEDULE ONLY

The Board adopted, as part of the Fund's Rehabilitation Plan, a method to smooth the benefit accruals of the plan participants of the former H.E.R.E.I.U. Fund, Local 471 Fund (Upstate New York Hotel Employees and Restaurant Employees Pension Fund), Local 11 Fund (Santa Monica Fund), Local 17 Fund (Minnesota On Sale Fund), Local 355 Fund (Miami Hotel Fund) and Local 107 Fund (Laundry & Dry Cleaning Pension Plan) (collectively, the "Bump Up Funds"). Those employers that previously contributed to one of the Bump Up Funds and currently have portions of their contributions being used to pay down the Fund's unfunded liability were scheduled, under the terms of their respective merger agreements, to have a "bump up" date in the future. The Preferred Schedule includes a trade off of some of the "bump up" for a lesser decrease of future benefit accruals for active Participants. The smoothing shall take effect on the later of January 1, 2011 or the date that the Preferred Schedule is adopted. The attached Exhibits provide examples of the smoothed accrual rate for each of the Bump Up Funds.

IX. UPDATES TO REHABILITATION PLAN; ANNUAL STANDARDS

The Trustees shall annually update the Rehabilitation Plan on or before December 31 of each plan year. The Fund shall be tested each year while in critical status, not later than the 90th day of each plan year, to determine whether the Rehabilitation Plan is on target to exit critical status by January 1, 2023—that is, that the Fund is projected to have a positive credit balance in its funding standard account for the 2023 plan year and the nine succeeding plan years, without regard to the use of the shortfall funding method, but taking into account any extensions of amortization periods under Internal Revenue Code Section 431(d). Such