

## **Rehabilitation Plan of the Legacy Plan (the "Legacy Plan")<sup>1</sup> of the National Retirement Fund (the "Fund") As Updated for 2018**

### **I. Introduction**

The Pension Protection Act of 2006 (the "PPA") created new funding classifications for multiemployer pension plans. These funding classifications impose requirements on the Legacy Plan's Board of Trustees (the "Board") to improve the Legacy Plan's funding levels. On March 31, 2010, the Legacy Plan's actuary certified that the Legacy Plan was in critical status. Once the Legacy Plan enters critical status, the Board is responsible for the implementation of a rehabilitation plan for the Legacy Plan (the "Rehabilitation Plan"), which will enable the Legacy Plan to emerge from critical status by January 1, 2023, or if the Board determines that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the Legacy Plan cannot reasonably be expected to emerge from critical status by January 1, 2023, reasonable measures to emerge from critical status at a later time or to forestall possible insolvency. This updated Rehabilitation Plan is effective January 1, 2018, and amends the Legacy Plan's plan document.

This Rehabilitation Plan does not reduce the level of a Participant's accrued benefit as of January 1, 2018 payable on the Normal Retirement Date. The benefits of the Legacy Plan's retirees and beneficiaries that are in payment and have benefit commencement dates prior to January 1, 2018 shall not be affected by this updated Rehabilitation Plan.

All collective bargaining agreements that are agreed to, renewed or extended on or after January 1, 2018 must comply with the updated Rehabilitation Plan. The Board has the sole and absolute authority to amend, construe, and apply the provisions of the Rehabilitation Plan, including the Schedules (as defined below); provided, however, pursuant to ERISA Section 305(e)(B)(iii), the schedule of contribution rates provided by the Board to the bargaining parties, and which are adopted by the bargaining parties, shall remain in effect for the duration of that collective bargaining agreement or, if applicable, participation agreement. Unless otherwise expressly indicated herein, all capitalized terms used in this Rehabilitation Plan and the Schedules have the same definition assigned to such capitalized term by the governing documents of the Legacy Plan.

The purpose of this updated Rehabilitation Plan is to increase the number of contribution rate increases required under the Preferred Schedule (which also includes the Modified Preferred Schedule) by three. Effective December 31, 2017, a portion of the Legacy Plan's assets and liabilities was transferred to the Legacy Plan of the UNITE HERE Retirement Fund. This transfer required approval by the Pension Benefit Guaranty Corporation ("PBGC"), and the PBGC approved the transfer under the condition that the Fund increase the number of contribution rate increases required under the Rehabilitation Plan by three.

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<sup>1</sup> Effective January 1, 2015, the name of the Legacy Plan was changed from "The Pension Plan of the National Retirement Fund" to "The Legacy Plan of the National Retirement Fund."