

VII. DEFAULT SCHEDULE

This is the Default Schedule for the National Retirement Fund's Rehabilitation Plan. The Default Schedule will apply to Participating Employers and Unions (the "Bargaining Parties") that have adopted it or to those Bargaining Parties that have failed to adopt the Preferred Schedule within 180 days following the expiration of the Bargaining Parties' collective bargaining agreement.

A. Contribution Rate Increases

The Default Schedule requires contribution rate increases as set forth below.^{*} The Default Schedule requires an immediate one-time increase (except as may be adjusted by the Board pursuant to the PPA) in employer contributions. The contribution rate increase is to be applied to an employer's existing contribution rate for existing collective bargaining agreements expiring, re-opened, or renewed in the calendar quarter of the year noted.

For example, OPQ CBA expires on May 4, 2010. If the bargaining parties to OPQ CBA fail to adopt the Preferred Schedule by October 31, 2010 (180 days from the expiration of the OPQ CBA), the Board will impose the Default Schedule on them, effective November 1, 2011. The 56% contribution rate increase would apply to the OPQ CBA for contributions made into the Fund subsequent to October 31, 2010. This contribution rate would not change for the life of the OPQ CBA. At the expiration of the OPQ CBA, it is anticipated that the 56% increase will continue for the term of the renewed OPQ CBA (and any renewals thereafter until 2021). The Board, however, has the ability to change the contribution rate increase at the expiration of the OPQ CBA depending on the Fund's experience under the Rehabilitation Plan. Under this Default Schedule Example, the employer would have been