

LOCAL 734 PENSION PLAN

Notice of Benefit Changes Effective May 1, 2015

The purpose of this Notice is to provide you with information regarding certain changes to the Local 734 Pension Plan (the "Plan") as required by federal law in accordance with Section 204(h) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

As you are aware from the Critical Status Notices that have been sent to you in previous years, the Plan has been certified by its actuary to be in "Critical Status" as defined by the Pension Protection Act of 2006 ("PPA") each year since the plan year beginning on May 1, 2010. As a result of this Critical Status certification, the Board of Trustees adopted a Rehabilitation Plan, as required by PPA. The Rehabilitation Plan was amended and restated in March 2014 and included certain changes in plan provisions effective May 1, 2015, as discussed in the remainder of this Notice.

The purpose of this Notice is to inform you of the changes in Plan benefits that are being made in order to comply with the Rehabilitation Plan.

In general, the following is a list of the changes taking place on May 1, 2015:

If a participant receiving a pension dies prior to receiving 36 months of payments and has not elected a Qualified Joint and Survivor Pension, the eligible spouse (or if deceased, children of the pensioner) will no longer receive the remainder of the 36 monthly payments;

The benefit payable under the Disability Pension will be actuarially reduced for commencement prior to age 55. This adjustment will only apply to new Disability Pensions effective on and after May 1, 2015 and will not apply to anyone under age 55 who already is receiving a Disability Pension.

EXAMPLES

Example #1 (36 Month Guarantee): Suppose you retire on March 1, 2015, do not elect a Qualified Joint and Survivor Annuity or other optional form of payment, and die on September 10, 2015. Prior to the plan change, your eligible spouse (or if deceased, children of the pensioner) would be eligible to receive payments through February 1, 2018 (e.g. 36 months). After the plan change, no further payments to the eligible spouse (or if deceased, children) would be made from the Plan.

Please note that if you elected a Qualified Joint and Survivor Annuity or an optional form of payment, your eligible spouse WILL continue to receive payments under the form you elected.

Example #2 (Disability Pension): Suppose you are age 45 with 20 years of benefit service as of May 1, 2015, and are eligible for a Disability Pension as of this date. Prior to the plan change, your benefit would be reduced for commencement at age 45, but the reduction would be limited to the reduction for someone age 55. Prior to the plan change, you would receive \$840 per month as a Disability Pension ($\$2,100 \times .40$). After the plan change, your benefit will be actuarially reduced from age 55 to age 45 and you would receive \$354 per month as a Disability Pension ($\$2,100 \times .40 \times .4204$, rounded to the next highest dollar).

WHERE TO GET MORE INFORMATION

If you have any questions about these changes, please contact the Fund Office at:

Local 734 Pension Plan
6643 North Northwest Highway
Chicago, IL
60631-1360

773-594-2810

To contact the Fund Office online
Send e-mail to info@bakerydrivers-local734.com

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