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Road Carriers Local 707 Pension Fund
EIN: 51-6106510
PN: 001

Rehabilitation Plan Update
for the Plan Year Ending
8/31/2011

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Rehabilitation Plan for Plan Year Ending 8/31/2011

1. Introduction

The Road Carriers Local 707 Pension Fund (the "Plan") has been determined by the Plan's actuary to be in "critical" status [as defined in Section 432 of the Internal Revenue Code of 1986, as amended (the "IRC")] as of September 1, 2008. As of that date, a Rehabilitation Plan ("RP") was developed with benefit cuts and contribution rate increases which, at the time, were enough for the Plan to emerge into the "Green" zone by the end of the Rehabilitation Period. Due to a severe downturn in the economy our funding percentage dropped significantly as of September 1, 2009. However, the Board elected to temporarily freeze the Plan's Zone Status (and extend the rehabilitation period) under WRERA. Therefore, no update to our original RP was required in 2009. As of September 1, 2010, the Plan was not expected to emerge from the critical zone by the end of the rehabilitation period. Therefore, an RP Update must be prepared for the 2010 Plan Year.

The Rehabilitation Period for the Plan is the 13-year period beginning September 1, 2011. If the Plan emerges from critical status before the end of the 13-year period, the Rehabilitation Period ends with the Plan Year preceding the Plan Year for which the Plan's actuary certifies that the Plan is no longer in critical status.

Date Summary

Initial Critical Zone Certification:	September 1, 2008
Adoption Period:	11/30/2008 – 8/31/2011
Rehabilitation Period:	9/1/2011 – 8/31/2024

Rehabilitation Period defined: Determine expiration date of the CBAs in effect on the due date of certification that covers 75% or more of the active participants. The Rehabilitation Period begins at the start of the first Plan Year starting after that point, but not later than the first Plan Year after 2nd anniversary of Rehabilitation Plan adoption (i.e., Year 4). The due date of the certification was 11/29/2008.

The Master Freight Agreement, which covered more than 75% of the population as of 11/29/2008, does not expire until 3/31/2015. Therefore the Rehabilitation Period starts on 9/1/2011, the first Plan Year after the 2nd anniversary of the Rehabilitation Plan Adoption.

2. Adopting a Schedule

Typically, with respect to each Collective Bargaining Agreement ("CBA") that was in effect on the adoption date and after the bargaining parties received a copy of the original RP, the bargaining parties shall agree to adopt one of the schedules (Default or Non-Default). If the bargaining parties fail to adopt a Schedule, then the Plan Sponsor shall implement the Default Schedule, and such Default Schedule shall take effect on the earlier of (i) the date the Secretary of Labor certifies that the parties are at an impasse, or (ii) the date which is 180 days after the date on which the CBA open on the 9/1/2008 expires.

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a. Duration of Schedules

Once a Schedule described above takes effect, it shall remain in effect for the duration of the CBA and relied upon by the bargaining parties. When a CBA comes up for negotiation, it needs to be negotiated pursuant to the most recent update of this Rehabilitation Plan and the schedules within.

3. Updates to Schedules

The Plan Sponsor shall annually update the schedules and shall file the update with the Plan's annual report under Section 104 of ERISA. The annual update shall reflect updated projections of assets, liabilities and funding standard account credit balances provided by the Plan's actuaries, as well as a projection by the Plan's actuary as to whether or not the Plan is projected to emerge from critical status by the end of the Rehabilitation Period. Such update shall be adopted by the Plan Sponsor prior to the end of each critical year following the first critical year (2008). The updated schedules shall include additional actions, including updated contribution and benefit schedules, that the Plan Sponsor deems reasonable, and may be expected to enable the Plan to emerge from critical status by the end of the Rehabilitation Period.

4. Impact of Economic Downturn

The severe economic downturn of the past few years has created a tremendous funding burden related to the loss in asset value and reduction in employment (and future contributions). As a result, the plan sponsor determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the plan can not reasonably be expected to emerge from critical status by the end of the rehabilitation period.

After reviewing the options, the Trustees believed that such required contribution increases would cause employers to withdraw from the Plan leading to insolvency, financial assistance from the PBGC, and benefit cuts.

Based upon the above, the Trustees have selected the "non-default" schedule described in Section 5 below as permitted by IRC §432(e)(3)(A)(ii), also known as a "safety valve" schedule, which is intended to forestall insolvency.

Note that further cuts to adjustable benefits do not decrease the required contributions materially, nor do they materially forestall insolvency.

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5. Schedules

a. Non-Default:

Contribution Increases and Future Benefit Accruals

Compliance with the Non-Default Schedule requires the Contributing Employer's contribution rate to increase effective August 1, 2008, and increasing August 1st annually thereafter.

Future benefit accruals for the Normal Retirement Pension will be 0.6% of the Employer Contribution required to be made on behalf of the Participant for the first year the Non-Default Schedule is in place and the rate of future benefit accrual will be adjusted in the following years to provide a 4% annual benefit increase until the maximum benefit of \$115 is reached. This adjustment will be effective annually on January 1. The previous cap on a Contributing Employer's contribution rate (i.e., \$4.3975 per hour or, if lower, the rate in effect on December 31, 2004) is eliminated.

Contribution increases and accrual rates are scheduled as follows:

<u>Year</u>	<u>Contribution Increase</u>	<u>Accrual Rate</u>
August 1, 2008	10.614%	0.6000%
August 1, 2009	9.596%	0.5694%
August 1, 2010	8.755%	0.5445%
August 1, 2011	8.051%	0.5241%
August 1, 2012	7.451%	0.5072%
August 1, 2013	5.944%	0.4979%
August 1, 2014	5.610%	0.4903%
August 1, 2015	5.312%	0.4842%
August 1, 2016	5.044%	0.4610%
August 1, 2017	4.802%	0.4399%

Adjustable Benefits Reduced

1. A Service Pension is available to Participants with at least 25 Pension Credits who have attained age 57 or to Participants with 30 Pension Credits at any age. The amount of the Service Pension is an unreduced Normal Retirement Pension. The Service Pension replaces the Twenty-Five Year Service Pension.
2. A reduced Service Pension is available to Participants with at least 25 Pension Credits who have not yet attained age 57. In this case, the amount of the reduced Service Pension is the Normal Retirement Pension reduced by 0.5% for each whole calendar month by which the commencement of benefits precedes the first day of the month coinciding with or next following the date the Participant attains age 65.
3. The Supplemental Pension Benefit is available to Participants with at least 25 Pension Credits who have attained age 57 or Participants with 30 Pension Credits at any age, where at least 18 Pension Credits are attributable to service under the Plan.

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Adjustable Benefits Eliminated

- Disability Pension
- Supplemental Lump Sum Post-Retirement Death Benefit
- Thirty-Year Service Lump Sum Post-Retirement Death Benefit
- 5-Year Period Certain Life Annuity

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b. Default

Contributions

Compliance with the Default Schedule requires the Contributing Employer's contribution rate to increase, effective on the anniversary of the Contributing Employer's collective bargaining agreement, as follows:

<u>Year</u>	<u>Contribution Increase</u>
August 1, 2008	10.6%
August 1, 2009	9.6%
August 1, 2010	8.8%
August 1, 2011	8.1%
August 1, 2012	7.5%
August 1, 2013	3.5%
August 1, 2014	3.4%
August 1, 2015	3.2%
August 1, 2016	3.1%
August 1, 2017	3.0%

Future Benefit Accruals

For Participants whose Contributing Employers agree to comply with the Default Schedule, or for whom the Default Schedule is imposed by law, the future benefit accrual for the Normal Retirement Pension is unchanged (i.e., the rate of future benefit accrual will be 1.0% of the Employer Contribution required to be made on behalf of the Participant; provided that the Contributing Employer's contribution rate shall not exceed \$4.3975 per hour or the rate in effect on December 31, 2004 for Contributing Employers who are obligated to contribute to the Plan at a rate lower than the contribution rate established under the National Master Freight Agreement).

Adjustable Benefits Eliminated

- Twenty-Five Year Service Pension
- Supplemental Pension Benefit
- Disability Pension
- Supplemental Lump Sum Post-Retirement Death Benefit
- Thirty-Year Service Lump Sum Post-Retirement Death Benefit
- 5-Year Period Certain Life Annuity

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: OCT 02 2015

Employer Identification Number:
51-6106510

DLN:
Redacted by the U.S.

BOARD OF TRUSTEES OF ROAD CARRIERS
LOCAL 707 PENSION PLAN
14 FRONT STREET SUITE 300
HEMPSTEAD, NY 11550

Person to Contact:
Redacted by the U.S. ID# Redacted

Contact Telephone Number:
Redacted by the U.S.

Plan Name:
ROAD CARRIERS LOCAL 707 PENSION
PLAN
Plan Number: 001

RECEIVED
OCT 8 - 2015

Dear Applicant:

Based on the information you provided, we are issuing this favorable determination letter for your plan listed above. However, our favorable determination only applies to the status of your plan under the Internal Revenue Code and is not a determination on the effect of other federal or local statutes. To use this letter as proof of the plan's status, you must keep this letter, the application forms, and all correspondence with us about your application.

Your determination letter does not apply to any qualification changes that become effective, any guidance issued, or any statutes enacted after the dates specified in the Cumulative List of Changes in Plan Requirements (the Cumulative List) for the cycle you submitted your application under, unless the new item was identified in the Cumulative List.

Your plan's continued qualification in its present form will depend on its effect in operation (Section 1.401-1(b)(3) of the Income Tax Regulations). We may review the status of the plan in operation periodically.

You can find more information on favorable determination letters in Publication 794, Favorable Determination Letter, including:

- The significance and scope of reliance on this letter,
- The effect of any elective determination request in your application materials,
- The reporting requirements for qualified plans, and
- Examples of the effect of a plan's operation on its qualified status.

You can get a copy of Publication 794 by visiting our website at www.irs.gov/formspubs or by calling 1-800-TAX-FORM (1-800-829-3676) to request a copy.

This determination letter applies to the amendments dated on 12/12/14.

We made this determination on the condition that you adopt the proposed

Letter 5274

BOARD OF TRUSTEES OF ROAD CARRIERS

amendments you submitted in your letter dated 10/01/15 & 09/17/15, on or before the date the Income Tax Regulations provide under Section 401(b) of the Internal Revenue Code.

You can't rely on this letter after the end of the plan's first five-year remedial amendment cycle that ends more than 12 months after we received the application. This letter expires on January 31, 2020. This letter considered the 2013 Cumulative List of Changes in Plan Qualification Requirements.

If you submitted a Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, with your application and asked us to send your authorized representative or appointee copies of written communications, we will send a copy of this letter to him or her.

If you have any questions, you can contact the person listed at the top of this letter.

Sincerely,

Redacted by the U.S. Department of the Treasury

Karen D. Truss
Director, EP Rulings & Agreements

BOARD OF TRUSTEES OF ROAD CARRIERS

This determination letter does not apply to any portions of the document that incorporate the terms of an auxiliary agreement (collective bargaining, reciprocity, or participation agreement), unless you append to the plan document the exact language of the sections that you incorporated by reference.

See
INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

6.2
DEPARTMENT OF THE TREASURY

Date: APR 07 2014

BOARD OF TRUSTEES ROAD CARRIERS -
LOCAL 707 PENSION PLAN
C/O GREGORY NEEDLES ESQ
MORGAN LEWIS & BOCKIUS LLP
1111 PENNSYLVANIA AVE NW
WASHINGTON, DC 20004

Employer Identification Number:
51-6106510

DLN:

Redacted by the U.S.

Person to Contact:

Redacted by the U.S. ID# Reda

Contact Telephone Number:

Redacted by the
U.S. Department of

ROAD CARRIERS - LOCAL 707
PENSION PLAN
Plan Number: 001

Dear Applicant:

We have made a favorable determination on the plan identified above based on the information you have supplied. Please keep this letter, the application forms submitted to request this letter and all correspondence with the Internal Revenue Service regarding your application for a determination letter in your permanent records. You must retain this information to preserve your reliance on this letter.

Continued qualification of the plan under its present form will depend on its effect in operation. See section 1.401-1(b)(3) of the Income Tax Regulations. We will review the status of the plan in operation periodically.

The enclosed Publication 794 explains the significance and the scope of this favorable determination letter based on the determination requests selected on your application forms. Publication 794 describes the information that must be retained to have reliance on this favorable determination letter. The publication also provides examples of the effect of a plan's operation on its qualified status and discusses the reporting requirements for qualified plans. Please read Publication 794.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination letter gives no reliance for any qualification change that becomes effective, any guidance published, or any statutes enacted, after the issuance of the Cumulative List (unless the item has been identified in the Cumulative List) for the cycle under which this application was submitted.

This letter may not be relied on after the end of the plan's first five-year remedial amendment cycle that ends more than twelve months after the application was received. This letter expires on January 31, 2015. This letter considered the 2009 Cumulative List of Plan Qualification Requirements.

This determination letter is applicable for the amendment(s) executed on 09/12/13 & 12/14/10.

Letter 2002

BOARD OF TRUSTEES ROAD CARRIERS -

This determination letter is also applicable for the amendment(s) dated on 07/29/10 & 12/10/09.

This determination letter is also applicable for the amendment(s) dated on 12/17/08 & 12/17/07.

This letter supersedes our letter dated on or about November 20, 2013.

This is not a determination with respect to any language in the plan or any amendment to the plan that reflects Section 3 of the Defense of Marriage Act, Pub. L. 104-199, 110 Stat. 2419 (DOMA) or U.S. v. Windsor, 133 S. Ct. 2675 (2013), which invalidated that section.

The information on the enclosed addendum is an integral part of this determination. Please be sure to read and keep it with this letter.

We have sent a copy of this letter to your representative as indicated in the Form 2848 Power of Attorney or appointee as indicated by the Form 8821 Tax Information Authorization.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely,

Redacted by the U.S. Department of the Treasury

Andrew E. Zuckerman
Director, EP Rulings & Agreements

Enclosures:
Publication 794
Addendum

BOARD OF TRUSTEES ROAD CARRIERS -

This determination letter does not provide reliance for any portion(s) of the document that incorporates the terms of an auxiliary agreement (collective bargaining, reciprocity and/or participation agreement), unless the exact language of the section(s) that is being incorporated by reference to the auxiliary agreement has been appended to the document.

This determination letter also applies to amendment(s) dated on 8/29/07, 12/8/06 & 7/8/04.

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