

Central States, Southeast and Southwest Areas Pension Plan
Item #38

Does the application include the required excerpts from the most recently filed Form 5500.
See section 7.08.

The required excerpts from the most recently filed Form 5500 is attached as document number
38.1.

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

- A** This return/report is for: a multiemployer plan; a multiple-employer plan; or
 a single-employer plan; a DFE (specify) _____
- B** This return/report is: the first return/report; the final return/report;
 an amended return/report; a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here. ▶
- D** Check box if filing under: Form 5558; automatic extension; the DFVC program;
 special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan CENTRAL STATES, SOUTHEAST & SOUTHWEST AREAS PENSION PLAN		1b Three-digit plan number (PN) ▶ <u>001</u>
1c Effective date of plan <u>02/01/1955</u>		
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) TRUSTEES OF CENTRAL STATES, SE AND SW AREAS PENSION FUND C/O CENTRAL STATES FUNDS 9377 WEST HIGGINS ROAD ROSEMONT IL 60018-4938		2b Employer Identification Number (EIN) <u>36-6044243</u>
		2c Sponsor's telephone number <u>(847) 518-9800</u>
		2d Business code (see instructions) <u>484120</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Redacted by the US Department of Treasury	<u>9/9/2014</u>	ARTHUR H. BUNTE, JR.
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Redacted by the US Department of Treasury	<u>9/9/14</u>	CHARLES A. WHOBREY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2013)
v. 130118

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address	3b Administrator's EIN 3c Administrator's telephone number																
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN																
5 Total number of participants at the beginning of the plan year	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align: center;">5</td> <td style="text-align: right;">407,713</td> </tr> </table>	5	407,713														
5	407,713																
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d). a Active participants b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal Add lines 6a , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align: center;">6a</td> <td style="text-align: right;">65,324</td> </tr> <tr> <td style="text-align: center;">6b</td> <td style="text-align: right;">172,834</td> </tr> <tr> <td style="text-align: center;">6c</td> <td style="text-align: right;">130,241</td> </tr> <tr> <td style="text-align: center;">6d</td> <td style="text-align: right;">368,399</td> </tr> <tr> <td style="text-align: center;">6e</td> <td style="text-align: right;">33,247</td> </tr> <tr> <td style="text-align: center;">6f</td> <td style="text-align: right;">401,646</td> </tr> <tr> <td style="text-align: center;">6g</td> <td></td> </tr> <tr> <td style="text-align: center;">6h</td> <td></td> </tr> </table>	6a	65,324	6b	172,834	6c	130,241	6d	368,399	6e	33,247	6f	401,646	6g		6h	
6a	65,324																
6b	172,834																
6c	130,241																
6d	368,399																
6e	33,247																
6f	401,646																
6g																	
6h																	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align: center;">7</td> <td style="text-align: right;">1,663</td> </tr> </table>	7	1,663														
7	1,663																
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 1E b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:																	
9a Plan funding arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor																
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)																	
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input checked="" type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information - Small Plan) (3) <input checked="" type="checkbox"/> <u>1</u> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input checked="" type="checkbox"/> G (Financial Transaction Schedules)																

**SCHEDULE MB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Multiemployer Defined Benefit Plan and Certain
Money Purchase Plan Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2013

**This Form is Open to Public
Inspection**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan CENTRAL STATES, SE AND SW AREAS PENSION PLAN		B Three-digit plan number (PN):	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF TRUSTEES OF CENTRAL STATES, SE AND SW AREAS PENSION FUND		D Employer Identification Number (EIN) 36-6044243	
E Type of plan: (1) <input checked="" type="checkbox"/> Multiemployer Defined Benefit (2) <input type="checkbox"/> Money Purchase (see instructions)			

1a Enter the valuation date: Month 01 Day 01 Year 2013

b Assets

(1) Current value of assets **1b(1)** 17765259052

(2) Actuarial value of assets for funding standard account **1b(2)** 16795637412

c (1) Accrued liability for plan using immediate gain methods **1c(1)** 35312128471

(2) Information for plans using spread gain methods:

(a) Unfunded liability for methods with bases **1c(2)(a)**

(b) Accrued liability under entry age normal method **1c(2)(b)**

(c) Normal cost under entry age normal method **1c(2)(c)**

(3) Accrued liability under unit credit cost method **1c(3)** 35312128471

d Information on current liabilities of the plan:

(1) Amount excluded from current liability attributable to pre-participation service (see instructions) **1d(1)**

(2) "RPA '94" information:

(a) Current liability **1d(2)(a)** 53276594482

(b) Expected increase in current liability due to benefits accruing during the plan year **1d(2)(b)** 506505341

(c) Expected release from "RPA '94" current liability for the plan year **1d(2)(c)** 2856009006

(3) Expected plan disbursements for the plan year **1d(3)** 2891409006

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Redacted by the US Department of Treasury	Date	08/20/2014
Signature of actuary		Date	1405773
DANIEL V. CINER, MAAA		Most recent enrollment number	
Type or print name of actuary		312-984-8500	
SEGal CONSULTING		Telephone number (including area code)	
Firm name			
101 NORTH WACKER DRIVE, SUITE 500			
Address of the firm:			
CHICAGO	IL	60606-1724	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or Form 5500-SF.

Schedule MB (Form 5500) 2013

6 Checklist of certain actuarial assumptions:

a Interest rate for "RPA '94" current liability			6a	3.78%
b Rates specified in insurance or annuity contracts	Pre-retirement <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		Post-retirement <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
c Mortality table code for valuation purposes:				
(1) Males	6c(1)	A	A	
(2) Females	6c(2)	A	A	
d Valuation liability interest rate	6d	7.50%	7.50%	
e Expense loading	6e	13.7%	<input type="checkbox"/> N/A	<input checked="" type="checkbox"/> N/A
f Salary scale	6f	%	<input checked="" type="checkbox"/> N/A	
g Estimated investment return on actuarial value of assets for year ending on the valuation date	6g		0.4%	
h Estimated investment return on current value of assets for year ending on the valuation date	6h		13.4%	

7 New amortization bases established in the current plan year:

(1) Type of base	(2) Initial balance	(3) Amortization Charge/Credit
1	1345036507	141744622
3	-29822836	-3142834
4	407702231	42965078

8 Miscellaneous information:

a If a waiver of a funding deficiency has been approved for this plan year, enter the date (MM-DD-YYYY) of the ruling letter granting the approval	8a	
b Is the plan required to provide a Schedule of Active Participant Data? (See the instructions.) If "Yes," attach schedule.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
c Are any of the plan's amortization bases operating under an extension of time under section 412(e) (as in effect prior to 2008) or section 431(d) of the Code?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
d If line c is "Yes," provide the following additional information:		
(1) Was an extension granted automatic approval under section 431(d)(1) of the Code?		<input type="checkbox"/> Yes <input type="checkbox"/> No
(2) If line (1) is "Yes," enter the number of years by which the amortization period was extended	8d(2)	
(3) Was an extension approved by the Internal Revenue Service under section 412(e) (as in effect prior to 2008) or 431(d)(2) of the Code?		<input type="checkbox"/> Yes <input type="checkbox"/> No
(4) If line (3) is "Yes," enter number of years by which the amortization period was extended (not including the number of years in line (2))	8d(4)	
(5) If line (3) is "Yes," enter the date of the ruling letter approving the extension	8d(5)	
(6) If line (3) is "Yes," is the amortization base eligible for amortization using interest rates applicable under section 6621(b) of the Code for years beginning after 2007?		<input type="checkbox"/> Yes <input type="checkbox"/> No
e If box 5h is checked or line 8c is "Yes," enter the difference between the minimum required contribution for the year and the minimum that would have been required without using the shortfall method or extending the amortization base(s)	8e	

9 Funding standard account statement for this plan year:

Charges to funding standard account:

a Prior year funding deficiency, if any.....	9a		3199887650
b Employer's normal cost for plan year as of valuation date.....	9b		282544717
c Amortization charges as of valuation date:			
		Outstanding balance	
(1) All bases except funding waivers and certain bases for which the amortization period has been extended.....	9c(1)	22193038797	2751354636
(2) Funding waivers.....	9c(2)	0	0
(3) Certain bases for which the amortization period has been extended.....	9c(3)	0	0
d Interest as applicable on lines 9a, 9b, and 9c.....	9d		467534025
e Total charges. Add lines 9a through 9d.....	9e		6701321028

Credits to funding standard account:

f Prior year credit balance, if any.....	9f		0
g Employer contributions. Total from column (b) of line 3.....	9g		720371272
h Amortization credits as of valuation date:			
		Outstanding balance	
i Interest as applicable to end of plan year on lines 9f, 9g, and 9h.....	9h	6876435388	902640617
j Full funding limitation (FFL) and credits:			
(1) ERISA FFL (accrued liability FFL).....	9j(1)	20208963459	
(2) "RPA '94" override (90% current liability FFL).....	9j(2)	32564778825	
(3) FFL credit.....	9j(3)		0
k (1) Waived funding deficiency.....	9k(1)		0
(2) Other credits.....	9k(2)		0
l Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2).....	9l		1717723858
m Credit balance: If line 9l is greater than line 9e, enter the difference.....	9m		
n Funding deficiency: If line 9e is greater than line 9l, enter the difference.....	9n		4983597170

o Current year's accumulated reconciliation account:

(1) Due to waived funding deficiency accumulated prior to the 2011 plan year.....	9o(1)		0
(2) Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:			
(a) Reconciliation outstanding balance as of valuation date.....	9o(2)(a)		0
(b) Reconciliation amount (line 9c(3) balance minus line 9o(2)(a)).....	9o(2)(b)		0
(3) Total as of valuation date.....	9o(3)		0

10 Contribution necessary to avoid an accumulated funding deficiency. (See instructions.).....	10		4983597170
11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions.....			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



THE SEGAL COMPANY

March 29, 2013

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (SE:TEGE:EP)
Room 1700 - 17th Floor
230 S. Dearborn Street
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of January 1, 2013 for the following plan:

Name of Plan: Central States, Southeast and Southwest Areas Pension Plan
Plan number: EIN 36-6044243/ PN 001
Plan sponsor: Board of Trustees, Central States, Southeast and Southwest Areas Pension Plan
Address: 9377 West Higgins Road, Rosemont, Illinois 60018-4938
Phone number: 847.518.9800

As of January 1, 2013, the Plan is in critical status. This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on the annual standards of the rehabilitation plan.

If you have any questions on the attached certification, you may contact me at the following:

The Segal Company
101 North Wacker Drive, Suite 500
Chicago, IL 60606
Phone number: 312.984.8500

Sincerely,

Redacted by the US Department of
Treasury

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 11-05773

March 29, 2013

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4a)

ACTUARIAL STATUS CERTIFICATION AS OF JANUARY 1, 2013 UNDER IRC SECTION 432

This is to certify that The Segal Company (“Segal”) has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Central States, Southeast and Southwest Areas Pension Plan as of January 1, 2013 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2012 actuarial valuation, dated September 5, 2012. Additional assumptions required for the projections and sources of financial information used are summarized in Exhibit V.

The Segal Company does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretations on which this certification is based reflect Segal’s understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.

Redacted by the US Department of Treasury

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 11-05773

388

Actuarial Status Certification as of January 1, 2013 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

Certificate Contents

EXHIBIT I	Status Determination as of January 1, 2013
EXHIBIT II	Summary of Actuarial Valuation Projections
EXHIBIT III	Funding Standard Account Projections
EXHIBIT IV	Funding Standard Account – Projected Bases Assumed Established After January 1, 2012
EXHIBIT V	Actuarial Assumptions and Methodology

Actuarial Status Certification as of January 1, 2013 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

EXHIBIT I

Status Determination as of January 1, 2013

Status	Condition	Test Component Result	Final Result
Critical Status			
1.	Funding deficiency projected in four years (ignoring any amortization extensions)?		Yes
2.	Funding deficiency projected in five years (ignoring any amortization extensions)	Yes	
	AND present value of vested benefits for non-actives more than present value of vested benefits for actives	Yes	
	AND normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) greater than contributions for current year?	Yes	Yes
3.	Funding deficiency projected in five years (ignoring any amortization extensions)	Yes	
	AND funded percentage less than 65%?	Yes	Yes
4.	Funded percentage less than 65%	Yes	
	AND assets plus contributions less than benefit payments and administrative expenses over seven years?	No	No
5.	Assets plus contributions less than benefit payments and administrative expenses over five years?		No
6.	In critical status for immediately preceding plan year and funding deficiency projected within ten years?		Yes
	In Critical Status?		Yes
Endangered Status			
1.	Funded percentage less than 80%	N/A	
	AND not in Critical Status?	N/A	N/A
2.	Funding deficiency projected in seven years	N/A	
	AND not in Critical Status?	N/A	N/A
	In Endangered Status?		No
	In Seriously Endangered Status?		No
Neither Critical Status Nor Endangered Status			
	Neither Critical nor Endangered Status?		No

38.10

Actuarial Status Certification as of January 1, 2013 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on the annual standards of the rehabilitation plan.

The annual standard for meeting the requirements of the rehabilitation plan is that actuarial projections updated for each year show, based on reasonable assumptions, that under the rehabilitation plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency prior to 2021. The updated actuarial projection shows that the Fund is projected to remain solvent until 2024.

Projected Assets (\$ Millions)	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
1. Market value as of January 1	\$17,765	\$16,768	\$15,695	\$14,629	\$13,384	\$12,004	\$10,505	\$8,894	\$7,163	\$5,296	\$3,272	\$1,100
2. Income statement (market value basis)												
(a) Contributions	575	577	658	573	572	570	563	555	550	543	550	268
(b) Withdrawal liability payments	80	80	80	80	80	80	80	86	94	103	107	54
(c) Investment income	1,248	1,173	1,093	1,013	918	814	701	580	450	310	158	20
(d) Benefit payments	2,865	2,868	2,861	2,873	2,913	2,924	2,916	2,912	2,920	2,938	2,944	1,420
(e) Administrative expenses	35	36	37	37	38	39	40	40	41	42	43	21
(f) Net change	(997)	(1,073)	(1,066)	(1,244)	(1,381)	(1,499)	(1,611)	(1,731)	(1,867)	(2,024)	(2,172)	(1,100)
3. Market value as of December 31	16,768	15,695	14,629	13,384	12,004	10,505	8,894	7,163	5,296	3,272	1,100	0

The actuarial assumptions and methods used for the above projection are as described in Exhibit V, except the following:

- Unless noted otherwise in the data used for the 2012 actuarial valuation, Classes 15 and above (other than YRCW) are assumed to remain under the Primary Schedule, and make all future required contribution rate increases, and Classes 14 and below (other than YRCW) are assumed to elect the Default Schedule, and make all future required contribution rate increases. YRCW is assumed to remain on the Distressed Employer Schedule and make Primary Schedule contribution rate increases beginning in 2015.
- 15% of the attrition for Classes 15 and above is attributable to voluntary employer withdrawals (Rehabilitation Plan Withdrawals).

38.11

Actuarial Status Certification as of January 1, 2013 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

**EXHIBIT II
Summary of Actuarial Valuation Projections**

The actuarial factors as of January 1, 2013 (based on projections from the January 1, 2012 valuation certificate):

				January 1, 2013
I. Asset and Contribution Information				
1.	Market value of assets			\$17,765,259,052
2.	Actuarial value of assets			16,795,637,412
3.	Reasonably anticipated contributions			
a.	Upcoming year			645,133,648
b.	Present value for the next five years			2,628,906,846
c.	Present value for the next seven years			3,325,030,095
II. Liabilities				
1.	Present value of vested benefits for active participants			4,569,730,681
2.	Present value of vested benefits for non-active participants			29,989,131,756
3.	Total unit credit accrued liability			34,862,163,257
4.	Present value of payments			
a.	Next five years	Benefit Payments	Administrative Expenses	Total
b.	Next seven years	\$12,104,362,592	\$152,383,777	\$12,256,746,369
c.		15,912,984,705	202,980,487	16,115,965,192
5.	Unit credit normal cost plus expenses			265,784,286
III. Funded Percentage (I.2)/(II.3)				48.2%
IV. Funding Standard Account				
1.	Credit Balance/(Funding Deficiency) as of the end of prior year			-\$3,199,887,650
2.	Years to projected funding deficiency, if within ten years			0

38.12

Actuarial Status Certification as of January 1, 2013 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

**EXHIBIT III
Funding Standard Account Projections**

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1, 2012 through 2019.

	Year Beginning January 1,							
	2012	2013	2014	2015	2016	2017	2018	2019
1. Credit balance/(funding deficiency) at beginning of year	-\$1,782,815,789	-\$3,199,887,650	-\$4,992,663,426	-\$6,806,814,637	-\$8,740,448,887	-\$10,850,636,636	-\$13,023,228,781	-\$15,015,382,274
2. Interest on (1)	-133,711,184	-239,991,574	-374,449,757	-510,511,098	-655,533,667	-813,797,748	-976,742,159	-1,126,153,671
3. Normal cost	240,359,404	232,025,394	226,700,975	221,631,696	211,260,719	196,060,328	183,619,677	178,551,503
4. Administrative expenses	33,662,713	33,758,892	34,434,070	35,122,751	35,825,206	36,541,710	37,272,544	38,017,995
5. Net amortization charges	1,657,191,701	1,801,295,121	1,687,763,174	1,732,549,343	1,671,218,240	1,576,805,048	1,249,965,514	1,294,643,788
6. Interest on (3), (4) and (5)	144,841,037	155,030,955	146,167,366	149,197,783	143,872,812	135,705,532	110,314,330	113,340,996
7. Expected contributions	764,042,581	645,133,648	631,676,271	689,521,370	585,564,236	565,125,996	545,311,548	526,949,292
8. Interest on (7)	<u>28,651,597</u>	<u>24,192,512</u>	<u>23,687,860</u>	<u>25,857,051</u>	<u>21,958,659</u>	<u>21,192,225</u>	<u>20,449,183</u>	<u>19,760,598</u>
9. Credit balance/(funding deficiency) at end of year: (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8)	-\$3,199,887,650	-\$4,992,663,426	-\$6,806,814,637	-\$8,740,448,887	-\$10,850,636,636	-\$13,023,228,781	-\$15,015,382,274	-\$17,219,380,337

The above reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, the projections in this certification were completed without recognition of the amortization extension.

38.13

Actuarial Status Certification as of January 1, 2013 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

EXHIBIT IV

Funding Standard Account – Projected Bases Assumed Established After January 1, 2012

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Actuarial Loss	01/01/2013	\$1,272,950,687	15	\$134,147,968
Actuarial Gain	01/01/2014	-816,844,105	15	-86,081,871
Actuarial Gain	01/01/2015	-148,581,546	15	-15,658,040
Actuarial Loss	01/01/2016	89,120,520	15	9,391,830
Actuarial Gain	01/01/2017	-210,061,170	15	-22,136,976

38.14

EXHIBIT V

Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2012 actuarial valuation certificate, dated September 5, 2012, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Contribution Rates:

The changes to contribution rates on and after January 1, 2012 were based on formal commitments by the collective bargaining parties settled before January 1, 2013 based on information provided for the January 1, 2013 actuarial valuation.

Asset Information:

The financial information as of December 31, 2012 was based on an unaudited financial statement provided by the Fund's Financial Accounting Division Manager. Employer contributions were adjusted for changes in YRCW Contribution Deferral Agreement balances, based on information received from the plan sponsor.

For projections after that date, the assumed administrative expenses were projected to match the projected amount in the unaudited financial statement for 2013 and were increased by 2% per year after 2013 and the benefit payments were projected based on the January 1, 2012 actuarial valuation. The projected net investment return was assumed to be 7.5% of the average market value of assets for the 2013-2019 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity:

As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, starting with the number of participants included in the January 1, 2012 actuarial valuation, the number of active participants is assumed to decline by 4% per year for 10 years and 2% per year thereafter and the number of employment units (weeks, days, and hours worked) are assumed to be in accordance with the assumptions used in the January 1, 2012 valuation. The decline is increased by 16% per year for the first 5 years and 6% per year for the next 5 years for participants under the Default Schedule.

Actuarial Status Certification as of January 1, 2013 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

In addition to projections of industry activity directly linked to the level of ongoing employment, the Trustees also anticipate that 25% of the reduction in projected employer contributions due to the decline in the number of active participants will continue in the form of withdrawal liability payments for 20 years, with a minimum of \$80 million per year.

Based on information from the plan sponsor, it is assumed that, as a result of an agreement with YRCW (Contribution Deferral Agreement), the Fund will receive \$2.0 million in annual property sale income during the calendar years 2013-2014 and the December 31, 2012 balance of \$84,369,096 will grow with 7.5% per year interest, paid monthly, reduced by the property sale income, and will be paid on March 16, 2015.

Future Normal Costs:

Based on the assumed industry activity, normal cost and liabilities were determined based on an open group forecast with the number of active participants assumed to change as described above and the new entrants to have a demographic mix consistent with recent entrants.

This certification reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, the projections in this certification were completed without recognition of the amortization extension. However, even if the conditions are changed so that the Plan meets any new revised conditions, the Plan will still be in critical status (Red Zone) as of January 1, 2013.

The Segal Company (“Segal”) does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal’s understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

5330441v1/10346.001

38.16

March 31, 2014

Documentation Regarding Progress Under Rehabilitation Plan (Schedule MB, line 4c)
ACTUARIAL STATUS CERTIFICATION AS OF JANUARY 1, 2014 UNDER IRC SECTION 432

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. (“Segal”), has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Central States, Southeast and Southwest Areas Pension Plan as of January 1, 2014 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the January 1, 2013 actuarial valuation, dated August 7, 2013. Additional assumptions required for the projections and sources of financial information used are summarized in Exhibit V.

Segal Consulting does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretations on which this certification is based reflect Segal’s understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.

Redacted by the US Department of Treasury

Daniel V. Ciner, MAAA, EA
Senior Vice President and Actuary
Enrolled Actuary No. 11-05773

38.17

Certificate Contents

EXHIBIT I	Status Determination as of January 1, 2014
EXHIBIT II	Summary of Actuarial Valuation Projections
EXHIBIT III	Funding Standard Account Projections
EXHIBIT IV	Funding Standard Account – Projected Bases Assumed Established After January 1, 2013
EXHIBIT V	Actuarial Assumptions and Methodology

Actuarial Status Certification as of January 1, 2014 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

EXHIBIT I

Status Determination as of January 1, 2014

Status	Condition	Test Component Result	Final Result
Critical Status			
1.	Funding deficiency projected in four years (ignoring any amortization extensions)?		Yes
2.	Funding deficiency projected in five years (ignoring any amortization extensions) AND present value of vested benefits for non-actives more than present value of vested benefits for actives AND normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) greater than contributions for current year?	Yes Yes Yes	Yes
3.	Funding deficiency projected in five years (ignoring any amortization extensions) AND funded percentage less than 65%?	Yes Yes	Yes
4.	Funded percentage less than 65% AND assets plus contributions less than benefit payments and administrative expenses over seven years?	Yes No	No
5.	Assets plus contributions less than benefit payments and administrative expenses over five years?		No
6.	In critical status for immediately preceding plan year and funding deficiency projected within ten years?		Yes
In Critical Status?			Yes
Endangered Status			
1.	Funded percentage less than 80% AND not in Critical Status?	N/A N/A	N/A
2.	Funding deficiency projected in seven years AND not in Critical Status?	N/A N/A	N/A
In Endangered Status?			No
In Seriously Endangered Status?			No
Neither Critical Status Nor Endangered Status			
Neither Critical nor Endangered Status?			No

38.19

Actuarial Status Certification as of January 1, 2014 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on the annual standards of the rehabilitation plan.

The annual standard for meeting the requirements of the rehabilitation plan is that actuarial projections updated for each year show, based on reasonable assumptions, that under the rehabilitation plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency prior to 2023. The updated actuarial projection shows that the Fund is projected to remain solvent until 2026.

Projected Assets (\$ Millions)	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
1. Market value as of January 1	\$18,741	\$17,809	\$16,816	\$15,737	\$14,561	\$13,265	\$11,927	\$10,409	\$8,765	\$6,987	\$5,078	\$3,014	\$814
2. Income statement (market value basis)													
(a) Contributions	586	589	587	583	575	643	556	547	543	550	557	562	236
(b) Withdrawal liability payments	80	80	80	80	80	80	80	80	88	92	96	100	43
(c) Investment income	1,321	1,252	1,177	1,095	1,006	908	807	693	569	436	292	138	12
(d) Benefit payments	2,882	2,875	2,885	2,895	2,917	2,927	2,920	2,921	2,934	2,943	2,964	2,954	1,087
(e) Administrative expenses	37	38	39	39	40	41	42	43	43	44	45	46	20
(f) Net change	(932)	(993)	(1,080)	(1,175)	(1,296)	(1,337)	(1,518)	(1,644)	(1,777)	(1,909)	(2,064)	(2,200)	(814)
3. Market value as of December 31	17,809	16,816	15,737	14,561	13,265	11,927	10,409	8,765	6,987	5,078	3,014	814	0

The actuarial assumptions and methods used for the above projection are as described in Exhibit V, except the following:

- Unless noted otherwise in the data used for the 2013 actuarial valuation, Classes 15 and above (other than YRCW) are assumed to remain under the Primary Schedule, and make all future required contribution rate increases, and Classes 14 and below (other than YRCW) are assumed to elect the Default Schedule, and make all future required contribution rate increases. YRCW is assumed to remain on the Distressed Employer Schedule with no contribution rate increases.
- 15% of the attrition for Classes 15 and above is attributable to voluntary employer withdrawal (Rehabilitation Plan Withdrawals).

38.20

Actuarial Status Certification as of January 1, 2014 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

**EXHIBIT II
Summary of Actuarial Valuation Projections**

The actuarial factors as of January 1, 2014 (based on projections from the January 1, 2013 valuation certificate):

				January 1, 2014	
I. Asset and Contribution Information					
1.	Market value of assets			\$18,740,758,554	
2.	Actuarial value of assets			17,028,061,298	
3.	Reasonably anticipated contributions				
	a.	Upcoming year		653,850,439	
	b.	Present value for the next five years		2,622,732,900	
	c.	Present value for the next seven years		3,385,951,469	
II. Liabilities					
1.	Present value of vested benefits for active participants			4,446,163,205	
2.	Present value of vested benefits for non-active participants			30,577,822,928	
3.	Total unit credit accrued liability			35,299,320,836	
4.	Present value of payments	Benefit Payments	Administrative Expenses	Total	
	a.	Next five years	\$12,165,582,696	\$161,066,614	\$12,326,649,310
	b.	Next seven years	15,978,842,925	214,546,330	16,193,389,255
5.	Unit credit normal cost plus expenses			271,081,468	
III. Funded Percentage (I.2)/(II.3)				48.2%	
IV. Funding Standard Account					
1.	Credit Balance/(Funding Deficiency) as of the end of prior year			-\$4,983,597,170	
2.	Years to projected funding deficiency, if within ten years			0	

38.21

Actuarial Status Certification as of January 1, 2014 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

**EXHIBIT III
Funding Standard Account Projections**

The table below presents the Funding Standard Account Projections for the Plan Years beginning January 1, 2013 through 2020.

	Year Beginning January 1,							
	2013	2014	2015	2016	2017	2018	2019	2020
1. Credit balance/(funding deficiency) at beginning of year	-\$3,199,887,650	-\$4,983,597,170	-\$6,793,420,523	-\$8,745,678,004	-\$10,738,883,422	-\$12,743,206,007	-\$14,509,803,271	-\$16,396,258,584
2. Interest on (1)	-239,991,574	-373,769,788	-509,506,539	-655,925,850	-805,416,257	-955,740,451	-1,088,235,245	-1,229,719,394
3. Normal cost	248,497,288	235,398,993	234,837,402	229,585,920	221,282,533	208,905,477	198,623,736	194,003,578
4. Administrative expenses	34,047,429	35,682,475	36,396,125	37,124,048	37,866,529	38,623,860	39,396,337	40,184,264
5. Net amortization charges	1,848,714,019	1,695,824,017	1,689,712,628	1,580,419,980	1,440,981,260	1,072,052,200	1,116,725,139	931,106,892
6. Interest on (3), (4) and (5)	159,844,405	147,517,910	147,070,962	138,534,746	127,509,774	98,968,614	101,605,892	87,397,105
7. Expected contributions	720,371,272	653,850,439	641,220,410	624,949,519	606,008,451	585,728,519	636,915,097	538,531,323
8. Interest on (7)	<u>27,013,923</u>	<u>24,519,391</u>	<u>24,045,765</u>	<u>23,435,607</u>	<u>22,725,317</u>	<u>21,964,819</u>	<u>21,215,939</u>	<u>20,194,925</u>
9. Credit balance/(funding deficiency) at end of year: (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8)	-\$4,983,597,170	-\$6,793,420,523	-\$8,745,678,004	-\$10,738,883,422	-\$12,743,206,007	-\$14,509,803,271	-\$16,396,258,584	-\$18,319,943,569

The above reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, the projections in this certification were completed without recognition of the amortization extension.

38.22

Actuarial Status Certification as of January 1, 2014 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

EXHIBIT IV

Funding Standard Account – Projected Bases Assumed Established After January 1, 2013

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Actuarial Gain	01/01/2014	-\$1,190,318,727	15	-\$125,439,925
Actuarial Gain	01/01/2015	-631,556,307	15	-66,555,599
Actuarial Gain	01/01/2016	-365,993,947	15	-38,569,714
Actuarial Gain	01/01/2017	-637,315,366	15	-67,162,508
Actuarial Gain	01/01/2018	-400,764,258	15	-42,233,930

38.23

EXHIBIT V

Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2013 actuarial valuation certificate, dated August 7, 2013, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

Contribution Rates:

The changes to contribution rates on and after January 1, 2013 were based on formal commitments by the collective bargaining parties settled before January 1, 2014 based on information provided for the January 1, 2014 actuarial valuation.

Asset Information:

The financial information as of December 31, 2013 was based on an unaudited financial statement provided by the Fund's Financial Accounting Division Manager. Employer contributions were adjusted for changes in YRCW Contribution Deferral Agreement balances, based on information received from the plan sponsor.

For projections after that date, the assumed administrative expenses were projected to match the projected amount in the unaudited financial statement for 2014 and were increased by 2% per year after 2014 and the benefit payments were projected based on the January 1, 2013 actuarial valuation. The projected net investment return was assumed to be 7.5% of the average market value of assets for the 2014-2020 Plan Years. Any resulting investment gains or losses due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity:

As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, starting with the number of participants included in the January 1, 2013 actuarial valuation, the number of active participants is assumed to decline by 4% per year for 10 years and 2% per year thereafter and the number of employment units (weeks, days, and hours worked) are assumed to be in accordance with the assumptions used in the January 1, 2013 valuation. The decline is increased by 16% per year for the first 5 years and 6% per year for the next 5 years for participants under the Default Schedule.

38.24

Actuarial Status Certification as of January 1, 2014 under IRC Section 432 for the Central States, Southeast and Southwest Areas Pension Plan

EIN 36-6044243/ PN 001

In addition to projections of industry activity directly linked to the level of ongoing employment, the Trustees also anticipate that 25% of the reduction in projected employer contributions due to the decline in the number of active participants will continue in the form of withdrawal liability payments for 20 years, with a minimum of \$80 million per year.

Based on information from the plan sponsor, it is assumed that, as a result of an agreement with YRCW (Contribution Deferral Agreement), the Fund will receive \$8.0 million in annual property sale and interest income during the Calendar years 2014-2019 and the December 31, 2013 balance of \$84,150,155 will grow with 7.5% per year interest, paid monthly, reduced by the property sale income, and will be paid on December 31, 2019.

Future Normal Costs:

Based on the assumed industry activity, normal cost and liabilities were determined based on an open group forecast with the number of active participants assumed to change as described above and the new entrants to have a demographic mix consistent with recent entrants.

This certification reflects that the Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, the projections in this certification were completed without recognition of the amortization extension. However, even if the conditions are changed so that the Plan meets any new revised conditions, the Plan will still be in critical status (Red Zone) as of January 1, 2014.

Segal Consulting (“Segal”) does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretation on which the certification is based reflects Segal’s understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code.

5417257v3/10346.001

38.25

EXHIBIT VIII
Summary of Plan Provisions
(Schedule MB, line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	January 1 through December 31
Pension Credit Year:	January 1 through December 31
Plan Status:	Ongoing plan

Participation:	Employee is eligible to participate when at least 20 weeks of contributions have been made on his or her behalf in the first year of employment, or in any calendar year thereafter (for Benefit Classes 15A through 18+, need 20 weeks or 75 days of contributions).
-----------------------	---

Contributions:	Employers make daily or weekly contributions on behalf of their employees, as established by a collective bargaining agreement. These contribution rates are a factor in determining Benefit Class. Minimum contribution rates vary by several factors, including Benefit Class and year of last contract. The average annual contribution per participant, based on the assumptions regarding frequency is \$8,302.
-----------------------	---

Service Credit:	Sum of Contributory Credit and Non-Contributory Credit.
------------------------	---

38.26

Contributory Credit: Credit is based on contributions made by employer on employee's behalf. Contributory Credit is earned on a calendar year basis according to the following schedule:

Benefit Classes 1 – 14

0 – 19 weeks contributed	No Credit
20 – 39 weeks contributed	Number of weeks divided by 40
40 or more weeks contributed	1 year credit

Benefit Classes 15A – 18+

0 – 19 weeks contributed	No Credit
20 – 39 weeks contributed	Number of weeks divided by 40
40 or more weeks contributed	1 year credit

or

74 days contributed	No Credit
75 – 179 days contributed	Number of days divided by 180
180 or more days contributed	1 year credit

Non-Contributory Credit: Employee can earn Non-Contributory Credit if he or she became a Participant prior to April 1, 1985, and if he or she worked for a Teamster type organization prior to becoming a participant in this plan. Up to one year of Non-Contributory Credit can be given for each year of Contributory Credit.

Reemployment: If a pensioner or disabled Participant returns to work, benefit payments may be suspended pursuant to the terms of the Plan. Benefit may have to be re-calculated if he or she earns additional credit.

Vesting Service: A Participant earns one year of Vesting Service for each calendar year during which the employer makes at least 20 weeks of contribution on his or her behalf (20 weeks or 75 days for Benefit Classes 15A through 18+). A Participant becomes vested upon earning five years of vesting service.

Break in Service: A one-year break is a calendar year with less than 10 weeks of Contributory Credit, Non-Contributory Credit, or Vesting Service.

A Break in Service occurs when a non-vested Participant has the greater of a) five consecutive one-year breaks, or b) a number of consecutive one-year breaks equal to the number of years of Vesting Service prior to the one-year breaks.

Retirement Benefits: A Participant receives the best of the following benefit types at retirement:

- Twenty-Year Service Pension
- Contribution-Based Pension
- Contributory Credit Pension

38.28

Twenty-Year Service Pension: This benefit is earned by combining Contributory Credit and Non-Contributory Credit, and at least one-half of the total Credit must be Contributory.

This benefit is based on Benefit Class and age at retirement as follows:

Benefit Class	Monthly Pension Benefit				
	Age 57	Age 58	Age 59	60-64	Age 65
1	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
2	90	90	90	90	90
2A	125	125	125	125	125
3	140	140	140	170	170
3A	170	170	170	210	210
4	225	225	225	275	275
5	260	260	260	315	315
6	285	285	285	350	350
7	330	330	330	400	400
8	365	365	365	445	445
9	400	400	400	485	485
10	435	435	435	530	530
11	490	490	490	595	595
12	575	575	575	675	675
13	600	600	600	725	725
14	625	625	625	775	775
15	700	750	800	900	900
16	700	750	800	900	1,100
17A&B	700	750	800	900	1,100
18&18+	700	750	800	900	1,100

38.29

Eligibility: Attain age 50 while an active plan participant with 20 years of Credit
or
30 years of Credit, regardless of age.

Amount: Monthly pension benefit is based on chart above using age on the earlier of 1) retirement date, or 2) date of termination. Benefit must be reduced .5% for each month retirement age precedes age 57.

**Deferred Pension
(Special Provision):**

Eligibility: Attain age 57 while an active plan participant with 20 years of Credit
or
20 years of Contributory Credit, regardless of age, with at least 20 weeks under Schedule B of the Benefit Class Rate Chart
or
Attain age 50 while an active plan participant with 20 years of Contributory Credit.

Amount: Monthly pension benefit is based on previous chart using age at retirement (not age at termination). This special Deferred Pension allows a participant to terminate employment, but delay retirement to a later date to receive a greater benefit.

This benefit must be reduced .5% for each month retirement age precedes age 57. This benefit is not payable prior to age 50.

38.30

Contribution-Based Pension:

Eligibility: Five years of Vesting Service.

Amount: This monthly pension benefit is payable, unreduced, at the earlier of age 65 and age 62 with 20 years of Credit, and is equal to (a) + (b) + (c):

- (a) 1% of all employer contributions paid on the Participant's behalf on or after January 1, 2004;
- (b) 2% of all employer contributions paid on the Participant's behalf on or after January 1, 1986 through December 31, 2003;
- (c) Pre-1986 credit is determined using a formula as defined in the January 1, 1985 Pension Plan.

This benefit can be taken early, with a reduction of .5% for each month retirement date precedes age 65, or age 62 with 20 years Credit if earlier.

Contributory Pension:

Eligibility (must meet any of the following):

- 30 years of Contributory Credit, with at least ½ year of Contributory Credit earned prior to January 1, 2004 and Contribution being made under Schedule B of the Benefit Class Rate Chart;
- at least age 57 with at least 20 years of Contributory Credit and Benefit Class 16 or higher;
- at least age 57 with at least 25 years of Contributory Credit and Benefit Class 15C or higher;
- at least age 60 with at least 25 years of Contributory Credit and Benefit Class 15A or higher;
- 25 years of Contributory Credit and Benefit Class 17A, 18, or 18+;
- at least age 55 with at least 25 years of Contributory Credit and Benefit Class 17B;
- at least age 50 with at least 20 years of Contributory Credit and Benefit Class 18 or 18+.

Amount:

Sum of (a) and (b), where:

- a) 1% of Contributions paid on participant's behalf on or after January 1, 2004 (payable monthly and reduced .5% per month for retirement prior to 62);
- b) a percentage (determined by taking years of Contributory Credit as of December 31, 2003 divided by total Contributory Credit at retirement) of the amount, payable monthly, taken from the following charts (age used in chart should be age at date of termination).

For Benefit Classes 1 – 14:

Use age 60 amount from Twenty-Year Service Pension chart.

For Benefit Class 15A:

Age	25 Years	30 Years
Any	0	1,000
60-61	950	1,050
62-64	1,050	1,125
65+	1,125	1,250

For Benefit Class 15B:

Age	25 Years	30 Years
Any	0	1,000
60-61	1,000	1,100
62-64	1,100	1,250
65+	1,250	1,500

For Benefit Class 15C (Phase I):

Age	25 Years	30 Years
Any	0	1,000
57-59	900	1,125
60-61	1,125	1,350
62-64	1,225	1,500
65+	1,375	1,750

38.33

For Benefit Class 15C (Phase II):

Age	25 Years	30 Years
Any	0	1,000
57-59	1,000	1,250
60-61	1,250	1,600
62-64	1,350	1,750
65+	1,500	2,000

For Benefit Class 16:

Age	20 Years	25 Years	30 Years
Any	0	0	2,000
57	900	1,200	2,000
58	950	1,300	2,000
59	1,000	1,400	2,000
60	1,050	1,500	2,000
61	1,100	1,600	2,100
62	1,200	1,700	2,200
63	1,300	1,800	2,300
64	1,400	1,900	2,400
65+	1,500	2,000	2,500

38.34

Contributory Credit Pensions Under Benefit Class 17A

Age	Years of Contributory Service											
	20-24	25	26	27	28	29	30	31	32	33	34	35 & Over
Any Age	-	1,500	1,500	1,500	1,500	1,500	2,000	2,100	2,200	2,300	2,400	2,500
56	-	1,500	1,600	1,600	1,600	1,600	2,000	2,100	2,200	2,300	2,400	2,500
57	900	1,500	1,600	1,700	1,700	1,700	2,000	2,100	2,200	2,300	2,400	2,500
58	950	1,500	1,600	1,700	1,800	1,800	2,000	2,100	2,200	2,300	2,400	2,500
59	1,000	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
60	1,050	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
61	1,100	1,600	1,600	1,700	1,800	1,900	2,100	2,100	2,200	2,300	2,400	2,500
62	1,200	1,700	1,700	1,700	1,800	1,900	2,200	2,200	2,200	2,300	2,400	2,500
63	1,300	1,800	1,800	1,800	1,800	1,900	2,300	2,300	2,300	2,300	2,400	2,500
64	1,400	1,900	1,900	1,900	1,900	1,900	2,400	2,400	2,400	2,400	2,400	2,500
65 & Up	1,500	2,000	2,000	2,000	2,000	2,000	2,500	2,500	2,500	2,500	2,500	2,500

38.35

Contributory Credit Pensions Under Benefit Class 17B

Age	Years of Contributory Service											
	20-24	25	26	27	28	29	30	31	32	33	34	35 & Over
Any Age	-	-	-	-	-	-	2,500	2,600	2,700	2,800	2,900	3,000
55	-	1,500	1,500	1,500	1,500	1,500	2,500	2,600	2,700	2,800	2,900	3,000
56	-	1,500	1,600	1,600	1,600	1,600	2,500	2,600	2,700	2,800	2,900	3,000
57	900	1,500	1,600	1,700	1,700	1,700	2,500	2,600	2,700	2,800	2,900	3,000
58	950	1,500	1,600	1,700	1,800	1,800	2,500	2,600	2,700	2,800	2,900	3,000
59	1,000	1,500	1,600	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
60	1,050	1,500	1,600	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
61	1,100	1,600	1,600	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
62	1,200	1,700	1,700	1,700	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
63	1,300	1,800	1,800	1,800	1,800	1,900	2,500	2,600	2,700	2,800	2,900	3,000
64	1,400	1,900	1,900	1,900	1,900	1,900	2,500	2,600	2,700	2,800	2,900	3,000
65 & Up	1,500	2,000	2,000	2,000	2,000	2,000	2,500	2,600	2,700	2,800	2,900	3,000

38.36

Contributory Credit Pensions Under Benefit Class 18

Age	Years of Contributory Service											
	20-24	25	26	27	28	29	30	31	32	33	34	35 & Over
Any Age	-	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
50	650	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
51	700	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
52	750	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
53	800	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
54	850	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
55	900	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
56	950	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
57	1,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
58	1,050	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
59	1,100	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
60	1,150	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
61	1,200	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
62	1,300	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
63	1,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
64	1,500	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
65 & Up	2,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500

38.37

Contributory Credit Pensions Under Benefit Class 18 Plus

Age	Years of Contributory Service											
	20-24	25	26	27	28	29	30	31	32	33	34	35 & Over
Any Age	-	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
50	650	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
51	700	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
52	750	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
53	800	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
54	850	2,000	2,100	2,200	2,300	2,400	3,000	3,100	3,200	3,300	3,400	3,500
55	900	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
56	950	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
57	1,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
58	1,050	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
59	1,100	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
60	1,150	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
61	1,200	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
62	1,300	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
63	1,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
64	1,500	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500
65 & Up	2,000	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500

38.38

Disability Pension:

Eligibility: Under age 62 with 10 years of credited service and Benefit Class 4 or higher

Amount: For Benefit Class 18: \$650 per month plus \$50 for each year that the age at time of disability exceeded age 50 with a maximum benefit of \$1,000. For other Benefit Classes: \$265 per month until death or recovery from disability. At age 65, a disabled participant may elect to receive a normal retirement benefit instead.

Vesting:

Eligibility: 5 years of vesting service

Amount: Vested participants retiring after January 1, 1987 will get a Contribution-Based Pension. The Vested Pension is only for those retiring on or before January 1, 1987.

Pre-Retirement Death Benefits:

Survivors may only receive one non-disability death benefit.

50% Surviving Spouse Benefit

Eligibility: Married and either a vested participant or eligible for an immediate pension.

Amount: 50% of the pension that would have been payable under the Joint and 50% Surviving Spouse option.

60-Month Survivor Benefit

Eligibility: Active participant with 20 years of credited service, married or with dependent children, and Benefit Class 4 or higher.

Amount: 60 months' pension equal to the greater of \$160 per month or the pension the deceased participant could have received under the lifetime with limited surviving spouse payment option.

Lump-Sum Death Benefit

Eligibility: Active participant with 10 years of credited service.

Amount: Amount \$4,000 under Schedule B, \$2,000 under Schedule A, or \$10,000 under Benefit Class 18 but not more than 50% of the contributions made for the participant. Survivor eligible for more than one death benefit must elect which one to receive if not covered under Benefit Class 18.

Disability Death Benefit

Eligibility: Receiving a disability pension

Amount: \$1,000 or 50% of spouse's benefit

Lump-Sum Disability Benefit

Eligibility: Age 45 with 10 years of credited service and not eligible for the disability pension.

Amount: Amount \$3,000 under Schedule B or \$2,000 under Schedule A, but not more than 50% of the contributions made for the participant.

Optional Forms of Payment:

For single participants:

- Single Life Annuity for members of Benefit Classes 4 and higher, with a \$1,000 death benefit
- Single Life Annuity for members of Benefit Classes below 4 and a benefit based on 20 years of Credit, with a \$1,000 death benefit

For married participants:

- 50% Joint and Survivor Pension (QJSA) with pop-up provision, reduced from the single life annuity
- 75% Joint and Survivor Pension (QOSA) with pop-up provision, reduced from the single life annuity
- Single Life Annuity for members of Benefit Classes 4 and higher, with 60 months of payments guaranteed or, if the spouse does not survive to the pensioner's death, a \$1,000 death benefit
- Single Life Annuity for members of Benefit Classes below 4 and a benefit based on 20 years of Credit, with a \$1,000 death benefit upon the pensioner's death and a \$500 death benefit upon the spouse's death

Benefit Transfer: Effective January 1, 2008, the responsibility to pay all benefits to non-retired UPS participants as of January 1, 2008 other than the Contribution-Based Pension Accrued Benefit payable at age 65 was transferred to the UPS/IBT Full-Time Pension Plan.

Summary of Plan Changes Under Rehabilitation Plan:

Primary Schedule Except for plan withdrawals, preserves all current benefit provisions. Annually compounded contribution increases are required effective immediately after the expiration of the Collective Bargaining Agreement. For 2008 agreements, the increases are 8% for the first five years, 6% for the next three years, and 4% per year thereafter. Effective for retirements on or after July 1, 2011, participants will not be granted a retirement date prior to age 57, and effective June 1, 2011 required contributions will be limited to \$348 per week for each participant covered by the National Automobile Transporter Agreement and \$342 per week for all other participants. Any employer that qualifies as a New Employer under Section 2.2(b) of Appendix E of the Plan is not required to make additional contribution rate increases otherwise required by the Rehabilitation Plan as of the date it qualifies as a New Employer.

Default Schedule Adjustable Benefits are eliminated or reduced to the maximum extent permitted by law for employees of contributing employers subject to the Default Schedule. Adjustable Benefits include the Twenty-Year Service Pension, the Contributory Credit Pension, all disability benefits not yet in pay status, and before retirement death benefits other than the 50% surviving spouse benefit. Effective for retirements on or after July 1, 2011, the early retirement reductions in the Default Schedule are based on actuarially equivalent factors rather than 6% per year from 65 and may not commence prior to age 57. Annually compounded contribution increases of 4% are required effective immediately after the expiration of the Collective Bargaining Agreement. Any employer that qualifies as a New Employer under Section 2.2(b) of Appendix E of the Plan is not required to make additional contribution rate increases otherwise required by the Rehabilitation Plan as of the date it qualifies as a New Employer.

Rehabilitation Plan Withdrawals When a contributing employer is no longer required to make employer contributions to the Pension Fund under one or more of its Collective Bargaining Agreements as a result of actions by members of a Bargaining Unit, its representatives, or the contributing employer; the participants of that employer that have not yet commenced benefits shall be subject to the Adjustable Benefit reductions of the Default Schedule.

Distressed Employer Schedule

Adjustable Benefits are eliminated or reduced to the maximum extent permitted by law for employees of contributing employers subject to the Distressed Employer Schedule, except for any participant that has achieved a minimum age of 55 and accrued a minimum of 25 years of Contributory Credit as of the date of the Distressed Employer's termination of participation in the Fund provided that the retirement is not prior to age 62. Adjustable Benefits include the Twenty-Year Service Pension, the Contributory Credit Pension, all disability benefits not yet in pay status, and before retirement death benefits other than the 50% surviving spouse benefit. Early retirement reductions are based on actuarially equivalent factors effective for retirements on or after July 1, 2011.

Changes in Plan Provisions

The following plan provisions were changed and are reflected in this valuation:

- During the plan year ended December 31, 2012, 2,136 active participants and 1,554 inactive vested participants were reported to have become covered under the Default Schedule, Distressed Employer Schedule, or were subject to the Adjustable Benefit reductions as a result of a Rehabilitation Plan Withdrawal. As participants become subject to these schedules, their changes in benefits are treated as a plan change.
- Any employer that qualifies as a New Employer under the Plan is no longer required to make contribution rate increases otherwise required by the Rehabilitation Plan.

EXHIBIT VII

**Statement of Actuarial Assumptions/Methods
(Schedule MB, line 6)**

Decrements:

Rates of Retirement: Table A, except effective July 1, 2011, benefits commence no earlier than age 57

Rates of Withdrawal Prior to Retirement: Table B

Rates of Disability: Table C

Rates of Mortality for Healthy Lives: RP-2000 Combined Healthy Blue Collar Mortality Table (sex distinct), projected on a generational basis using Scale AA for 13 years and Scale BB thereafter as described in Table D

Rates of Mortality for Disabled Lives: According to the RP-2000 Disability Retiree Mortality Table (sex distinct)

Note: The rates described above are rates of decrement, not probability rates. Probability rates at a given age are calculated by considering all applicable rates of decrement at that age.

The RP-2000 Combined Healthy Blue Collar Mortality Table, projected on a generational basis using Scale AA for 13 years, reasonably reflects the projected mortality experience of the Plan as of the measurement date. The resulting mortality table was then adjusted to future years using generational projection under Scale BB to reflect future mortality improvement.

38.43

Table A
Retirement (%)

Age	Benefit Classes 1 – 14		Benefit Classes 15 and 16				Benefit Classes 17A and 17B			
	Under 20	20 & Over	Under 20	20 – 24	25 – 29*	30 & Over*	Under 20	20 – 24	25 – 29*	30 & Over*
48	0.0	0.0	0.0	0.0	1.0	10.0	0.0	0.0	2.0	10.0
49	0.0	0.0	0.0	0.0	2.0	10.0	0.0	0.5	2.0	10.0
50	0.5	1.5	0.5	1.0	3.0	10.0	0.5	1.0	3.0	10.0
51	0.5	1.5	0.5	1.0	3.0	10.0	0.5	1.0	3.0	10.0
52	0.5	1.5	0.5	1.5	4.0	10.0	0.5	1.0	5.0	10.0
53	0.5	1.5	0.5	1.5	4.0	10.0	0.5	1.0	5.0	10.0
54	1.0	3.0	1.0	1.5	5.0	10.0	0.5	1.5	6.0	15.0
55	1.0	4.0	1.5	3.0	6.0	10.0	1.0	2.5	8.0	15.0
56	1.0	5.0	2.0	5.0	8.0	10.0	2.0	4.0	10.0	20.0
57	2.5	6.0	5.0	7.0	12.0	18.0	4.0	9.5	15.0	25.0
58	3.0	6.0	5.0	9.0	13.0	17.0	4.0	9.0	15.0	25.0
59	3.0	7.0	5.0	10.0	15.0	17.5	6.0	9.5	15.0	25.0
60	6.0	15.0	8.0	15.0	20.0	20.0	7.5	10.5	20.0	25.0
61	10.0	20.0	15.0	25.0	30.0	35.0	12.0	18.0	30.0	35.0
62	25.0	50.0	35.0	50.0	55.0	65.0	27.5	37.0	50.0	65.0
63	25.0	35.0	25.0	35.0	50.0	50.0	24.5	30.5	50.0	55.0
64	25.0	35.0	25.0	35.0	45.0	40.0	23.0	32.5	45.0	50.0
65	50.0	55.0	50.0	60.0	60.0	55.0	48.0	46.0	60.0	55.0
66	30.0	35.0	40.0	60.0	60.0	55.0	34.0	35.5	40.0	45.5
67	25.0	25.0	35.0	35.0	35.0	45.0	28.5	35.0	40.0	35.0
68	25.0	25.0	30.0	35.0	35.0	30.0	33.5	18.5	25.0	20.0
69	25.0	25.0	30.0	35.0	35.0	30.0	21.0	12.5	30.0	20.0
70	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Participants who have less than 15 years of contributory credit on 12/31/03 are assumed to retire in accordance with the “20-24” rates.

38.44

Table A (continued)
Retirement (%)

Age	Benefit Class 18**				Benefit Classes 18 Plus				Vested Inactive Participants **		
	Under 20	20 - 24	25 - 29*	30 & Over*	Under 20	20 - 24	25 - 29*	30 & Over*	Vested Pension	20 Year Service	30 & Out Benefit
48	0.0	1.0	2.0	10.0	0.0	0.0	2.0	10.0	0.0	0.0	20.0
49	0.0	1.0	3.0	10.0	0.0	0.5	3.0	10.0	0.0	13.0	20.0
50	0.0	1.5	4.0	10.0	0.25	0.5	4.0	10.0	0.5	20.0	20.0
51	0.0	2.0	5.0	10.0	0.25	1.0	5.0	10.0	0.5	8.0	20.0
52	0.5	2.0	7.0	10.0	0.25	1.0	7.0	10.0	0.5	8.0	20.0
53	0.5	1.5	7.0	10.0	0.25	1.0	7.0	10.0	1.0	8.0	20.0
54	0.5	3.0	9.0	15.0	0.5	1.5	9.0	15.0	1.5	9.0	20.0
55	1.0	3.0	10.0	15.0	2.0	2.5	10.0	15.0	2.5	8.0	20.0
56	1.5	5.5	15.0	20.0	2.0	4.0	15.0	20.0	2.5	12.0	35.0
57	3.5	12.5	30.0	25.0	3.0	9.5	30.0	25.0	4.0	19.0	35.0
58	3.5	11.0	20.0	25.0	4.0	9.0	20.0	25.0	4.0	10.0	30.0
59	4.0	13.0	20.0	25.0	4.0	9.5	20.0	25.0	4.0	12.0	30.0
60	4.5	15.5	25.0	25.0	4.0	10.5	25.0	25.0	5.0	19.0	30.0
61	10.5	20.0	30.0	35.0	8.0	18.0	30.0	35.0	8.0	24.0	30.0
62	27.0	35.5	60.0	65.0	20.0	37.0	60.0	65.0	15.0	36.0	50.0
63	20.0	27.0	45.0	45.0	10.0	30.5	45.0	45.0	8.0	23.0	50.0
64	20.0	35.0	45.0	40.0	25.0	32.5	45.0	40.0	15.0	27.0	25.0
65	50.0	61.0	45.0	50.0	35.0	46.0	45.0	50.0	30.0	48.0	25.0
66	25.0	38.0	40.0	50.0	50.0	35.5	40.0	50.0	8.0	24.0	25.0
67	25.5	36.0	40.0	50.0	25.0	35.0	40.0	50.0	8.0	17.0	25.0
68	25.0	18.0	30.0	35.0	25.0	18.5	30.0	35.0	8.0	18.0	25.0
69	25.0	9.0	30.0	20.0	25.0	12.5	30.0	20.0	8.0	18.0	25.0
70	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Participants who have less than 15 years of contributory credit on 12/31/03 are assumed to retire in accordance with the “20-24” rates.

** YRCW participants subject to benefit reductions under the Distressed Employer Schedule are assumed to retire in accordance with the “Under 20” or “Vested Pension” rates, effective July 1, 2011. In addition, YRCW participants who were age 55 with 25 years of service as of July 1, 2009 are assumed to defer benefit commencement until age 62.

38.45

Table B
Withdrawals (%) *

Years of Service	Classes 1 – 14	Classes 15 and 16	Classes 17A and 17B	Class 18	Class 18 Plus
0	40.00	35.00	35.00	25.00	35.00
1	30.00	25.00	20.00	14.00	20.00
2	25.00	20.00	15.00	10.00	15.00
3	25.00	15.00	12.00	10.00	15.00
4	20.00	14.00	12.00	8.00	13.00
5	20.00	13.00	10.00	6.00	13.00
6	17.00	11.00	10.00	6.00	10.00
7	16.00	10.00	10.00	6.00	8.00
8	15.00	10.00	10.00	6.00	8.00
9	15.00	10.00	7.00	6.00	8.00
10	15.00	9.00	7.00	5.00	8.00
11	15.00	9.00	7.00	5.00	8.00
12	13.00	8.00	6.00	4.00	8.00
13	13.00	7.00	5.00	4.00	8.00
14	13.00	6.00	4.00	3.00	7.00
15	10.00	6.00	4.00	3.00	4.00
16	9.00	6.00	4.00	2.00	4.00
17	8.00	5.00	4.00	2.00	4.00
18	8.00	5.00	4.00	2.00	4.00
19	9.00	5.00	4.00	2.00	4.00
20	11.00	5.00	4.00	2.00	4.00
21	9.00	5.00	3.00	2.00	3.00
22	8.00	5.00	3.00	2.00	2.00
23	7.00	5.00	2.00	2.00	2.00
24	6.00	5.00	2.00	1.00	2.00
25	6.00	3.00	2.00	1.00	2.00
26	6.00	3.00	2.00	1.00	2.00
27	6.00	2.00	1.00	1.00	1.00
28	6.00	2.00	1.00	1.00	1.00
29	5.00	2.00	1.00	1.00	1.00
30 & Over	5.00	2.00	1.00	1.00	1.00

*Withdrawal rates cut out at eligibility for retirement, provided a non-zero rate of retirement applies at that age.

38.46

Table C
Disability (%)

Age	Rate of Disability	Age	Rate of Disability	Age	Rate of Disability
21	0.00	36	0.03	51	0.10
22	0.00	37	0.04	52	0.09
23	0.00	38	0.05	53	0.09
24	0.00	39	0.06	54	0.09
25	0.00	40	0.07	55	0.09
26	0.00	41	0.08	56	0.09
27	0.00	42	0.10	57	0.09
28	0.00	43	0.10	58	0.09
29	0.00	44	0.11	59	0.08
30	0.00	45	0.12	60	0.08
31	0.00	46	0.12	61	0.07
32	0.01	47	0.13	62	0.07
33	0.02	48	0.12	63	0.06
34	0.02	49	0.11	64	0.04
35	0.03	50	0.11	65	0.03

38.47

Table D
Mortality* (%)

Age	Healthy		Disabled	
	Male	Female	Male	Female
20	0.03	0.02	2.26	0.75
25	0.03	0.02	2.26	0.75
30	0.07	0.03	2.26	0.75
35	0.10	0.05	2.26	0.75
40	0.12	0.07	2.26	0.75
45	0.15	0.11	2.26	0.75
50	0.19	0.16	2.90	1.15
55	0.33	0.25	3.54	1.65
60	0.67	0.46	4.20	2.18
65	1.29	0.97	5.02	2.80
70	2.20	1.75	6.26	3.76
75	3.59	2.78	8.21	5.22
80	6.19	4.47	10.94	7.23
85	10.50	7.68	14.16	10.02
90	17.25	13.15	18.34	14.00

* Rates above are sample rates in 2013. Healthy rates are projected on a generational basis after 2013 using Scale BB.

38.48

Description of Weighted Average Retirement Age:

Age 61, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential past or future retirement age times the probability of surviving from entry age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the January 1, 2013 actuarial valuation.

Future Benefit Accruals:

One year of service per year

Frequency of Employer Contributions:

Benefit Class	Assumed Weeks Worked	Assumed Days Worked	Assumed Hours Worked
1 through 14	47	210	1,300
15 & 16	51	210	1,700
17A & 17B	51	240	1,700
18 & 18 Plus	51	240	1,700

Unknown Data for Participants:

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male. The Fund Office adjusted for missing birth dates by assuming that they were 30 years prior to the participation date.

Definition of Active Participants:

Active participants are defined as those reported as Active by Central States excluding those who have retired as of the valuation date. All actives have earned one year of vesting service in the most recent plan year.

Exclusion of Inactive Vested Participants:

Inactive participants over age 70 are excluded from the valuation except for those UPS participants that became inactive vested participants as a result of UPS's withdrawal.

Percent Married:

80%

Age of Spouse:

Females are three years younger than male spouses.

Benefit Election:

Married participants are assumed to elect the Joint and Survivor Annuity. Single participants are assumed to elect the Single Life Annuity with 60 months of payments guaranteed (without guarantee for participants on the Default Schedule).

38.49

Net Investment Return:	7.50%
Annual Administrative Expenses:	\$35,400,000, payable monthly for the year beginning January 1, 2013 (equivalent to \$34,047,429 payable at the beginning of the year)
Actuarial Value of Assets:	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.

Actuarial Cost Method:	Unit Credit Actuarial Cost Method. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service.
-------------------------------	--

Benefit Class:	Plan participants are assumed to remain in their current Benefit Class until termination or retirement.
-----------------------	---

Benefits Valued:	Unless otherwise indicated, includes all benefits summarized in Exhibit VIII.
-------------------------	---

Current Liability Assumptions:	
<i>Interest</i>	3.78%, within the permissible range prescribed under IRC Section 431(c)(6)(E)
<i>Mortality</i>	Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1: RP-2000 tables projected forward to the valuation year plus seven years for annuitants and 15 years for nonannuitants

38.50

Estimated Rate of Investment Return:

<i>On actuarial value of assets (Schedule MB, line 6g):</i>	0.4%, for the Plan Year ended December 31, 2012
<i>On current (market) value of assets (Schedule MB, line 6h):</i>	13.4%, for the Plan Year ended December 31, 2012

**Funding Standard Account
Contribution Timing
(Schedule MB, line 3(a)):**

Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the Funding Standard Account is therefore assumed to be equivalent to a July 1 contribution date.

EXHIBIT III
Schedule of Active Participant Data
(Schedule MB, line 8b)

The participant data is for the year ended December 31, 2012.

Age	Pension Credits									
	Total	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
20 - 24	1,285	1,234	51	--	--	--	--	--	--	--
25 - 29	2,949	2,061	858	30	--	--	--	--	--	--
30 - 34	4,509	2,333	1,411	733	32	--	--	--	--	--
35 - 39	5,432	1,878	1,552	1,434	560	8	--	--	--	--
40 - 44	7,886	1,997	1,789	2,059	1,454	561	26	--	--	--
45 - 49	11,035	1,835	1,814	2,468	2,117	1,971	803	27	--	--
50 - 54	13,926	1,678	1,729	2,405	2,273	2,666	2,172	915	88	--
55 - 59	13,146	1,071	1,163	1,807	1,824	2,365	2,258	1,856	758	44
60 - 64	6,446	415	601	870	837	1,071	986	864	563	239
65 - 69	1,061	79	134	173	135	146	116	95	89	94
70 & over	132	27	17	17	17	7	13	13	11	10
Unknown	737	721	16	--	--	--	--	--	--	--
Total	68,544	15,329	11,135	11,996	9,249	8,795	6,374	3,770	1,509	387

38.52

EXHIBIT IV (continued)
Funding Standard Account

Schedule of Funding Standard Account Bases: Amortization Charges as of January 1, 2013 (without amortization extension)
(Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan Amendment	01/01/1993	\$38,762,593	10	\$286,024,792
Plan Amendment	01/01/1994	31,006,197	11	243,835,247
Change in Assumptions	01/01/1995	17,021,297	12	141,539,300
Plan Amendment	01/01/1995	73,323,009	12	609,711,916
Plan Amendment	01/01/1996	25,039,818	13	218,729,781
Plan Amendment	01/01/1997	28,387,073	14	259,055,898
Plan Amendment	01/01/1998	78,124,643	15	741,336,745
Experience Loss	01/01/1999	27,450,077	1	27,450,077
Plan Amendment	01/01/1999	77,674,687	16	763,318,455
Plan Amendment	01/01/2000	39,147,195	17	397,011,538
Experience Loss	01/01/2001	70,722,930	3	197,710,561
Plan Amendment	01/01/2001	21,660,667	18	226,006,523
Plan Amendment	01/01/2002	17,972,771	19	192,416,653
Experience Loss	01/01/2002	72,276,217	4	260,232,380
Plan Amendment	01/01/2003	8,357,478	20	91,590,260
Change in Assumptions	01/01/2003	123,927,774	20	1,358,134,165
Experience Loss	01/01/2003	326,695,127	5	1,420,903,696
Experience Loss	01/01/2005	185,462,547	7	1,055,995,262
Experience Loss	01/01/2006	69,704,770	8	438,903,150
Change in Assumptions	01/01/2006	148,231,625	23	1,722,035,106
Change in Assumptions	01/01/2007	237,812,085	24	2,807,773,402
Plan Amendment	01/01/2009	167,530	11	1,317,473

38.53

EXHIBIT IV (continued)
Funding Standard Account

Schedule of Funding Standard Account Bases: Amortization Charges as of January 1, 2013 (without amortization extension)
(Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Experience Loss	01/01/2009	561,524,191	11	4,415,871,693
Experience Loss	01/01/2011	123,801,820	13	1,081,443,345
Experience Loss	01/01/2012	162,390,815	14	1,481,952,641
Change in Assumptions	01/01/2013	42,965,078	15	407,702,231
Experience Loss	01/01/2013	<u>141,744,622</u>	15	<u>1,345,036,507</u>
Total		\$2,751,354,636		\$22,193,038,797

38.54

EXHIBIT IV (continued)
Funding Standard Account

Schedule of Funding Standard Account Bases (Credits)
(Schedule MB, line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Experience Gain	01/01/2000	\$60,444,208	2	\$116,671,378
Experience Gain	01/01/2004	44,825,571	6	226,184,674
Plan Amendment	01/01/2004	20,969,650	21	234,744,561
Change in Assumptions	01/01/2004	40,431,538	21	452,610,508
Experience Gain	01/01/2007	62,145,950	9	426,153,647
Plan Amendment	01/01/2008	88,507,361	10	653,085,815
Experience Gain	01/01/2008	176,591,670	10	1,303,049,986
Plan Amendment	01/01/2010	1,422,139	12	11,825,690
Experience Gain	01/01/2010	301,688,293	12	2,508,666,112
Plan Amendment	01/01/2011	1,283,692	13	11,213,411
Change in Assumptions	01/01/2011	25,645,809	13	224,023,279
Plan Amendment	07/01/2011	57,365,342	13.5	512,507,109
Plan Amendment	01/01/2012	18,176,560	14	165,876,382
Plan Amendment	01/01/2013	<u>3,142,834</u>	15	<u>29,822,836</u>
Total		\$902,640,617		\$6,876,435,388

38.55

EXHIBIT IV (continued)
Funding Standard Account

Schedule of Funding Standard Account Bases: Amortization Charges as of January 1, 2013 (with amortization extension)
(Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Combined and offset charge	01/01/1992	\$244,872,868	8.48	\$2,076,521,921
Experience Loss	01/01/1993	5,708,926	5	28,544,630
Plan Amendment	01/01/1993	15,393,357	20	307,867,130
Experience Loss	01/01/1994	8,021,839	6	48,131,031
Plan Amendment	01/01/1994	12,167,722	21	255,522,156
Experience Loss	01/01/1995	13,932,561	7	97,527,927
Change in Assumptions	01/01/1995	6,595,242	22	145,095,313
Plan Amendment	01/01/1995	28,409,944	22	625,018,773
Experience Loss	01/01/1996	2,806,665	8	22,453,320
Plan Amendment	01/01/1996	9,572,574	23	220,169,207
Plan Amendment	01/01/1997	10,700,968	24	256,823,224
Plan Amendment	01/01/1998	29,025,961	25	725,649,028
Experience Loss	01/01/1999	11,209,234	11	123,301,576
Plan Amendment	01/01/1999	28,430,936	26	739,204,344
Plan Amendment	01/01/2000	14,111,678	27	381,015,319
Experience Loss	01/01/2001	29,269,584	13	380,504,598
Plan Amendment	01/01/2001	7,687,553	28	215,251,493
Plan Amendment	01/01/2002	6,278,856	29	182,086,822
Experience Loss	01/01/2002	29,937,743	14	419,128,398
Plan Amendment	01/01/2003	2,873,440	30	86,203,191
Change in Assumptions	01/01/2003	42,608,828	30	1,278,264,847
Experience Loss	01/01/2003	135,034,044	15	2,025,510,655

38.56

EXHIBIT IV (continued)
Funding Standard Account

Schedule of Funding Standard Account Bases: Amortization Charges as of January 1, 2013 (with amortization extension)
(Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Experience Loss	01/01/2005	185,462,547	7	1,055,995,262
Experience Loss	01/01/2006	69,704,770	8	438,903,150
Change in Assumptions	01/01/2006	148,231,625	23	1,722,035,106
Change in Assumptions	01/01/2007	237,812,085	24	2,807,773,402
Plan Amendment	01/01/2009	167,530	11	1,317,473
Experience Loss	01/01/2009	561,524,191	11	4,415,871,693
Experience Loss	01/01/2011	123,801,820	13	1,081,443,345
Experience Loss	01/01/2012	162,390,815	14	1,481,952,641
Change in Assumptions	01/01/2013	42,965,078	15	407,702,231
Experience Loss	01/01/2013	<u>141,744,622</u>	15	<u>1,345,036,507</u>
Total		\$2,368,455,606		\$25,397,825,713

** Bases established through January 1, 2003 are amortized at 0% interest as of January 1, 2013 with the 412(e) amortization extension, which is not reflected in this valuation. On February 12, 2009, the Plan filed an application with the IRS to change the conditions of the amortization extension. Since any condition relief has not yet been obtained, this valuation was completed without recognition of the amortization extension.*

38.57

**Justification for Change in
Actuarial Assumptions
(Schedule MB, line 11):**

Based on past experience and future expectations, the following actuarial assumptions were changed as of January 1, 2013 for funding purposes (December 31, 2012 for withdrawal liability purposes as applicable):

- Rates of mortality for healthy lives, previously RP-2000 Combined Healthy Blue Collar Mortality Table (sex distinct), projected using Scale AA on a generational basis for all years.
- Administrative expenses, previously \$35,000,000, payable monthly.

Line 8c

The 2013 Schedule MB does not reflect the 412(e) amortization extension that was reflected prior to the 2009 Schedule MB. The Section 412(e) amortization extension conditions were not met as of January 1, 2009 due to significant investment losses in 2008. On February 12, 2009, the Plan filed an application with the IRS to change the conditions. Since the anticipated condition relief has not yet been obtained, this Schedule MB was completed without recognition of the amortization extension.

5448594v1/10346.006

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection.
--	--	---

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>CENTRAL STATES, SOUTHEAST & SOUTHWEST AREAS PENSION PLAN</u>	B Three-digit plan number (PN)	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TRUSTEES OF CENTRAL STATES, SE AND SW AREAS PENSION FUND</u>	D Employer Identification Number (EIN) <u>36-6044243</u>	

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions..... 1

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
 EIN(s): 36-6044243

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year..... 3 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a	
6 b Enter the amount contributed by the employer to the plan for this plan year.....	6b	
6 c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... Yes No N/A

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... Yes No

11 a Does the ESOP hold any preferred stock?..... Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer ABF FREIGHT SYSTEM INC.
b EIN 71-0249444 c Dollar amount contributed by employer 68850619
d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box [X] and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year
e Contribution rate information (If more than one rate applies, check this box [] and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)
(1) Contribution rate (in dollars and cents) 68.40
(2) Base unit measure: [] Hourly [] Weekly [] Unit of production [X] Other (specify): DAILY

a Name of contributing employer YRC INC.
b EIN 34-0492670 c Dollar amount contributed by employer 31526445
d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box [] and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month 03 Day 31 Year 2019
e Contribution rate information (If more than one rate applies, check this box [X] and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)
(1) Contribution rate (in dollars and cents)
(2) Base unit measure: [] Hourly [] Weekly [] Unit of production [] Other (specify):

a Name of contributing employer
b EIN c Dollar amount contributed by employer
d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box [] and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year
e Contribution rate information (If more than one rate applies, check this box [] and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)
(1) Contribution rate (in dollars and cents)
(2) Base unit measure: [] Hourly [] Weekly [] Unit of production [] Other (specify):

a Name of contributing employer
b EIN c Dollar amount contributed by employer
d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box [] and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year
e Contribution rate information (If more than one rate applies, check this box [] and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)
(1) Contribution rate (in dollars and cents)
(2) Base unit measure: [] Hourly [] Weekly [] Unit of production [] Other (specify):

a Name of contributing employer
b EIN c Dollar amount contributed by employer
d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box [] and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year
e Contribution rate information (If more than one rate applies, check this box [] and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)
(1) Contribution rate (in dollars and cents)
(2) Base unit measure: [] Hourly [] Weekly [] Unit of production [] Other (specify):

a Name of contributing employer
b EIN c Dollar amount contributed by employer
d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box [] and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year
e Contribution rate information (If more than one rate applies, check this box [] and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)
(1) Contribution rate (in dollars and cents)
(2) Base unit measure: [] Hourly [] Weekly [] Unit of production [] Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	198860
b The plan year immediately preceding the current plan year	14b	189963
c The second preceding plan year	14c	193606

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	0.99
b The corresponding number for the second preceding plan year	15b	0.99

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	160
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	370870620

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment.

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment.

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:
 Stock: 69% Investment-Grade Debt: 23% High-Yield Debt: 6% Real Estate: 0% Other: 2%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
 0-3 years 3-6 years 6-9 years 9-12 years 12-15 years 15-18 years 18-21 years 21 years or more
- c** What duration measure was used to calculate line 19(b)?
 Effective duration Macaulay duration Modified duration Other (specify):

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND
EIN: 36-6044243 PN: 001
SCHEDULE R – UPDATE OF REHABILITATION PLAN
DECEMBER 31, 2013

The following 81 pages contain a summary of the updated Rehabilitation Plan and related exhibits.

APPENDIX M-1. REHABILITATION PLAN

Section 1. PREAMBLE AND DEFINITIONS.

This Appendix M-1 is added to the Pension Plan effective on and after March 26, 2008 in order to comply with the requirements of the Pension Protection Act of 2006 (“PPA”). The Central States, Southeast and Southwest Areas Pension Fund (the “Fund”) was certified on March 24, 2008 by its actuary to be in “critical status” (sometimes referred to as the “red zone”) under the PPA. The Fund’s Board of Trustees, as the plan sponsor of a “critical status” pension plan, is charged under the PPA with developing a “rehabilitation plan” designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA. That is the purpose of this Rehabilitation Plan.

Under the PPA, a rehabilitation plan must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the “default” schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of “adjustable benefits” which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund’s Plan Document – or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit).

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund’s Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund’s Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008.

However, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit

employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(F) below eliminated or reduced to the extent indicated in Subsection B(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated below, depending on the year that the new agreement is effective (as shown below). Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

- Pre-2006 agreements: 7% per year
(beginning with 2006 agreement anniversary or reallocation dates)
- 2006 agreements: 7% per year
- 2007 agreements: 8% per year
- 2008 agreements: 8% per year
- 2009 agreements: 8% per year

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule (see Exhibit A).

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non- Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the

Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(F) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by $\frac{1}{2}\%$ per month for each month prior to age 65 at the time of retirement, with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

- (i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.
- (ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection C, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(F)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

- (1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); or
- (2) who (i) has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal (see Section 2(G) below), and (ii) whose last year of Contributory Service Credit prior to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Provided, however, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Subsection C(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

And provided further that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection C(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(F)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

- (1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

- (2) whose *last* year of Contributory Service Credit *prior* to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Provided, however, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection D, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

And provided further that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection D, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

E. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C) or 2(D) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

- (1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(G) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and
- (2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

F. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

- (1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as (i) a Twenty Year Service Pension (Pension Plan § 4.01); (ii) a Contributory Credit Pension (Pension Plan § 4.04); (iii) a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or (v) a Twenty-Year Deferred Pension (Pension Plan § 4.09)].
- (2) Early retirement benefit or retirement-type subsidies [including without limitation (i) an Early Retirement Pension (Pension Plan Section 4.02); (ii) a 25-And-Out Pension (Pension Plan Section 4.05); or a 30-And-Out Pension (Pension Plan Section 4.06)].
- (3) All Disability Benefits not yet in pay status (Pension Plan, Article V).
- (4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.
- (5) Post-retirement death benefits that are not part of the annuity form of payment.
- (6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.
- (7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by ½% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by ½% per month for each month prior to age 65 at the time of retirement.
- (8) To the extent not already included in paragraphs (1) – (7) above, the following categories of benefits listed and defined as “adjustable benefits” under ERISA § 305(e)(8)(iv):
 - (i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,
 - (ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and
 - (iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

G. REHABILITATION PLAN WITHDRAWAL.

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Section 2(G), a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

- (1) decertification or other removal of the Union as a bargaining agent;
- (2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;
- (3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement [including, without limitation, a provision providing for a split bargaining unit]; or (ii) a violation of any other Fund rule or policy [including, without limitation, practices or arrangements that result in adverse selection];
- (4) any transaction or other event [including without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting] whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction.

Provided, however, that with respect to the circumstances described in Subparas. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

- (i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;
- (ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;
- (iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

- (iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and
- (v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to --

- Meet the increasingly stringent requirements of the amortization extension granted to the Fund by the Internal Revenue Service (IRS) in July 2005. The requirements include a funded ratio and a required minimum credit balance requirement (see attached Exhibit B) (pertinent portions of IRS amortization extension).
- Enable the Fund to emerge from critical status in approximately the year 2028.

The annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- The annual actuarial valuation for the Fund shows that, as of the valuation date, the Fund satisfies the annual funding ratio and required credit balance conditions contained in the IRS amortization extension approval letter.
- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will continue to satisfy the increasingly more stringent IRS amortization extension requirements.
- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (or as amended from time to time) the Fund is expected to emerge from Critical Status. The Board of Trustees recognize that actual experience may differ from their reasonable assumptions, and therefore the exact year of emergence may be difficult to predict.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives (including combinations of contribution rate increases and benefit adjustments) that would satisfy the amortization extension conditions and might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which begins on January 1, 2011 and ends on December 31, 2020). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees to emerge by the end of the Rehabilitation Period on December 31, 2020

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

The Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA section 305(e)(4) would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, emergence by the end of the presumptive 10 year Rehabilitation Period could require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from \$52 to over \$300. Therefore, the Trustees concluded that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

In the last several years, the Trustees have implemented numerous measures to improve the Fund's funding. These have included:

- ◆ Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;
- ◆ Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;
- ◆ Obtaining agreements from the major bargaining parties to reallocate about \$400 million per year of benefit contributions to the Pension Fund;
- ◆ Obtaining the amortization extension with its IRS-imposed conditions; and
- ◆ Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases.

The Board of Trustees determined that mandating additional significant benefit cuts, or mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals.

EXHIBIT A

**Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year
(all rate increases are to be compounded annually)**

Calendar Year of Contribution Rate Increase	Year of New Bargaining Agreement			
	2006	2007	2008	2009
2006	7%			
2007	7%	8%		
2008	7%	8%	8%	
2009	7%	8%	8%	8%
2010	7%	8%	8%	8%
2011	6%	8%	8%	8%
2012	5%	6%	8%	8%
2013	4%	4%	6%	8%
2014	4%	4%	6%	8%
2015	4%	4%	6%	8%
2016	4%	4%	4%	6%
2017	4%	4%	4%	4%
2018	4%	4%	4%	4%
2019	4%	4%	4%	4%
2020	4%	4%	4%	4%
2021	4%	4%	4%	4%
2022	4%	4%	4%	4%
2023	4%	4%	4%	4%
2024	4%	4%	4%	4%
2025	4%	4%	4%	4%
2026	4%	4%	4%	4%
2027	4%	4%	4%	4%

EXHIBIT B

Significant Index No. 0412.00-00

200620024

**DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224**

**TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION**

FEB 22 2006

SE:T:EP:RA:T:A2

In re:

Fund =

Industry =

This letter constitutes notice that your request for a 10-year extension for amortizing the unfunded liabilities described in section 412(b)(2)(B) of the Internal Revenue Code ("Code") and section 302(b)(2)(B) of the Employee Retirement Income Security Act of 1974 ("ERISA"), has been approved subject to the following conditions:

- (1) A credit balance is maintained such that the credit balance is at least as large as the accumulation (at the plan's valuation rate) of the amortized (at the Plan's valuation rate over a period of 15 years) differences between the amortization payments of the extended bases (amortized at the section 6621(b) rate) and the amortization payments of such bases had such bases been extended and amortized at the Plan's valuation rate;
- (2) The Plan's funded ratio, calculated by dividing the market value of Plan assets as of the Plan's valuation date by the Plan's actuarial accrued liability (computed using the unit credit method and the Plan assumptions as of January 1, 2004), is:
 - (a) no less than 59% for each valuation date from January 1, 2005, through January 1, 2011, inclusive;
 - (b) no less than 60% as of January 1, 2012 and as of January 1, 2013;
 - (c) no less than 61% as of January 1, 2014, and as of January 1, 2015;
 - (d) no less than 62% as of January 1, 2016;

200620024

2

- (e) for each valuation date subsequent to January 1, 2016, no less than 1% greater than the floor funded ratio as of the previous valuation date. (For example, because the floor funded ratio as of January 1, 2016, is 62%, the funded ratio must be at least 63% as of January 1, 2017, and 64% as of January 1, 2018); and
- (3) For each plan year that the extension remains in effect, starting with the plan year beginning January 1, 2004, a copy of the actuarial valuation report for each plan year will be provided to this office by September 15 of the following calendar year at the address below:

Your authorized representative agreed to these conditions in a letter dated July 13, 2005. If any one of these conditions is not satisfied, the approval to extend the amortization periods for amortizing the unfunded liabilities would be retroactively null and void. However, the Service will consider modifications of these conditions especially in the event that unforeseen circumstances beyond the control of the Fund cause the actual experience of the Plan to fail the funded ratio condition. An example of such an unforeseen circumstance would include a market fluctuation affecting the value of the Plan's assets. Of course, any request for a modification is considered another ruling request and would be subject to an additional user fee.

The extensions of the amortization periods of the unfunded liabilities of the Plan have been granted in accordance with section 412(e) of the Code and section 304(a) of ERISA. Section 412(e) of the Code and section 304(a) of ERISA authorize the Secretary to extend the period of time required to amortize any unfunded liability (described in section 412(b)(2)(B) of the Code and section 302(b)(2)(B) of ERISA) of a plan for a period of time (not in excess of 10 years) if the Secretary determines that such extension would carry out the purposes of ERISA and would provide adequate protection for participants under the plan and their beneficiaries and if the Secretary determines that the failure to permit such extension would (1) result in (A) a substantial risk to the voluntary continuation of the plan, or (B) a substantial curtailment of pension benefit levels or employee compensation, and (2) be adverse to the interests of plan participants in the aggregate.

APPENDIX M-2. REHABILITATION PLAN (INCLUDING 2010 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

An amended Appendix M was added to the Pension Plan effective on and after December 31, 2010 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA"). This Appendix M-2 is added to the Pension Plan in order to incorporate effective as of May 17, 2011, the Distressed Employer Schedule provisions (Section 2(C) and 2(F) below) into the Rehabilitation Plan.

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA; the Fund's actuary has also certified the Fund to be in critical status for the 2009 and 2010 plan years. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for plan year 2010 the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document – or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2.

SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section H below eliminated or reduced to the extent indicated in Subsection B(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule (see Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) \$348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) \$342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. **Effect of agreement to or imposition of Default Schedule.**

- (i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.
- (ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. **DISTRESSED EMPLOYER SCHEDULE.**

1. **Benefits**

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of

participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

- (i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;
- (ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;
- (iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);
- (iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);
- (v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and
- (vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations

owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

- (1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); or
- (2) who (i) has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal (see Section 2(I) below), and (ii) whose last year of Contributory Service Credit prior to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Provided, however, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Subsection D(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

And provided further that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

- (1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and
- (2) whose *last* year of Contributory Service Credit *prior* to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Provided, however, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

And provided further that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Subsection C(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

- (1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and
- (2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while

a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

And provided further that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits, due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided further* in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

- (1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and
- (2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

- (1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as (i) a Twenty Year Service Pension (Pension Plan § 4.01); (ii) a Contributory Credit Pension (Pension Plan § 4.04); (iii) a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or (v) a Twenty-Year Deferred Pension (Pension Plan § 4.09)].
- (2) Early retirement benefit or retirement-type subsidies [including without limitation (i) an Early Retirement Pension (Pension Plan Section 4.02); (ii) a 25-And-Out Pension (Pension Plan Section 4.05); or a 30-And-Out Pension (Pension Plan Section 4.06)].
- (3) All Disability Benefits not yet in pay status (Pension Plan, Article V).
- (4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.
- (5) Post-retirement death benefits that are not part of the annuity form of payment.
- (6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.
- (7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by ½% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the

Contribution-Based Pension reduced by ½% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

- (8) To the extent not already included in paragraphs (1) – (7) above, the following categories of benefits listed and defined as “adjustable benefits” under ERISA § 305(e)(8)(iv):
- (i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,
 - (ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and
 - (iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund’s initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant’s accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL.

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Section 2(l), a “Rehabilitation Plan Withdrawal” occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

- (1) decertification or other removal of the Union as a bargaining agent;
- (2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;
- (3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund’s rules with respect to the terms of a Collective Bargaining Agreement [including, without limitation, a provision providing for a split bargaining unit]; or (ii) a violation of any other Fund rule or policy

[including, without limitation, practices or arrangements that result in adverse selection];

- (4) any transaction or other event [including without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting] whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparas. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

- (i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;
- (ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;
- (iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;
- (iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and
- (v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2023. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2021.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which begins on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31, 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from \$52 to over \$300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the rehabilitation plan in 2010, the Trustees concluded that in light of current valuation data, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 update process that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, the Trustees have implemented numerous measures to improve the Fund's funding. These have included:

- ◆ Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;
- ◆ Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;
- ◆ Obtaining agreements from the major bargaining parties to reallocate about \$400 million per year of benefit contributions to the Pension Fund;

- ◆ Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of anticipated investment losses resulting from the 2008 collapse of the financial markets;
- ◆ Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases; and
- ◆ Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund.

The Board of Trustees determined that mandating additional significant benefit cuts (beyond those provided in this updated rehabilitation plan), or mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, accelerate the Fund's insolvency and would be counterproductive to the Trustees' effort to forestall insolvency.

EXHIBIT A

**Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year
(all rate increases are to be compounded annually)**

Calendar Year of Contribution Rate Increase	Year of Initial Bargaining Agreement Conforming to Primary Schedule			
	2006 & Earlier	2007	2008	2009 & Later
2006	7%			
2007	7%	8%		
2008	7%	8%	8%	
2009	7%	8%	8%	8%
2010	7%	8%	8%	8%
2011	6%	8%	8%	8%
2012	5%	6%	8%	8%
2013	4%	4%	6%	8%
2014	4%	4%	6%	8%
2015	4%	4%	6%	8%
2016	4%	4%	4%	6%
2017	4%	4%	4%	4%
2018	4%	4%	4%	4%
2019	4%	4%	4%	4%
2020	4%	4%	4%	4%
2021	4%	4%	4%	4%
2022	4%	4%	4%	4%
2023	4%	4%	4%	4%
2024	4%	4%	4%	4%
2025	4%	4%	4%	4%
2026	4%	4%	4%	4%
2027	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

**(applicable to Default Schedule and Rehabilitation Plan
Withdrawal benefit adjustments for Participants who
(i) have not submitted a retirement application on or
before July 1, 2011 and (ii) do not have a benefit commencement
date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011)**

<u>Age</u>	<u>Percent of Age 65 Benefit Based on Actuarial Equivalence</u>
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-3. REHABILITATION PLAN (INCLUDING 2011 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

An amended Appendix M was added to the Pension Plan effective on and after December 31, 2010 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA"). Appendix M-2 was added to the Pension Plan in order to incorporate effective as of May 17, 2011, the Distressed Employer Schedule provisions (Section 2(C) and 2(F) below) into the Rehabilitation Plan.

This Appendix M-3 is added to the Pension Plan effective on and after December 31, 2011 in order to update the Rehabilitation Plan in compliance with the requirements of the PPA.

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA; the Fund's actuary has also certified the Fund to be in critical status for the 2009 and 2010 plan years. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document – or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2.

SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule (see Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) \$348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) \$342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non- Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

- (i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.
- (ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by $\frac{1}{2}\%$ per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and

(ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

- (i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;
- (ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;
- (iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);
- (iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);
- (v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and
- (vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current

and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

- (1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); or
- (2) who (i) has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal (see Section 2.I below), and (ii) whose last year of Contributory Service Credit prior to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as

the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

- (i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;
- (ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;
- (iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;
- (iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and
- (v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

- (1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and
- (2) whose *last* year of Contributory Service Credit *prior* to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

- (1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and
- (2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor

Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits, due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided further* in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

- (1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and
- (2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

- (1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as (i) a Twenty Year Service Pension (Pension Plan § 4.01); (ii) a Contributory Credit Pension (Pension Plan § 4.04); (iii) a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or (v) a Twenty-Year Deferred Pension (Pension Plan § 4.09)].
- (2) Early retirement benefit or retirement-type subsidies [including without limitation (i) an Early Retirement Pension (Pension Plan Section 4.02); (ii) a 25-And-Out Pension (Pension Plan Section 4.05); or a 30-And-Out Pension (Pension Plan Section 4.06)].
- (3) All Disability Benefits not yet in pay status (Pension Plan, Article V).
- (4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.
- (5) Post-retirement death benefits that are not part of the annuity form of payment.
- (6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.
- (7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by $\frac{1}{2}\%$ per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by $\frac{1}{2}\%$ per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.
- (8) To the extent not already included in paragraphs (1) – (7) above, the following categories of benefits listed and defined as “adjustable benefits” under ERISA § 305(e)(8)(iv):
 - (i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

- (ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and
- (iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL.

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

- (1) decertification or other removal of the Union as a bargaining agent;
- (2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;
- (3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement [including, without limitation, a provision providing for a split bargaining unit]; or (ii) a violation of any other Fund rule or policy [including, without limitation, practices or arrangements that result in adverse selection];
- (4) any transaction or other event [including without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting] whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

- (i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;
- (ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;
- (iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;
- (iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and
- (v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2023. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended

and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2021.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the “Standards and Objectives” heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31, 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from \$52 to over \$300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the rehabilitation plan in 2010, and again in 2011, the Trustees concluded that in light of current valuation data, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 and 2011 update process that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, prior to Plan/calendar year 2011, the Trustees have implemented numerous measures to improve the Fund's funding. These have included:

- ◆ Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;
- ◆ Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;
- ◆ Obtaining agreements from the major bargaining parties to reallocate about \$400 million per year of benefit contributions to the Pension Fund;
- ◆ Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of anticipated investment losses resulting from the 2008 collapse of the financial markets;
- ◆ Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases; and
- ◆ Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund.

And specifically during the Plan/calendar year 2011, the Trustees have, in addition to continuing with the implementation of the measures listed above, implemented the following measures to improve the Fund's funding:

- ◆ Approved a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan. Pursuant to this Schedule, YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers whose participation in the Fund the Trustees had been terminated by the Board of Trustees in July 2009 due to chronic contribution delinquencies, were permitted to resume Contributions at a rate lower than would have been permitted under the pre-2011 Rehabilitation Plan Schedules. The Trustees determined that this Contribution rate was the highest these Employers could pay without unduly risking their insolvency and dissolution. Therefore, the Trustees permitted these Employers to resume contributions in June 2011 at these lower rates under a newly approved Distressed Employer Schedule; this Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would improve the Fund's funding.

- ◆ Adopted a new withdrawal liability method, and obtained approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method (*i.e.*, the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method. Under direct attribution method, the Trustees believe that a Contributing Employer's potential exposure to future withdrawal is virtually eliminated. The Trustees believe that this new "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method. This, in turn, will tend to improve the Fund's funding position as Employers who might otherwise withdraw from the Fund are encouraged to continue to participate.

The Board of Trustees determined that mandating additional significant benefit cuts (beyond those provided in this updated rehabilitation plan), or mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, accelerate the Fund's insolvency and would be counterproductive to the Trustees' effort to forestall insolvency.

EXHIBIT A

**Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year
(all rate increases are to be compounded annually)**

Calendar Year of Contribution Rate Increase	Year of Initial Bargaining Agreement Conforming to Primary Schedule						
	2006 & Earlier	2007	2008	2009	2010	2011	2012
2006	7%						
2007	7%	8%					
2008	7%	8%	8%				
2009	7%	8%	8%	8%			
2010	7%	8%	8%	8%	8%		
2011	6%	8%	8%	8%	8%	8%	
2012	5%	6%	8%	8%	8%	8%	8%
2013	4%	4%	6%	8%	8%	8%	8%
2014	4%	4%	6%	8%	8%	8%	8%
2015	4%	4%	6%	8%	8%	8%	8%
2016	4%	4%	4%	6%	8%	8%	8%
2017	4%	4%	4%	4%	6%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%
2019	4%	4%	4%	4%	4%	4%	6%
2020	4%	4%	4%	4%	4%	4%	4%
2021	4%	4%	4%	4%	4%	4%	4%
2022	4%	4%	4%	4%	4%	4%	4%
2023	4%	4%	4%	4%	4%	4%	4%
2024	4%	4%	4%	4%	4%	4%	4%
2025	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

**(applicable to Default Schedule and Rehabilitation Plan
Withdrawal benefit adjustments for Participants who
(i) have not submitted a retirement application on or
before July 1, 2011 and (ii) do not have a benefit commencement
date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011)**

<u>Age</u>	<u>Percent of Age 65 Benefit Based on Actuarial Equivalence</u>
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-4. REHABILITATION PLAN (INCLUDING 2012 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-4 is added to the Pension Plan effective on and after December 31, 2012 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2012. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule (see Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) \$348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) \$342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

- (i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.
- (ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii)

has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

- (i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;
- (ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;
- (iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);
- (iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);
- (v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and
- (vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in

order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

- (1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*
- (2) who (i) has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal (see Section 2(I) below), and (ii) whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)) one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

- (i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the

administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

- (ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;
- (iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;
- (iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and
- (v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section 8(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

- (1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and
- (2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F. effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

- (1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and
- (2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned

while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

- (1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and
- (2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

- (1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as (i) a Twenty Year Service Pension (Pension Plan § 4.01); (ii) a Contributory Credit Pension (Pension Plan § 4.04); (iii) a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or (v) a Twenty-Year Deferred Pension (Pension Plan § 4.09)].
- (2) Early retirement benefit or retirement-type subsidies [including without limitation (i) an Early Retirement Pension (Pension Plan Section 4.02); (ii) a 25-And-Out Pension (Pension Plan Section 4.05); or a 30-And-Out Pension (Pension Plan Section 4.06)].
- (3) All Disability Benefits not yet in pay status (Pension Plan, Article V).
- (4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.
- (5) Post-retirement death benefits that are not part of the annuity form of payment.
- (6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.
- (7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.
- (8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA § 305(e)(8)(iv):
 - (i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,
 - (ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

- (iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

- (1) decertification or other removal of the Union as a bargaining agent;
- (2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;
- (3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit]; or (ii) a violation of any other Fund rule or policy [including, without limitation, practices or arrangements that result in adverse selection];
- (4) any transaction or other event (including without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting] whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

- (i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance

procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

- (ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;
- (iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;
- (iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and
- (v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2023. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2021.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31, 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from \$52 to over \$300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in 2010, 2011 and 2012, the Trustees concluded that in light of current valuation data, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010, 2011 and 2012 update process that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, prior to Plan/calendar year 2012, the Trustees have implemented numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the “and-out” and early retirement benefits while freezing them at their year-end 2003 levels;
- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;
- Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of investment losses resulting from the weakness in financial in recent years;
- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;
- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;
- Approving a Distressed Employer Schedule as part of the Fund’s Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and
- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund’s historic (pre-2011) withdrawal liability method (*i.e.*, the “modified presumptive method”), will have any future withdrawal liability determined under the “direct attribution” method; the Trustees believe that this “hybrid” method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund’s prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

And specifically during 2012, the Trustees continued to implement the funding improvement measures listed above, and also amended the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers’ participation on these terms would tend to improve overall pension funding.

As part of their responsibility to consider updates to the Rehabilitation Plan for Plan Year 2012, the Board of Trustees also determined that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A
Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year
(all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increase	Year of Initial Bargaining Agreement Conforming to Primary Schedule							
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013
2006	7%							
2007	7%	8%						
2008	7%	8%	8%					
2009	7%	8%	8%	8%				
2010	7%	8%	8%	8%	8%			
2011	6%	8%	8%	8%	8%	8%		
2012	5%	6%	8%	8%	8%	8%	8%	
2013	4%	4%	6%	8%	8%	8%	8%	8%
2014	4%	4%	6%	8%	8%	8%	8%	8%
2015	4%	4%	6%	8%	8%	8%	8%	8%
2016	4%	4%	4%	6%	8%	8%	8%	8%
2017	4%	4%	4%	4%	6%	8%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%	8%
2019	4%	4%	4%	4%	4%	4%	6%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%
2021	4%	4%	4%	4%	4%	4%	4%	4%
2022	4%	4%	4%	4%	4%	4%	4%	4%
2023	4%	4%	4%	4%	4%	4%	4%	4%
2024	4%	4%	4%	4%	4%	4%	4%	4%
2025	4%	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

**(applicable to Default Schedule and Rehabilitation Plan
Withdrawal benefit adjustments for Participants who
(i) have not submitted a retirement application on or
before July 1, 2011 and (ii) do not have a benefit commencement
date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)**

<u>Age</u>	<u>Percent of Age 65 Benefit Based on Actuarial Equivalence</u>
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-5. REHABILITATION PLAN (INCLUDING 2013 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-5 is added to the Pension Plan effective on and after December 31, 2013 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2013. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2.

SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule (see Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) \$348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) \$342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

- (i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.
- (ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii)

has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

- (i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;
- (ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;
- (iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);
- (iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);
- (v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and
- (vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in

order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

- (1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); or
- (2) who (i) has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal (see Section 2(I) below), and (ii) whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall

have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

- (i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;
- (ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;
- (iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;
- (iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and
- (v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which

such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

- (1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and
- (2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

- (1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

- (2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

- (1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and
- (2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

- (1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as (i) a Twenty Year Service Pension (Pension Plan § 4.01); (ii) a Contributory Credit Pension (Pension Plan § 4.04); (iii) a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or (v) a Twenty-Year Deferred Pension (Pension Plan § 4.09)].
- (2) Early retirement benefit or retirement-type subsidies [including without limitation (i) an Early Retirement Pension (Pension Plan § 4.02); (ii) a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].
- (3) All Disability Benefits not yet in pay status (Pension Plan, Article V).
- (4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.
- (5) Post-retirement death benefits that are not part of the annuity form of payment.
- (6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.
- (7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.
- (8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA § 305(e)(8)(iv):
 - (i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

- (ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and
- (iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

- (1) decertification or other removal of the Union as a bargaining agent;
- (2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;
- (3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);
- (4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

- (i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;
- (ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;
- (iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;
- (iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and
- (v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2026. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the “Standards and Objectives” heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31, 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund’s initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees’ ability to maintain and improve the Fund’s funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from \$52 to over \$300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in 2010, 2011, 2012 and 2013 the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010, 2011, 2012 and 2013 update process that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, prior to Plan/calendar year 2013, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;
- Protecting the “and-out” and early retirement benefits while freezing them at their year-end 2003 levels;
- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;
- Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of investment losses resulting from the weakness in financial markets in recent years;
- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;
- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;
- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and
- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method (*i.e.*, the “modified presumptive method”), will have any future withdrawal liability determined under the “direct attribution” method; the Trustees believe that this “hybrid” method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be

concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

As part of their responsibility to consider updates to the Rehabilitation Plan for Plan Year 2013, the Board of Trustees also determined that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A
Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year
(all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increase	Year of initial Bargaining Agreement Conforming to Primary Schedule								
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014
2006	7%								
2007	7%	8%							
2008	7%	8%	8%						
2009	7%	8%	8%	8%					
2010	7%	8%	8%	8%	8%				
2011	6%	8%	8%	8%	8%	8%			
2012	5%	6%	8%	8%	8%	8%	8%		
2013	4%	4%	6%	8%	8%	8%	8%	8%	
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

**(Applicable to Default Schedule and Rehabilitation Plan
Withdrawal benefit adjustments for Participants who
(i) have not submitted a retirement application on or
before July 1, 2011 and (ii) do not have a benefit commencement
date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)**

<u>Age</u>	<u>Percent of Age 65 Benefit Based on Actuarial Equivalence</u>
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND
EIN: 36-6044243 AND PN: 001
SCHEDULE R, LINE 13D - COLLECTIVE BARGAINING AGREEMENT EXPIRATION DATE
DECEMBER 31, 2013

<u>NAME OF EMPLOYER</u>	<u>EIN</u>	<u>COLLECTIVE BARGAINING AGREEMENT (CBA) EXPIRATION</u>
ABF Freight System Inc.	71-0249444	105 accounts with CBA's expiring 03/31/18 1 account with CBA expiring 6/30/18 2 accounts with CBA's expiring 3/31/18

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND
EIN: 36-6044243 AND PN: 001
SCHEDULE R, LINE 13E - INFORMATION ON CONTRIBUTION RATES AND BASE UNITS
DECEMBER 31, 2013

NAME OF EMPLOYER	EIN	CONTRIBUTION RATE
YRC Inc.	34-0492670	253 total pension accounts with \$69 weekly pension rate, \$14 daily pension rate and \$1.75 hourly rate, resulting in a rate per contribution base unit of \$69.00 and \$70.00 for weekly and daily/hourly, respectively.