Bakery & Confectionery Union & Industry International Pension Fund

REHABILITATION PLAN

November 7, 2012

I. INTRODUCTION

The Pension Protection Act of 2006 ("PPA") requires an annual actuarial status determination for multiemployer pension plans including the Bakery & Confectionery Union & Industry International Pension Plan (the "Plan"). On March 30, 2012, the Plan was certified by its actuary, The Segal Co. ("Segal"), to be in critical status, also known as the "red zone," for the plan year beginning on January 1, 2012 and ending on December 31, 2012 (the "2012 Plan Year").

When a multiemployer pension plan has been certified by its actuary as being in critical status, the PPA requires the board of trustees of that Plan to develop a rehabilitation plan that is expected to improve the plan's funding over a period of years. A rehabilitation plan sets forth the actions taken by the pension plan's trustees, as well as actions to be taken by the collective bargaining parties, to enable the plan to emerge from critical status or forestall possible insolvency. The rehabilitation plan must be based on reasonably anticipated experience and reasonable actuarial assumptions regarding investment income and other experience of the plan over a period of future years.[1]

II. REHABILITATION PLANS GENERALLY

A rehabilitation plan consists of either (i) actions (including increases in employer contributions to, and/or reductions in benefits under, the plan) that, based on reasonably anticipated experience and reasonable actuarial assumptions, are formulated to enable the plan to emerge from critical status no later than the end of a 10-year "rehabilitation period"; or (ii) reasonable measures implemented by the plan's trustees that are expected to enable the plan to emerge from critical status

[1] All of these requirements are set forth in Section 305(e)(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 432(e)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

after such 10-year period, or to forestall possible plan insolvency, if the trustees determine that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the plan cannot reasonably be expected to emerge from critical status by the end of the 10-year rehabilitation period.

III. DEVELOPMENT OF THE REHABILITATION PLAN

The Board of Trustees of the Pension Fund (the "Board") delegated the responsibility for developing a Rehabilitation Plan to a committee composed of equal numbers of trustees appointed by the Bakery, Confectionery, Tobacco Workers, and Grain Millers International Union ("BCTGM") and trustees appointed by participating employers. After extensive deliberations and consultations with Segal and the Pension Fund's legal counsel, as well as an in-depth review of a variety of possible alternatives, the Committee developed this rehabilitation plan (the "Rehabilitation Plan") as the best long-term option for improving the funded status of the Plan, and determined that it is in the best interest of the Plan and its participants and beneficiaries. The Board adopted it on November 7, 2012. The Rehabilitation Plan includes two schedules, known respectively as the "preferred schedule" and the "default schedule," along with reductions in adjustable benefits for deferred vested participants, reductions in future accruals for active participants, increases in the employer contribution rates that must be paid in order to provide a higher pension benefit level available under Section 1.21 or Section 4.26 of the Rules and Regulations of the Plan as they were in effect December 31, 2011, and measures designed to reduce administrative costs.

The Committee first considered, in light of information and projections developed by Segal based on reasonably anticipated experience and reasonable actuarial assumptions, what actions would be necessary to enable the Plan to cease to be in critical status by the end of the 10-year rehabilitation period.[2] Among other possible actions, the Committee specifically considered reductions in benefits (including "adjustable benefits," as defined in PPA), reductions in future benefit accruals, increases in contributions, and reductions in Plan expenditures. The Committee determined that there is no reasonable combination of increases in

2 The 10-year rehabilitation period begins January 1, 2015, because calendar year 2015 is the first plan year that begins two years after adoption of the Rehabilitation Plan. It is also the first plan year after expiration of collective bargaining agreements (in effect when the actuarial certification for the first critical year was due) covering at least 75% of the plan's active participants. The Rehabilitation Plan is effective before the 10-year rehabilitation period begins.

contributions, reductions in benefits, and reductions in Plan expenses that the Board could incorporate into the Rehabilitation Plan that would enable the Plan to emerge from critical status within the 10-year rehabilitation period.

The Committee considered alternatives for improving the Plan's financial situation, including a range of benefit reductions from the maximum permissible reductions to lesser reductions and a range of contribution increases. The Plan actuary's projections indicated that, even if all Participants' benefits were reduced to the maximum extent permissible under law and all future benefit accruals were eliminated, it would require increases in the rates of contributions from Participating Employers amounting to 15% or more per year, compounded annually, in order to produce funding improvements that could be projected to allow the Plan to emerge from critical status by the end of the 10-year rehabilitation period.

Based on the Committee's knowledge of the Participating Employers, and of competition in the baking, confectionery, and grain milling industries from non-union companies and other companies that are not obligated to contribute to defined-benefit pension plans, the Committee determined that the imposition of annual contribution rate increases in the range of 15% or more compounded annually would be unreasonable. The Committee believes, based on its knowledge and experience, that the Participating Employers have a limited capacity to absorb increases in contributions without incurring serious risk to their financial ability to continue operations. The Committee further concluded, based on its specific knowledge of the recent history of collective bargaining between Participating Employers and the local unions representing their employees, that the bargaining parties in many locations would be more likely to agree to withdraw from the Plan than to adopt a schedule that would impose the changes in benefit structures and contribution rates that would be necessary to make it possible for the Plan to emerge from critical status by the end of the 10-year rehabilitation period. The Committee concluded, therefore, that adoption of a rehabilitation plan based on the increases in contribution rates that would be necessary to allow the Plan to emerge from critical status by the end of the 10-year rehabilitation period would likely cause further financial harm to the Plan through the withdrawal of substantial numbers of Participating Employers. The Committee therefore determined that it would be unreasonable to assume, based on reasonable actuarial assumptions and upon the exhaustion of all reasonable measures, that the Plan can be expected to emerge from critical status by the end of the 10-year rehabilitation period.

The Committee therefore developed an alternative permitted by ERISA and the Code. This Rehabilitation Plan consists of reasonable measures adopted by the

Committee which, based on reasonable actuarial assumptions, can be expected to enable the Plan to emerge from critical status at a future date later than the end of the 10-year rehabilitation period. The Board approved that alternative.

Under this Rehabilitation Plan, the Plan is projected to emerge from critical status some time beyond a 30-year projection period, and also is not projected to become insolvent at any point during or, by extrapolation, after that projection period.

IV. DEFINITIONS

Any capitalized terms in the Rehabilitation Plan that are not defined in this Section or elsewhere in the Rehabilitation Plan will have the same meaning that they are given in the Rules and Regulations.

- **A. Accrual rate** means the rate at which a Participant earns future benefits, assuming that benefit payments begin at the Participant's Normal Retirement Age.
- **B. Code** means the Internal Revenue Code, as amended from time to time, and applicable Treasury regulations.
- **C. Collective Bargaining Agreement (**or **CBA)** means a collective bargaining agreement between an Employer and a Local Union of the BCTGM, pursuant to which the Employer is obligated to make contributions to the Pension Fund for the purpose of providing pension benefits to employees whose work is covered by that agreement. To the extent that the contribution rate in the Collective Bargaining Agreement is different from the contribution rate accepted by the Employer in the Fund's standard collective bargaining clause, the rate in the standard collective bargaining clause will govern. Any extension of a Collective Bargaining Agreement by 180 days or more will be considered a new Collective Bargaining Agreement for purposes of the Rehabilitation Plan and the application of all rules under the PPA.
- **D. Controlled Group** has the meaning that is defined in regulations implementing section 4001(b) of ERISA, 29 U.S.C. § 1301(b).
- **E. Employer** means all entities defined as Employers in Section 1.07 of the Rules and Regulations, including all Contributing Unions, Contributing Credit Unions, and Contributing Welfare Funds defined in Sections 1.21 and 1.23 of the Rules and Regulations.

F. **Employer Account** or **Account** means one or more places of business of an Employer for which there is a single Collective Bargaining Agreement.

G. **Hour of Service** has the same meaning as is given in Section 1.25 of the Rules and Regulations, but also includes any hours described in Section 5.07 of the Rules and Regulations that are contiguous with Hours of Service in Covered Employment for the same Employer if the Participant moved from Covered Employment to a non-covered position for the purpose of evading benefit reductions in the Default Schedule.

H. **Past Service Credit** means Pension Credit that a Participant could receive pursuant to Section 5.02 or Section 5.09 of the Rules and Regulations.

I. **PBGC Approval Date** means the date on which the Pension Benefit Guaranty Corporation approves amendments to the Pension Fund's withdrawal liability method, permitting the establishment of a New Pool of withdrawal liability in terms substantially the same as those described in VI.A.2 of the Rehabilitation Plan.

J. **Pension Effective Date** has the same meaning as "Effective Date of a Participant's pension," as that term is defined in Section 8.01(a) of the Rules and Regulations.

K. **Rules and Regulations** means the Rules and Regulations of the Bakery and Confectionery Union and Industry International Pension Fund, as they are amended from time to time (except where a specific provision in the Rehabilitation Plan refers to the Rules and Regulations in effect on a particular date).

L. **Surcharge** means the automatic employer surcharges that are required by the PPA, in Section 305(e)(7) of ERISA, 29 U.S.C. § 1085(e)(7).

M. **Working Pensioner** means a Participant who is working in covered employment and accruing benefits under the Plan after the Pension Effective Date.

V. OVERVIEW OF THE REHABILITATION PLAN

The Rehabilitation Plan includes five elements:

1. The "Preferred Schedule," which includes a combination of benefit reductions permitted by law and increases in Employer contribution rates. The Preferred Schedule includes a provision, contingent on approval by the

Pension Benefit Guaranty Corporation ("PBGC"), under which a New Pool of withdrawal liability will be created for new Employers that begin to contribute to the Pension Fund on or after the later of the PBGC Approval Date or January 1, 2013. Current contributing Employers will be given the option, with Trustee approval, to move into that New Pool by paying their share of the Pension Fund's unfunded vested benefits on terms and conditions agreed between the Employer and the Trustees. Because Employers exercising this option will be paying both withdrawal liability and current contributions, they will be subject to a schedule of contribution rate increases that are more moderate than the contribution rate increases that will apply to other Employers under the Preferred Schedule.

2. The "Default Schedule," which – as required by law – consists of Employer contribution rate increases that are necessary to enable the Plan to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law, as in effect on the date this Rehabilitation Plan is adopted.

3. Amendments that apply to all active Participants in the Plan, consisting of elimination of certain optional forms of benefits that were suspended effective May 1, 2012, and reductions in certain benefits and future benefit accruals effective January 1, 2013.

4. Reductions in adjustable benefits that will apply to Participants with a Pension Effective Date on or after January 1, 2014, who (a) were not employed by any Employer that was participating in the Plan as of April 29, 2012, or (b) who terminate Covered Employment on or after April 29, 2012, without having earned at least one Hour of Service under a Collective Bargaining Agreement that includes terms consistent with either the Preferred Schedule or the Default Schedule.

5. Additional reductions that apply to groups that voluntarily cease participation in the Plan after the Rehabilitation Plan is adopted.

6. Measures to reduce administrative expenses.

These five elements are described in detail in the sections that follow.

VI. DETAILS OF THE REHABILITATION PLAN

A. The Preferred Schedule

1. Benefit Reductions.

The benefit reductions in the Preferred Schedule primarily consist of rolling back benefit increases that the Trustees adopted in a period from

1998 to 2001 when the Code, as then in effect, contained an unrealistically low standard for “overfunding” of multiemployer pension plans and required the Trustees to adopt a combination of benefit increases and contribution reductions to avoid tax penalties. Because the law has now been amended, and subsequent events have made clear that the Plan was not overfunded in any realistic sense, the Trustees will roll back the 1998-2001 benefit increases as far as they reasonably can, consistent with law.

These benefit reductions will be effective as of the dates stated below, for all Participants who earn at least one Hour of Service under a Collective Bargaining Agreement that includes terms consistent with the Preferred Schedule and who have a Pension Effective Date on or after January 1, 2014.

In addition, the benefit reductions described in Paragraph C apply to all active Participants, including those who are covered by a Collective Bargaining Agreement that includes terms consistent with the Preferred Schedule.

i. **Husband and Wife Pension Subsidies.** Under amendments to the Rules and Regulations of the Plan adopted in June 2000, the 50% Husband and Wife Pension is fully subsidized, and the 75% and 100% Husband and Wife Pensions and Husband and Wife Pop-up Pensions are partially subsidized. These subsidies will be eliminated for all Participants with a Pension Effective Date on or after January 1, 2014. All Husband and Wife Pensions beginning after that date will be actuarially reduced, using the same actuarial factors that the Pension Fund used from July 1995 through December 1999 (and using the same actuarial assumptions to develop factors for the Husband and Wife optional forms of pension that have been added to the Plan since that date), as shown in Appendix A.
ii. **Early Retirement Pension Eligibility.** Under amendments to the Rules and Regulations of the Plan adopted in December 1998, Participants may be eligible for an Early Retirement Pension with 10 years of pension credit. The minimum pension credit required for eligibility will be increased to 15 years, as it

was before the December 1998 amendment, for all Participants with a Pension Effective Date on or after January 1, 2014.

iii. **Eligibility for Golden 80 and Golden 90 Pensions (including Plan CC).** Under the Rules and Regulations of the Plan as amended December 3, 1998, Participants who first began to participate in the Plan on or after December 3, 1998, **must have a minimum of 10 years of Pension Credit to qualify for a** Golden 80 or Golden 90 Pension (including Plan CC). Effective for Participants with a Pension Effective Date on or after January 1, 2014, all Participants must have a minimum of 15 years of service to qualify for these pensions.

iv. **Becoming Eligible for Golden 80 and Golden 90 Pensions.** Participants who had not yet reached the combination of age and service required to be eligible for a Golden 80 or Golden 90 pension as of April 30, 2012, will not be permitted to age into the Golden 80 or Golden 90 benefit after leaving covered employment. (Except for the effective date, this amendment will be identical to the amendment that was adopted effective July 1, 2010. This amendment is adopted as a contingent measure because of the pending court challenge to the earlier amendment.)

v. **Credit for Periods of Disability.** For Participants with Pension Effective Dates on or after January 1, 2014, the amount of credit that will be granted for periods of total disability pursuant to Section 5.05(a)(ii) of the Rules and Regulations will not exceed a cumulative lifetime maximum of 48 months or, if greater, the cumulative Hours of Service the Plan is required to credit for periods of disability pursuant to 29 C.F.R. § 2530.200b-2. This rule will not affect Pension Credit that a Participant applied for and the Pension Fund granted before January 1, 2014.

vi. **Benefit Rounding Rules.** For Participants with Pension Effective Dates on or after January 1, 2013, all benefit amounts will no longer be rounded up to the nearest dollar. Instead, amounts less than fifty cents will be rounded down and amounts of fifty cents or greater will be rounded up.

2. Contribution Rate Increases

If the PBGC approves the Pension Fund's withdrawal liability rule changes that are needed to create a "New Pool" of withdrawal liability and allow current employers to select it, there will be two schedules of contribution rate increases under the Preferred Schedule.

If no New Pool is created, or if it is created but an Employer does not select the New Pool or does not obtain Trustee approval to enter the New Pool, the Preferred Schedule will require the Employer to pay the following for each Account with a separate CBA:

> compounded contribution rate increases of 5% per year calculated on a base equal to the sum of (i) any surcharge applicable as of the day before the effective date of the first Collective Bargaining Agreement that contains terms consistent with the Preferred Schedule for the Account ("CBA Effective Date") plus (ii) the contribution rates required under the Collective Bargaining Agreement that was in effect for that Account on the earlier of January 1, 2013, or the day before the parties agree upon terms consistent with the Preferred Schedule (including any contribution rate increases that were negotiated before January 1, 2013 with effective dates on or after January 1, 2013, but not including any contribution rate increases that are negotiated on or after January 1, 2013).

The contribution rate increases required by the preceding paragraph will not result in any increases in the pension benefit level for any Participant.

The first of these annual rate increases will take effect as of the CBA Effective Date of the Account, and each subsequent rate increase will take effect on each succeeding anniversary date of the CBA Effective Date. The rate increases will remain in effect for as long as the Preferred Schedule (as periodically updated by the Trustees) requires such increases, without regard to the subsequent expiration or renegotiation of any CBA, for as long as the Employer has an obligation to contribute to the Pension Fund for that Account.

Effective as of the PBGC Approval Date, the Plan will have two separate withdrawal liability pools. One pool ("the Old Pool") initially will consist of Employers that had contribution obligations to the Plan before the PBGC Approval Date. The amount of unfunded vested benefit liabilities in the Old Pool initially will be equal to the amount of unfunded vested benefit liabilities of the Plan as a whole as of the December 31 immediately preceding the PBGC Approval Date. The second pool ("the New Pool") will consist of Employers that first begin to have an obligation to contribute to the Plan on or after the PBGC Approval Date , and will include only those vested benefit liabilities (and assets funding them) that are created or received on or after the December 31 immediately preceding the PBGC Approval Date.

Employers with an existing contribution obligation to the Plan as of the PBGC Approval Date will have until December 31, 2015 to elect to participate in the New Pool, conditioned on approval by the Trustees, by paying their withdrawal liability in the Old Pool. This election must be made for the entire Controlled Group that participates in the Plan, and then each of the Controlled Group's Accounts must adopt the Preferred Schedule as the individual Accounts' Collective Bargaining Agreements expire thereafter. The amounts that these Employers pay in withdrawal liability will be credited to the Old Pool.

For each Account of an Employer that elects to participate in the New Pool on behalf of its Controlled Group, there will be no contribution rate increase (other than Surcharges) on each of the first 5 CBA Effective Date anniversaries after the Employer makes the New Pool election. Beginning on the 6th CBA Effective Date anniversary after the New Pool election, the Employer will be required to pay, for that Account,

> 16 annual compounded contribution rate increases of 2.5% calculated on a base equal to the sum of (i) any Surcharge applicable on the day before the CBA Effective Date for that account plus (ii) the contribution rates required under the CBA that was in effect on the earlier of January 1, 2013, or the day before the parties agree upon terms consistent with the Preferred Schedule (including any contribution rate increases that were negotiated before January 1, 2013 with effective dates on or after January 1, 2013, but not including any contribution rate increases that are negotiated on or after January 1, 2013). Beginning as of the 22nd CBA Effective Date anniversary after the New

Pool election, the Employer will pay annual contribution rate increases of 5% per year, compounded.

The contribution rate increases required by the preceding paragraph will not result in any increases in the pension benefit level for any Participant.

This schedule of increases will remain in effect for as long as the Preferred Schedule (as periodically updated by the Trustees) requires such increases and the Employer has an obligation to contribute to the Pension Fund for that Account, without regard to the subsequent expiration or renegotiation of any CBA.

All Employers under the Preferred Schedule (with or without the election of the New Pool) will be required to comply with the following uniform Employer contribution requirements: the Employer must make contributions to the Pension Fund, up to the weekly maximum stated in the CBA,[3] for every hour or portion of an hour, beginning on the first day of employment, that a person (a) works in a job classification that is covered by the CBA or (b) receives pay in lieu of such work, including all forms of pay for holidays, vacation, sick leave, pro rata vacation, and severance. There are no exceptions for employees who are not union members, for probationary employees, or for temporary, seasonal, part-time, or leased employees. The only exceptions are self-employed persons, corporate officers, owners, or partners, as defined in Section 1.09 of the Rules and Regulations.

If an Employer adopts terms consistent with the Preferred Schedule but then completely withdraws from the Plan, for any reason, fewer than 5 years after the initial CBA Effective Date that applies to any of its Accounts, each of that Employer's Accounts for which fewer than 5 years elapsed between the initial CBA Effective Date and the withdrawal will be retroactively placed in the Default Schedule. With respect to those Accounts, the Employer will be obligated to pay all the additional contributions (plus interest) that would have been required had the employer initially adopted terms consistent with the Default Schedule for those Accounts. These amounts will be treated as

[3] The weekly maximum must be 35, 37.5, or 40 hours per week, corresponding to the regular workweek under the CBA. The weekly maximum does not apply to amounts paid for pro rata vacation or severance pay.

delinquent contributions under the Pension Fund's delinquency collection policy and under section 415 of ERISA, and will be due to the Pension Fund in addition to any withdrawal liability that the employer owes to the Pension Fund. Benefits for participants who worked in such an Employer Account after adoption of terms consistent with the Preferred Schedule will be reduced, as far as the law allows, to the Default Schedule benefits, effective as of the date of the Employer's withdrawal. The benefits of Participants who have Pension Effective Dates before that date will not be affected.

B. The Default Schedule

The Default Schedule will take effect with respect to a particular Account on the earliest of

(a) the effective date of a CBA that includes terms consistent with the Default Schedule by agreement of the bargaining parties,
(b) the date on which the Employer unilaterally implements terms consistent with the Default Schedule, or
(c) the date on which the Pension Fund imposes the Default Schedule on the bargaining parties pursuant to § 305(e)(3)(C) of ERISA. In the case of a CBA that expired before the Rehabilitation Plan schedules are provided to bargaining parties, the Default Schedule will be imposed 180 days after the Pension Fund sent the schedules to the bargaining parties, if the parties have not previously agreed to terms consistent with one of the schedules.

This date is called the "Default Schedule Effective Date."

1. Benefit Reductions

The benefit reductions in the Default Schedule will apply to all Participants who have a Pension Effective Date after the Default Schedule Effective Date, if they have at least one Hour of Service under a CBA during or after the month in which the Default Schedule Effective Date occurs for that CBA.

The Default Schedule will include all of the following benefit reductions (in addition to those described in Paragraph C that apply to all active Participants, except to the extent that the Default Schedule reduces benefits further than Paragraph C does).

- **Future Benefit Accrual Rate.** The Accrual Rate for all Participants to whom the Default Schedule applies will be the lesser of (i) the existing benefit Accrual Rate under the CBA in effect for that Account on January 1, 2012, or (ii) the Accrual Rate that is equivalent to 1% of the required Employer contributions for that Account (assuming contributions for 2000 hours per Participant per year). No Surcharges or contribution rate increases described in Paragraph VI.B.2 will be counted in the 1% accrual calculation.
- **Golden 80 and Golden 90 Benefits, including Plan CC.** No Participant to whom the Default Schedule applies will be eligible to retire on or after the Default Schedule Effective Date with Golden 80, Golden 90, or Plan CC benefits. The elimination of Golden 80, Golden 90, and Plan CC benefits will not have the effect of reducing the Employer contribution rates that are in effect on the Default Schedule Effective Date.
- **Early Retirement Pensions.** The current Rules and Regulations permit Participants to retire before age 65 with (in most cases) 10 years of pension credit. The amounts of such Early Retirement Pensions are subsidized. Those subsidies will be eliminated for each Participant to whom the Default Schedule applies and who has a Pension Effective Date on or after the Default Schedule Effective Date; *i.e.,* the amount of the Early Retirement Pension for any such Participant will be calculated with a full actuarial reduction from the amount that would be payable at age 65. The actuarial factors that will be used for this reduction are in Appendix B. In addition, the minimum eligibility requirement for an Early Retirement Pension will be increased from 10 years to 15 years of pension credit for any Participant to whom the Default Schedule applies and who has a Pension Effective Date on or after the Default Schedule Effective Date.
- **10-Year Certain Benefit.** The current Rules and Regulations offer an optional form of benefit under which Participants receive a lifetime annuity with 10 years guaranteed. The actuarial factors used for this optional form of benefit include a small subsidy. For each Participant to whom the Default Schedule applies and who has a

Pension Effective Date on or after the Default Schedule Effective Date, the actuarial factors will be changed to a true actuarial reduction, using the factors in Appendix C.

- **36-Month Guarantee.** The current Rules and Regulations provide a 36-month guarantee for certain forms of benefits, *i.e.*, if a pensioner dies before receiving 36 months of benefit payments, the balance of those 36 payments is payable to a beneficiary. The 36 months of benefits are also payable to the survivors of certain Participants who die before applying for a pension. All 36-month guarantees will be eliminated for Participants to whom the Default Schedule applies and who have a Pension Effective Date on or after the Default Schedule Effective Date.
- **Benefit increases that took effect after January 1, 2007.** All Pension Benefit Level increases that either were negotiated after January 1, 2007, or that took effect after January 1, 2007, will be cancelled for all Participants to whom the Default Schedule applies.
- **Husband and Wife Pension Subsidies.** Under the Rules and Regulations of the Plan as amended in June 2000, the 50% Husband and Wife Pension is fully subsidized, and the 75% and 100% Husband and Wife Pensions and Pop-Up Pensions are partially subsidized. These subsidies will be eliminated for Participants to whom the Default Schedule applies and who have a Pension Effective Date on or after the Default Schedule Effective Date. All Husband and Wife Pensions payable to such Participants will be actuarially reduced using the actuarial reduction factors in Appendix D.
- **Disability Pensions.** Disability Pensions are eliminated for any Participants to whom the Default Schedule applies unless the Pension Effective Date of the Participant's Disability Pension is earlier than the Default Schedule Effective Date.
- **Credit for Periods of Disability.** For Participants to whom the Default Schedule applies, the amount of credit for periods of total disability pursuant to Section 5.05(a)(ii) of the Rules and Regulations will not exceed a cumulative lifetime maximum of 48 months or, if greater, the cumulative hours of service the Plan is required to credit for periods of disability pursuant to 29 C.F.R. § 2530.200b-2. This limit on disability credit will not apply if the Participant's Pension Effective Date is earlier than the Default Schedule Effective Date, unless it applies pursuant to another provision of the Rehabilitation

Plan. This rule will not affect Pension Credit that a Participant applied for and the Pension Fund granted before January 1, 2014.

- **Benefit Rounding Rules.** For Participants with Pension Effective Dates on or after the Default Schedule Effective Date, all benefit amounts will no longer be rounded up to the nearest dollar. Instead, amounts less than fifty cents will be rounded down and amounts of fifty cents or greater will be rounded up.

2. Contribution Rate Increases

All Employers participating in the Pension Fund for an account that is subject to the Default Schedule will be required to pay:

> compounded 10% contribution rate increases per year, calculated on a base equal to the sum of (i) any Surcharge applicable on the day before the Default Schedule Effective Date plus (ii) the contribution rates required under the CBA that was in effect on the earlier of January 1, 2013, or the day before the Default Schedule Effective Date (including any contribution rate increases that were negotiated before January 1, 2013 with effective dates on or after January 1, 2013).

The contribution rate increases required by the preceding paragraph will not result in any increases in the Pension Benefit Level for any Participant.

These contribution rate increases will begin as of the Default Schedule Effective Date, and will be effective on each anniversary of the Default Schedule Effective Date thereafter, for 25 years. Beginning on the 26th anniversary of the Default Schedule Effective Date, the contribution rate increases will be 7.5% per year, compounded. These increases will remain in effect, unless the Employer later enters into a CBA that adopts terms consistent with the Preferred Schedule, for as long as the Default Schedule (as periodically updated by the Trustees) requires such increases, without regard to the subsequent expiration or renegotiation of any CBA, for as long as the Employer has an obligation to contribute to the Pension Fund for that Account.

All Employers under the Default Schedule will be required to comply with the following uniform Employer contribution requirements: the Employer must make contributions to the Pension Fund, up to the weekly maximum stated in the CBA,[4] for every hour or portion of an hour, beginning on the first day of employment, that a person (a) works in a job classification that is covered by the CBA or (b) receives pay in lieu of such work, including all forms of pay for holidays, vacation, sick leave, pro rata vacation, and severance. There are no exceptions for employees who are not union members, for probationary employees, or for temporary, seasonal, part-time, or leased employees. The only exceptions are self-employed persons, corporate officers, owners, or partners, as defined in Section 1.09 of the Rules and Regulations.

C. Amendments that Apply to all Participants in the Plan

The benefit reductions that are described in this paragraph will apply to all Participants in the Plan, as of the effective date stated in each subparagraph, except to the extent that the Default Schedule or the benefit reductions described in Paragraph D require greater benefit reductions with respect to an individual Participant.

1. **Elimination of Certain Forms of Benefit.** As PPA requires, the Trustees suspended certain forms of benefits, effective for all Participants whose pension had not commenced before May 1, 2012. The forms that were suspended are the Social Security Option and any lump-sum payments of $5,000 or more under the 36-Month Guarantee or the 10-Year Certain Option. These forms of benefits are now eliminated, effective for all Participants with Pension Effective Dates on or after May 1, 2012.
2. **Disability Pension Eligibility.** Under an amendment to the Rules and Regulations of the Plan adopted in December 1998, Participants may be eligible for a Disability Pension with 10 years of pension credit. Under the Rehabilitation Plan, the amount of pension credit required for eligibility will be increased to 15 years, as it was before the December 1998 amendment, effective for all

[4] The weekly maximum must be 35, 37.5, or 40 hours per week, corresponding to the regular workweek under the Collective Bargaining Agreement. The weekly maximum does not apply to amounts paid for pro rata vacation or severance pay.

Participants with a Pension Effective Date on or after January 1, 2014.

3. **Disability Pension Amount.** Another amendment adopted in December 1998 made the amount of the Disability Pension equal to the Normal Retirement Pension. Under the Rehabilitation Plan, for Participants with a Pension Effective Date on or after January 1, 2014, the amount of the Disability Pension will be reduced from the Normal Pension amount by ¼ of 1% for each month by which the Participant is younger than age 65 on the Pension Effective Date. In no case will the reduction be greater than 50% and in no case will the resulting amount for Participants age 55 and over be less than 110% of the Early Retirement Pension amount.
4. **Pension Credit for Periods of Disability.** Effective for Participants with a Pension Effective Date on or after January 1, 2014, no credit will be given for periods of total disability pursuant to Section 5.05(a)(ii) of the Rules and Regulations if it would cause the cumulative lifetime total of such credit for the Participant to exceed 48 months or, if greater, the cumulative hours of service the Plan is required to credit for periods of disability pursuant to 29 C.F.R. § 2530.200b-2.
5. **Increase in Hours of Service Required to Earn Pension Credits.** Under the current Rules and Regulations, a Participant earns Pension Credit on the following schedule:

Hours of Service in Covered Employment	Months of Pension Credit
Less than 375	0
375 but less than 520	3
520 but less than 693	4
693 but less than 750	5
750 but less than 875	6
875 but less than 1000	7
1000 but less than 1125	8
1125 but less than 1250	9
1250 but less than 1375	10
1375 but less than 1500	11
1500 or more	12

Effective for Hours of Service on and after January 1, 2013, Participants will earn Pension Credit under the rules that were in effect before January 1, 1999. The table is as follows:

Hours of Service in Covered Employment	**Months of Pension Credit**
Less than 375	0
375 but less than 520	3
520 but less than 693	4
693 but less than 750	5
750 but less than 1040	6
1040 but less than 1213	7
1213 but less than 1386	8
1386 but less than 1560	9
1560 but less than 1733	10
1733 but less than 1906	11
1906 or more	12

6. Change in Rules for Pension Benefit Levels

In order to better assure that Employer contribution rates are adequate to fund future Pension Benefit Levels, the Trustees have increased the rates that are required for new Accounts first beginning to make contributions to the Pension Fund and for existing Employers that agree on or after January 1, 2013, to make additional contributions for the purpose of providing their employees a higher Pension Benefit Level available under Section 1.21 or Section 4.26 of the Rules and Regulations in effect on December 31, 2011. The following hourly rates will be the basis for developing contribution requirements for each $25 of a new benefit and for each additional $25 of Pension Benefit Level that is negotiated for an existing Account:

Benefit Plan	Rate per $25 of PBL[5]
Plan A	.2138
Plan C	.0098
Plan CC	.0033
Plan G	.0198
Plan D-1	.0060
Plan D-2	.0118
Plan D-3	.0175
Plan D-4	.0235

These rates, whether for a new Employer Account, or for an increased Pension Benefit Level for an existing Employer Account, are not subject to the contribution rate increases required by the Preferred Schedule or the Default Schedule. For existing Employer Accounts, these rates will be payable in addition to the increases in contribution rates that are due under the Preferred Schedule. Pension Benefit Level increases are not available in Accounts that are subject to the Default Schedule.

7. Change in Rules for Past Service Credit

The Trustees have also adopted measures to protect the Plan from the creation of unfunded liabilities when an Employer agrees to begin contributing to the Plan for a new Account or agrees to an increased Pension Benefit Level, but its obligation to contribute does not continue for a sufficient period of time to provide the necessary funding for benefits based on past service credit (in the case of a new account) or for the increase in benefits that Participants in that account previously accrued at a lower Pension Benefit Level (in the case of an existing Employer). Therefore, effective for all Accounts that first begin to participate in the Plan on or after January 1, 2013, and for all Pension Benefit Level increases negotiated on or after January 1, 2013, the Plan will grant past service credit, and higher pension benefits based on prior service, only on a provisional basis. If a new Employer does not have an obligation to make contributions to the Plan for at least 5 full years, all past service credit granted to employees in that

[5] These rates are based on a 40-hour workweek. Corresponding rates will be published for 35-hour and 37.5-hour workweeks.

Account will be cancelled. If an existing Employer that agrees to a higher Pension Benefit Level does not continue to have an obligation to make contributions to the Plan at the corresponding contribution rate for at least 5 full years, the higher Pension Benefit Level will be payable only to Pensioners who have Pension Effective Dates before the Employer's contribution obligation ceased.

8. **Pension Benefit Levels after Curing a Break in Service.** Any Participant who has incurred a break in service described in Section 5.08(b)(i) of the Rules and Regulations and who returns to covered employment on or after January 1, 2013, may repair the break in service as provided in Section 5.08(b)(iii) but the amount of benefits payable upon the Participant's subsequent retirement will be the sum of pre-break benefits based upon Credited Service and Benefit Levels before the break in accordance with Section 4.02 of the Rules and Regulations as in effect on January 1, 2012, plus post-return benefits based upon Credited Service and Benefit Levels after the Participant's return, in accordance with Section 4.16 of the Rules and Regulations as amended pursuant to paragraph 7 above.

D. Reductions that Apply to Participants Who Have Terminated or Who Terminate Covered Employment Before Becoming Covered by the Preferred Schedule or the Default Schedule

The reductions in this paragraph apply to Participants:

(a) for whom no contributions were required as of April 29, 2012, or

(b) who terminate covered employment after April 29, 2012, before earning at least one Hour of Service under a CBA that includes terms consistent with either the Preferred Schedule or the Default Schedule or that otherwise becomes subject to the Default Schedule.

Such Participants will receive benefits under the Preferred Schedule, including specifically the following **changes to Eligibility Requirements for Golden 80 and Golden 90 Pensions:** Participants who as of April 30, 2012, had not yet reached the combination of age and service required to be eligible for a Golden 80 or Golden 90 pension, will not be permitted to age into the Golden 80 or Golden 90 benefit after leaving covered employment. (Except for the effective date, this amendment will be identical to the amendment that was adopted effective July 1, 2010. This amendment is adopted as a contingent measure because of the pending court challenge to the earlier amendment.)

E. **Additional Reductions that Apply to Groups that Voluntarily Cease Participation in the Pension Fund After the Adoption of the Rehabilitation Plan.**

1. **Additional Reductions that Apply to any Group that Bargains Out of the Pension Fund.** After November 17, 2012, if any Account enters into a CBA under which the Employer will cease participation in the Pension Fund, or if an Employer unilaterally implements a bargaining proposal under which contributions to the Pension Fund cease, and in either case the Employer continues the affected operations without participating in the Plan, all Participants who had at least one Hour of Service under that Account in the month that includes the ratification or implementation date will become subject to all of the benefit reductions that apply under the Default Plan. Those benefit reductions will apply to all Participants who have a Pension Effective Date after the date of the Employer's withdrawal. This rule also applies to CBAs and unilateral implementations (including those pursuant to Section 1113 of the Bankruptcy Code) that become effective while an Employer is in a bankruptcy proceeding that was first filed after November 17, 2012. If the Employer had previously elected the Preferred Schedule, the Employer will become retroactively subject to the Default Schedule of contributions for the affected Account as of the date that the Preferred Schedule election took effect.
2. **Additional Reductions that Apply to any Group that Ceases Participation in the Pension Fund as the Result of Decertification of their Collective Bargaining Representative.** After November 17, 2012, if any group of employees decertifies their collective bargaining representative, and that Account's participation in the Pension Fund ceases as a result of the decertification, all Participants who had at least one

Hour of Service under that CBA in the month that includes the date of decertification will become subject to all of the benefit reductions that apply under the Default Plan. Those benefit reductions will apply to all Participants who have a Pension Effective Date after the date of decertification. If the Employer had previously elected the Preferred Schedule, the Account will become retroactively subject to the Default Schedule of contributions.

F. General Rules Regarding Benefit Reductions

1. **Effective Dates**. Where the Rehabilitation Plan provides that a benefit reduction will take effect as of some date or action that occurs after the adoption of the Rehabilitation Plan, the reduction will take effect on the earliest date permitted by law after the Pension Fund has sent Participants the notice required by Section 204(h) of ERISA, 29 U.S.C. § 1054(h).
2. **Alternate Payees.** If the benefits payable to a Participant are reduced pursuant to the Rehabilitation Plan, the benefits payable to any Alternate Payee who is then receiving or later begins to receive a portion of that Participant's benefits pursuant to a Qualified Domestic Relations Order entered by a court after January 1, 2014, will be reduced in the same proportion as the Participant's benefits.
3. **Working Pensioners.** Where the Rehabilitation Plan states that benefit reductions will not affect Participants with a Pension Effective Date before a stated date, the benefits of a Working Pensioner whose original Pension Effective Date precedes that stated date will be affected only to the extent that they accrue and become payable as additional benefits after the stated date.

G. Measures for the Reduction of Administrative Costs

Effective March 1, 2013, all pensioners and beneficiaries will be required to accept payment of their benefits either in the form of direct deposit to a bank account or as an electronic credit to a bank debit card, and the Pension Fund will no longer mail ACH advices in connection with those deposits or credits. After the initial transition period to electronic payment, the Pension Fund is projected to save more than $500,000 per year in administrative costs as the result of discontinuing the issuance of paper checks and ACH advices.

H. Effective Dates for Employees Who Are Not Covered by Collective Bargaining Agreements

A written agreement described in Section 1.21(a) of the Rules and Regulations will be treated for all purposes under the Rehabilitation Plan as a Collective Bargaining Agreement, except as follows:

1. If an Employer participates in the Pension Fund with respect to employees that are covered by a CBA and also with respect to employees that are not covered by a CBA but are covered by a written agreement described in Section 1.21(a) of the Rules and Regulations, all benefits and contributions for the employees who are not covered by the CBA, including Surcharges, are determined as if those employees were covered under the first to expire of the Employer's CBAs that were in effect on January 1, 2012.
2. If an Employer participates in the Pension Fund solely pursuant to a written agreement described in Section 1.21(a) of the Rules and Regulations for employees who are not covered by a CBA, benefits and contributions for the employees, including Surcharges, are determined as if the written agreement were a CBA expiring on January 1, 2013.

I. Application of Rules to Participants Who Work Under Both the Default Schedule and the Preferred Schedule.

1. If the Default Schedule becomes effective for an Account for any reason, and the bargaining parties subsequently agree to include terms consistent with the Preferred Schedule in their CBA:
   a. If the new terms are agreed to within 180 days after the Default Schedule Effective Date, the Preferred Schedule contribution rates and benefits will be applied to the Account retroactively as of the Default Schedule Effective Date, to the extent permitted by PPA, and the date that was previously the Default Schedule Effective Date will become the CBA Effective Date for all purposes under the Preferred Schedule.

   b. If the new terms are agreed to more than 180 days after the Default Schedule Effective Date, benefits, contribution rates, and Surcharges will be changed to those that would be in effect under the Preferred Schedule, to the extent permitted by the PPA, but only prospectively.

2. Except as provided in paragraphs 1, 3, and 4, if a Participant who worked under an Account after it has become covered by terms consistent with the Preferred Schedule subsequently has at least one Hour of Service in an Account that is subject to the Default Schedule, the Participant's benefits thereafter will be determined as follows: eligibility for any form of benefits (including Golden 80 and Golden 90 Pensions and Disability Pensions) will be determined in accordance with the Default Schedule; but the amount of any benefits accrued after January 1, 2013 (including optional forms) will be determined based upon a proration of hours of service credited under the Preferred Schedule and under the Default Schedule.

3. Except as provided in paragraphs 1 and 4, if a Participant who has become subject to the Default Schedule subsequently has Hours of Service credited in an Account that is subject to the Preferred Schedule, the Participant's benefits thereafter will be determined as follows:

   a. Eligibility for Golden 80 and Golden 90 Pensions will be determined without considering any Hours of Service under the Default Schedule;

   b. The amount of any benefits (including optional forms) will be determined based upon a proration of Hours of Service credited under the Preferred Schedule and under the Default Schedule, however, if the Participant is credited with at least 2000 Hours of Service under the Preferred Schedule after the termination of his employment under the Default Schedule, the amount of benefits will be determined entirely under the Preferred Schedule.

4. Notwithstanding paragraphs 2 and 3, if a Participant works simultaneously under multiple Accounts at least one of which is in the Preferred Schedule and at least one of which is in the Default Schedule, the Schedule under which he worked the majority of the last 4000 Hours of Service preceding his Pension Effective Date will govern his benefits.

VII. ANNUAL REHABILITATION PLAN STANDARDS

In consultation with the Plan's actuary, the Board will update the Rehabilitation Plan annually and amend it, as appropriate. This process will include a review of the contribution rates contained in its schedules to reflect the actual experience of the Plan, because such experience may vary from the assumptions. The annual review will include a thorough review of the Plan's funding status, including projections by the actuary of whether and when the Plan is expected to emerge from critical status or become insolvent. As part of that annual review, the Board will consider whether further benefit modifications or contribution rate increases are necessary to meet the stated objectives of the Rehabilitation Plan.

The PPA requires that a plan set forth annual standards for meeting the requirements of its rehabilitation plan. However, neither the PPA nor applicable regulatory guidance currently defines the standards applicable to a rehabilitation plan that is not designed to emerge from critical status at the end of the 10-year rehabilitation period. Until such time as these standards are more clearly defined under the PPA, the standard described in the following paragraph will be the annual standard for satisfying the requirements of this Rehabilitation Plan.

> The annual standard for meeting the requirements of the Rehabilitation Plan will be a demonstration, based on an updated actuarial projection each year using reasonable assumptions, that the Rehabilitation Plan (as amended from time to time and as then currently in effect) will enable the Fund to emerge from critical status some time after the end of the thirty-year projection period.

The Rehabilitation Plan also may be amended for any benefit changes that may be required for the Plan to continue to satisfy all necessary legal requirements, to maintain its tax-qualified status under the Code, and to comply with other applicable law.

Collective Bargaining Agreements that are entered into, renewed or extended after the date of any changes to the Rehabilitation Plan will be subject to the Rehabilitation Plan then in effect at the time of such entry, renewal or extension. The schedules of contribution rates provided by the

Board, and agreed to by the bargaining parties in negotiating a Collective Bargaining Agreement, will remain in effect for the duration of that Collective Bargaining Agreement.

VIII. INTERPRETATION AND MODIFICATION OF THIS REHABILITATION PLAN

This Rehabilitation Plan is intended to present only a summary of the law, the Plan and the upcoming changes to the Plan. It is not intended to serve as an exhaustive, complete description of the law, the Plan or the modifications discussed herein.[6]

The Board reserves the right, in its discretion, to interpret and/or apply the terms and provisions of this Rehabilitation Plan in a manner that is consistent with the PPA and other applicable law. Any and all interpretations and/or applications of the Plan (and other Plan documents) or the Rehabilitation Plan by the Board, in its discretion, shall be final and binding on all parties affected thereby. Subject to the PPA and other applicable law, and notwithstanding anything herein to the contrary, the Board further reserves the right to make any modifications to this Rehabilitation Plan that it determines are necessary and/or appropriate.

[6] The terms of the Rules and Regulations of the Pension Fund will govern in the event of any contradiction between this Rehabilitation Plan and the Rules and Regulations as amended to incorporate the changes described herein.

APPENDIX A

Bakery and Confectionery Union and Industry International Pension Fund

Preferred Plan
Pension Option Actuarial Charts

Age of Spouse In Relation To Participant	50% Disability H&W	50% Disability H&W Pop-Up	75% Disability H&W	75% Disability H&W Pop-Up	100% Disability H&W	100% Disability H&W Pop-Up	50% H&W	50% H&W Pop-Up	75% H&W	75% H&W Pop-Up	100% H&W	100%H&W Pop-Up
Maximum Reduction	75.0%	75.0%	66.0%	66.0%	59.0%	58.0%	85.0%	84.0%	79.0%	78.0%	74.0%	72.0%
9 Years Younger	75.4%	75.3%	66.5%	66.4%	59.6%	58.5%	85.4%	84.4%	79.5%	78.5%	74.6%	72.6%
8 Years Younger	75.8%	75.6%	67.0%	66.8%	60.2%	59.0%	85.8%	84.8%	80.0%	79.0%	75.2%	73.2%
7 Years Younger	76.2%	75.9%	67.5%	67.2%	60.8%	59.5%	86.2%	85.2%	80.5%	79.5%	75.8%	73.8%
6 Years Younger	76.6%	76.2%	68.0%	67.6%	61.4%	60.0%	86.6%	85.6%	81.0%	80.0%	76.4%	74.4%
5 Years Younger	77.0%	76.5%	68.5%	68.0%	62.0%	60.5%	87.0%	86.0%	81.5%	80.5%	77.0%	75.0%
4 Years Younger	77.4%	76.8%	69.0%	68.4%	62.6%	61.0%	87.4%	86.4%	82.0%	81.0%	77.6%	75.6%
3 Years Younger	77.8%	77.1%	69.5%	68.8%	63.2%	61.5%	87.8%	86.8%	82.5%	81.5%	78.2%	76.2%
2 Years Younger	78.2%	77.4%	70.0%	69.2%	63.8%	62.0%	88.2%	87.2%	83.0%	82.0%	78.8%	76.8%
1 Year Younger	78.6%	77.7%	70.5%	69.6%	64.4%	62.5%	88.6%	87.6%	83.5%	82.5%	79.4%	77.4%
Same Age	79.0%	78.0%	71.0%	70.0%	65.0%	63.0%	89.0%	88.0%	84.0%	83.0%	80.0%	78.0%
1 Year Older	79.4%	78.3%	71.5%	70.4%	65.6%	63.5%	89.4%	88.4%	84.5%	83.5%	80.6%	78.6%
2 Years Older	79.8%	78.6%	72.0%	70.8%	66.2%	64.0%	89.8%	88.8%	85.0%	84.0%	81.2%	79.2%
3 Years Older	80.2%	78.9%	72.5%	71.2%	66.8%	64.5%	90.2%	89.2%	85.5%	84.5%	81.8%	79.8%
4 Years Older	80.6%	79.2%	73.0%	71.6%	67.4%	65.0%	90.6%	89.6%	86.0%	85.0%	82.4%	80.4%
5 Years Older	81.0%	79.5%	73.5%	72.0%	68.0%	65.5%	91.0%	90.0%	86.5%	85.5%	83.0%	81.0%
6 Years Older	81.4%	79.8%	74.0%	72.4%	68.6%	66.0%	91.4%	90.4%	87.0%	86.0%	83.6%	81.6%
7 Years Older	81.8%	80.1%	74.5%	72.8%	69.2%	66.5%	91.8%	90.8%	87.5%	86.5%	84.2%	82.2%
8 Years Older	82.2%	80.4%	75.0%	73.2%	69.8%	67.0%	92.2%	91.2%	88.0%	87.0%	84.8%	82.8%
9 Years Older	82.6%	80.7%	75.5%	73.6%	70.4%	67.5%	92.6%	91.6%	88.5%	87.5%	85.4%	83.4%
10 Years Older	83.0%	81.0%	76.0%	74.0%	71.0%	68.0%	93.0%	92.0%	89.0%	88.0%	86.0%	84.0%
Each Year Older Maximum 99%	+0.4%	+0.3%	+0.5%	+0.4%	+0.6%	+0.5%	+0.4%	+0.4%	+0.5%	+0.5%	+0.6%	+0.6%

APPENDIX B

Bakery and Confectionery Union and Industry International Pension Fund

Early Retirement Factors For Default Plan

		Months											
	AGE	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
	55	40.00%	40.30%	40.60%	40.90%	41.19%	41.49%	41.79%	42.09%	42.39%	42.69%	42.98%	43.28%
	56	43.58%	43.90%	44.23%	44.55%	44.87%	45.19%	45.52%	45.84%	46.16%	46.48%	46.81%	47.13%
	57	47.45%	47.81%	48.17%	48.53%	48.88%	49.24%	49.60%	49.96%	50.32%	50.68%	51.03%	51.39%
	58	51.75%	52.15%	52.55%	52.95%	53.34%	53.74%	54.14%	54.54%	54.94%	55.34%	55.73%	56.13%
Years	**59**	56.53%	56.97%	57.42%	57.86%	58.31%	58.75%	59.20%	59.64%	60.08%	60.53%	60.97%	61.42%
	60	61.86%	62.36%	62.85%	63.35%	63.85%	64.34%	64.84%	65.34%	65.83%	66.33%	66.83%	67.32%
	61	67.82%	68.38%	68.93%	69.49%	70.04%	70.60%	71.16%	71.71%	72.27%	72.82%	73.38%	73.93%
	62	74.49%	75.12%	75.74%	76.37%	76.99%	77.62%	78.24%	78.87%	79.49%	80.12%	80.74%	81.37%
	63	81.99%	82.69%	83.40%	84.10%	84.81%	85.51%	86.22%	86.92%	87.62%	88.33%	89.03%	89.74%
	64	90.44%	91.24%	92.03%	92.83%	93.63%	94.42%	95.22%	96.02%	96.81%	97.61%	98.41%	99.20%

APPENDIX C

Bakery and Confectionery Union and Industry International Pension Fund

10-Year Certain Option

Actuarial Chart for the Default Plan

Pensioner's Age	Reduction Factor
48	98.54%
49	98.37%
50	98.18%
51	97.99%
52	97.77%
53	97.54%
54	97.28%
55	97.00%
56	96.68%
57	96.32%
58	95.91%
59	95.45%
60	94.92%
61	94.32%
62	93.66%
63	92.90%
64	92.06%
65	91.11%
66	90.08%
67	88.97%
68	87.77%
69	86.49%
70	85.12%
71	83.69%

APPENDIX D

Bakery and Confectionery Union and Industry International Pension Fund

Default Plan
Pension Option Actuarial Charts

Age of Spouse In Relation To Participant	50% H&W	50% H&W Pop-Up	75%H&W	75% H&W Pop-Up	100% H&W	100%H&W Pop-Up
Each Year Younger	-0.4%	-0.4%	-0.5%	-0.5%	-0.6%	-0.6%
20 Years Younger	80.0%	79.0%	73.0%	72.0%	67.0%	65.0%
19 Years Younger	80.4%	79.4%	73.5%	72.5%	67.6%	65.6%
18 Years Younger	80.8%	79.8%	74.0%	73.0%	68.2%	66.2%
17 Years Younger	81.2%	80.2%	74.5%	73.5%	68.8%	66.8%
16 Years Younger	81.6%	80.6%	75.0%	74.0%	69.4%	67.4%
15 Years Younger	82.0%	81.0%	75.5%	74.5%	70.0%	68.0%
14 Years Younger	82.4%	81.4%	76.0%	75.0%	70.6%	68.6%
13 Years Younger	82.8%	81.8%	76.5%	75.5%	71.2%	69.2%
12 Years Younger	83.2%	82.2%	77.0%	76.0%	71.8%	69.8%
11 Years Younger	83.6%	82.6%	77.5%	76.5%	72.4%	70.4%
10 Years Younger	84.0%	83.0%	78.0%	77.0%	73.0%	71.0%
9 Years Younger	84.4%	83.4%	78.5%	77.5%	73.6%	71.6%
8 Years Younger	84.8%	83.8%	79.0%	78.0%	74.2%	72.2%
7 Years Younger	85.2%	84.2%	79.5%	78.5%	74.8%	72.8%
6 Years Younger	85.6%	84.6%	80.0%	79.0%	75.4%	73.4%
5 Years Younger	86.0%	85.0%	80.5%	79.5%	76.0%	74.0%
4 Years Younger	86.4%	85.4%	81.0%	80.0%	76.6%	74.6%
3 Years Younger	86.8%	85.8%	81.5%	80.5%	77.2%	75.2%
2 Years Younger	87.2%	86.2%	82.0%	81.0%	77.8%	75.8%
1 Year Younger	87.6%	86.6%	82.5%	81.5%	78.4%	76.4%
Same Age	88.0%	87.0%	83.0%	82.0%	79.0%	77.0%
1 Year Older	88.4%	87.4%	83.5%	82.5%	79.6%	77.6%
2 Years Older	88.8%	87.8%	84.0%	83.0%	80.2%	78.2%
3 Years Older	89.2%	88.2%	84.5%	83.5%	80.8%	78.8%
4 Years Older	89.6%	88.6%	85.0%	84.0%	81.4%	79.4%
5 Years Older	90.0%	89.0%	85.5%	84.5%	82.0%	80.0%
6 Years Older	90.4%	89.4%	86.0%	85.0%	82.6%	80.6%
7 Years Older	90.8%	89.8%	86.5%	85.5%	83.2%	81.2%
8 Years Older	91.2%	90.2%	87.0%	86.0%	83.8%	81.8%
9 Years Older	91.6%	90.6%	87.5%	86.5%	84.4%	82.4%
10 Years Older	92.0%	91.0%	88.0%	87.0%	85.0%	83.0%
Each Year Older	+0.4%	+0.4%	+0.5%	+0.5%	+0.6%	+0.6%
Maximum 99%						