SUMMARY OF MATERIAL MODIFICATIONS

This notice describes Plan amendments that the Board of Trustees adopted on June 20, 2019. Those amendments change the way that Default Schedule benefit reductions are applied to participants who are working in an account when it goes into the Default Schedule. You should read this notice carefully and keep it with your copy of the Pension Fund's Summary Plan Description.

> If you are a pensioner, nothing in these amendments will affect the amount of benefits that you are currently receiving.

The Rehabilitation Plan that the Trustees adopted in November 2012 contained two schedules of contribution rates and benefit changes: the Preferred Schedule and the Default Schedule. Most bargaining units elected the Preferred Schedule and continue to work under it. The Preferred Schedule required certain benefit reductions that took effect between 2012 and 2014, but the Default Schedule requires even more benefit reductions, and certain events can take an account out of the Preferred Schedule and put it into the Default Schedule. This notice describes those events and summarizes the new rules that determine (a) which participants are subject to Default Schedule benefit reductions and (b) when those reductions take effect.

> The amendments described in this notice apply only to events occurring on June 20, 2019, or later.

Previous Rules on What Puts an Account into the Default Schedule and When the Benefit Reductions Apply

An account is covered by the Default Schedule if any of the following things happen:

- the employer and local union agree to adopt the Default Schedule and the bargaining unit ratifies that agreement;
- the employer and local union agree in bargaining that the employer can stop contributing to the Pension Fund, the bargaining unit ratifies that agreement, and operations continue;
- the local union is decertified as representative of the employees and operations continue;
- the local union and employer reach impasse in bargaining and the employer unilaterally implements the terms of the Default Schedule;

- the local union and employer reach impasse in bargaining, the employer unilaterally implements a proposal to stop contributing to the Pension Fund, and operations continue;
- the employer's participation in the Pension Fund is terminated because of delinquency, and operations continue;
- a bankruptcy court terminates the employer's obligation to contribute to the Pension Fund, and operations continue; or
- the employer agrees to the Preferred Schedule but stops contributing to the Pension Fund for any reason within 5 years after the date of that agreement.

Under the original rules adopted in the 2012 Rehabilitation Plan, the benefit reductions required by the Default Schedule applied to any participant who worked at least one hour in the account during or after the month in which

- the parties agreed on the Default Schedule
- the employer unilaterally imposed those terms
- the employees ratified the proposal to leave the Plan
- the employer unilaterally imposed its proposal to leave the Plan, or
- the decertification occurred.

In 2013 the Trustees added terminations for delinquency and bankruptcy court orders to this list. During that entire period, an exception protected the benefits that were already being paid to pensioners working in an account when something happened that put it into the Default Schedule.

Note: The word "account" usually means a single work location that is covered by its own collective bargaining agreement ("CBA"). But when a single CBA with one pension benefit level covers more than one work location, we use "account" to mean all the work locations that are covered by that one CBA. When we refer to "work" in an account as of a particular date, it does not include pay you receive for non-working time (vacation, pro rata vacation, sick leave, etc.), but it does include work for the same employer in a job that is not covered by the CBA **if** you moved into that non-covered job to avoid the Default Schedule benefit reductions.

New Rules for Events that Take Place June 20, 2019, or Later

Based on experience applying the prior rules, the Trustees decided on June 20, 2019, to make two changes: (1) to give participants 90 days to avoid benefit reductions when an account goes into the Default Schedule because of something the employer did, if the employees opposed that action and did not ratify or agree to it, and (2) to give all employees who are already eligible for a pension (in both age and service) when their account goes into the Default Schedule an opportunity to protect their benefits from Default Schedule reductions by retiring within that same 90-day period. The new rules will not apply to participants who were working in accounts that went into the Default Schedule before June 20, 2019.

Working Pensioners. If you are a working pensioner with a Pension Effective Date earlier than the date of the event that puts your account into the Default Schedule, the Default Schedule benefit reductions will not affect the benefits that you are already receiving or any benefits that you earn by continuing to work for the first 90 days after the Pension Fund sends a notice to employees in your bargaining unit that the Default Schedule benefit reductions are going to take effect. If you continue to work in the account after that 90-day period, however, any **additional** benefits that you earn after that date will be reduced under the Default Schedule.

Participants Who Are Eligible for an Immediate Pension. If you have already satisfied all of the age and service requirements for an immediate pension on the date of the event that puts your account into the Default Schedule, you can protect the benefits that you have already earned from Default Schedule benefit reductions by retiring with a Pension Effective Date no later than 90 days after the Pension Fund sends a notice to employees in your bargaining unit that the Default Schedule benefit reductions are going to take effect. (If you are not yet 65, "retiring" means that you must stop working for all contributing employers.) If you retire during that 90-day period but return to work in any account that is covered by the Default Schedule, the **additional** benefits that you earn will be reduced under the Default Schedule.

Participants Who Are Not Yet Eligible for an Immediate Pension. If you are not yet eligible for a pension, the rules are different depending on whether your account goes into the Default Schedule because of an act of the employees, including ratification, agreement or failing to oppose what the employer did, or whether the account goes into the Default Schedule based on the employer's action and over the union's opposition.

If the Employees Ratified, Agreed to, or Failed to Oppose the Employer's Action. The Trustees did not change the 2012 rules that apply when an account goes into the Default Schedule because of an act of the bargaining unit, including ratification, agreement, or failing to oppose something that the employer did. In those cases, the Default Schedule of benefits will apply to you if you work in the account at least one hour in the month in which the action occurred. The events that fall into this category are:

1. the employer and local union agree to adopt the Default Schedule and the bargaining unit ratifies that agreement;

2. the employer and local union agree in bargaining that the employer can stop contributing to the Pension Fund, the bargaining unit ratifies that agreement, and operations continue;
3. the local union is decertified as representative of the employees and operations continue; or
4. a bankruptcy court terminates the employer's obligation to contribute to the Pension Fund without local union opposition, and operations continue.

If the Employees Opposed the Employer's Action and Did Not Ratify or Agree to it. In these cases, participants will have 90 days to avoid Default Schedule benefit reductions and protect the benefits they have already earned. The Pension Fund will send a notice to employees working in the account to tell them that the Default Schedule benefit reductions are going to take effect. If you stop working in the account within 90 days after the date of that notice and you do not return to work in the account later, the benefits you previously earned will not be affected by Default Schedule benefit reductions. But if you work in the account at least one hour after that 90-day period, all of your benefits will be subject to those reductions. The events that fall into this category are:

5. the local union and employer reach impasse in bargaining and the employer unilaterally implements the terms of the Default Schedule;
6. the local union and employer reach impasse in bargaining, the employer unilaterally implements a proposal to stop contributing to the Pension Fund, and operations continue;
7. the employer's participation in the Pension Fund is terminated because of delinquency, and operations continue;
8. a bankruptcy court terminates the employer's obligation to contribute to the Pension Fund in spite of the local union's opposition, and operations continue; or
9. the employer agrees to the Preferred Schedule but stops contributing to the Pension Fund within 5 years after the date of that agreement for any reason other than those described in (1) through (8).

We are enclosing a summary of the Default Schedule benefit reductions, so that you will have all of this information in one place.

How to Get More Information

If you have any questions or if you need a copy of the Rules and Regulations, the Summary Plan Description, or the updated Rehabilitation Plan, please write to the Plan Administrator, at

10401 Connecticut Avenue
Kensington, Maryland 20895-3960

or call (301) 468-3742 during office hours of 8:00 a.m. to 4:00 p.m. Eastern time, Monday through Friday.

You also may contact the nearest Area Office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210, or the Pension Benefit Guaranty Corporation, Office of Communications, 1200 K Street, NW, Washington, D.C. 20005.

Esta noticia contiene un resumen in Inglés de cambios en las reglas de beneficios bajo el Plan de Rehabilitación del Bakery and Confectionery Union and Industry International Pension Fund. Si tiene dificultad entendiendo cualquier parte de esta noticia, puede escribir al administrador del Plan, 10401 Connecticut Avenue, Kensington, Maryland 20895-3960. Tambien puede llamar a la oficina a (301) 468-3742 para ayuda entre las horas de 8:00 a 4:00, lunes a viernes.