IAM NATIONAL PENSION FUND

BARGAINING BASICS MANUAL

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Introduction

The International Association of Machinists National Pension Fund (IAM NPF) is a multiemployer defined-benefit pension plan that provides a monthly benefit to participants upon retirement. Established in 1960, the IAM NPF is governed by a Board composed of an equal number of union and employer trustees.

Advantages for Employees and Employers

The IAM NPF enables local unions and employers to negotiate a viable pension plan that provides benefits to participants who satisfy the plan's vesting requirements.

For employers, there are no administrative responsibilities. However, Employers are responsible for submitting monthly remittance reports and contribution payments for each reporting location under a collective bargaining agreement. Rates remain the same for the duration of the collective bargaining agreement, and contributions are tax-deductible. Employment data shows employee hours of participation, vesting, and benefit accruals towards their retirement benefits.

Ongoing Support for Local Unions and Employers

The IAM NPF recognizes that its success depends on working closely with local unions and employers to secure and maintain participant benefits. We strive to review collective bargaining agreement provisions that affect the administration of the pension plan and its compliance with the Internal Revenue Code, ERISA, and NPF rules before and during contract negotiations. We endeavor to alert the bargaining parties when contract language violates these rules so that changes can be made before a contract is executed, and we encourage locals and employers to contact us with any questions or requests for additional information.

This guide includes the minimum requirements for the acceptance of a new collective bargaining agreement, renewal of a collective bargaining agreement, or continued administration of a previously accepted collective bargaining agreement with an evergreen clause. This guide includes information on the minimum required rates, maximum probationary periods, required contract language incorporating the IAM NPF Trust Agreement, the IAM NPF Rehabilitation Plan, the IAM NPF Collection Policy, and the IAM NPF Audit Policy.

Advanced Notice Of CBA Requirements

Existing CBAs Under Administration: One year prior to the expiration of the CBA, the IAM NPF will notify the bargaining parties of the Fund's language and rate requirements for the renewal agreement. The Employer Services Department will continue to communicate with the bargaining parties to secure the renewal CBA and confirm that the Fund's requirements have been met six (6) months, ninety (90) days, and every thirty (30) days prior to the CBA expiration. Thereafter, correspondence will continue monthly until the renewal agreement is received. If a CBA is not renewed within nine (9) months of its expiration, the IAM NPF will issue a withdrawal liability questionnaire to start the withdrawal liability process.

New CBAs: The IAM NPF Education Department will alert Fund leadership when a new Employer or a new bargaining unit of an existing Employer joins the IAM NPF. The bargaining parties may request copies of the Fund's governing documents and any additional information needed in advance of or while bargaining the first CBA to be accepted by the Fund. The Employer Services Department serves as the primary contact for the bargaining parties for the review of proposed CBA provisions related to Fund administration.

SCA Change in Contract Holder or Terminations: The IAM NPF has a special withdrawal liability rule in place when an SCA agreement changes Employers or when the government cancels the agreement and takes back the work. Withdrawal liability will ***not*** be triggered ***so long as*** a new Employer is awarded the SCA and agrees to participate in the Fund at the same contribution level. When a new Employer takes over the SCA work, the bargaining parties must first execute an Assumption Agreement. (See Example 7, page 27). Any subsequent CBA must adopt one of the other standard language examples.

The bargaining parties may request additional information concerning the application of the special rule by sending an inquiry to the Fund's Legal Department.

Minimum Standards

Required IAM NPF Pension Provisions

- State that the bargaining parties intend that the CBA comply with ERISA, the Pension Protection Act of 2006 ("PPA"), and all other laws the IAM NPF must comply with.
- Contribute on behalf of all employees in a job classification(s) covered by the CBA, regardless of whether the employees join the union.
- State that the Employer agrees to remain a participating Employer in the IAM NPF throughout the term of the CBA, including any extensions.
- Employers must clearly state a flat pension contribution rate or a pension contribution rate based on hours of work or hours paid.
- Provides effective dates of the pension contributions and any increases within the CBA term.
- Provides that pension contributions are required for all bargaining unit employees from either: (1) the date of hire; (2) retroactive to date of hire after 90 calendar days from the date of employment; or (3) for temporary and part-time employees, retroactive to date of hire upon completing one thousand (1,000) hours or more during the 12-month period beginning with the employee's date of hire. See the attached sample language.
- Only the employer may remit contributions. The IAM NPF will not accept employee contributions.
- Employers must contribute the same rate for employees at the same location without caps for employees hired at different dates.
- The IAM NPF will not accept renewal CBAs that lower the contribution rate specified in the previous collective bargaining agreement.
- Provisions must clearly state the effective dates of the pension contribution and the dates of any increases within the term of the agreement.
- All covered job classifications are listed.
- Provisions must clearly state that employers remit pension contributions to the IAM National Pension Fund.
- Employers must agree to comply with the IAM NPF Trust Agreement and Rehabilitation Plan.
- Collective bargaining agreements that exceed four (4) years must include a pension reopener no later than the four-year anniversary of the collective bargaining agreement effective date.
- Employers must submit their reports to the Fund in a specific electronic format.

There may be issues unique to your bargaining situations that are not addressed in this guide. Please contact the Employer Services or the Education Departments before executing any collective bargaining agreements that do not clearly comply with the requirements listed in this guide.

Limitations on Collective Bargaining Agreements

The following CBA provisions are unacceptable and may cause your CBA to be rejected and the Employer to be terminated:

- Terms that exceed four (4) years without a pension reopener within four years
- Renewal or amended CBAs that reduce the pension contribution rate
- Probationary periods longer than 90 days for covered employees
- Suspension of pension contributions for any periods of service
- Exclusion of certain covered job classifications from IAM NPF participation
- Direct or indirect exclusion of younger or newly hired employees from IAM NPF participation
- Exemption from Withdrawal Liability
- Provisions requiring employee contributions
- Provisions allowing employees to opt-out of IAM NPF coverage
- Compliance with the Employee Retirement Income Security Act (ERISA)

To ensure compliance with the Employee Retirement Income Security Act (ERISA) and the Pension Protection Act (PPA), the Trustees of the IAM NPF may, in their sole discretion, terminate the participation of an Employer in the IAM NPF for any of the following reasons:

1) The Employer enters into a CBA for the same collective bargaining unit with a labor organization that is not affiliated with the International.
2) A renewal collective bargaining agreement does not require the continuation of at least the same level of contributions to the IAM NPF.
3) The Employer fails to comply with any requirements that the Trustees may have set with respect to participation in the IAM NPF.
4) The Employer fails to make required contributions to the IAM NPF in a timely manner.
5) A bargaining unit decertifies from the IAM.

Standard CBA provisions

This section of the manual provides you with standard language that can be incorporated into the collective bargaining agreement in which the bargaining parties have agreed to participate in the IAM NPF. The types of acceptable provisions are described below.

1. All employees are covered on either their date of hire or the effective date of the collective bargaining agreement, whichever is later;
2. All employees are covered effective on the date of the collective bargaining agreement, but no later than 60 calendar days after employment;
3. All employees are covered 90 calendar days after employment (with contributions retroactive to the date of hire) or the effective date of the collective bargaining agreement, whichever is later;
4. When regular full-time and regular part-time employees are covered from their date of hire or the effective date of the collective bargaining agreement, whichever is later, <u>and</u> all other employees (such as temporary, casual, on-call, extra, and seasonal) are covered after 1,000 hours of employment;
5. Regular full-time and regular part-time employees are covered after 60 days of employment, or the effective date of the collective bargaining agreement, whichever is later, <u>and</u> all other employees (such as temporary, casual, on-call, extra and seasonal) are covered after 1,000 hours of employment;
6. Regular full-time and regular part-time employees are covered after 90 days of employment (with contributions retroactive to date of hire) or the effective date of the collective bargaining agreement, whichever is later, <u>and</u> all other employees (such as temporary, casual, on-call, extra, and seasonal) are covered after 1,000 hours of employment; and
7. Assumption Agreement for a new employer taking over a government contract site.

If the bargaining parties do not use these models in the situations described, the Fund must review the proposed language <u>before</u> the agreement becomes final to ensure the agreement can be accepted by the Fund.

1. Sample Supplement - All Employees from Date of Hire

SUPPLEMENT

TO COLLECTIVE BARGAINING

AGREEMENT BETWEEN ___________AND

IAM LOCAL ____________________

Section 1. COVERAGE

_____________________________ ("Employer") agrees to make periodic contributions on behalf of all employees covered by the Collective Bargaining Agreement to the IAM Pension Fund ("Fund") from date of hire, in the amounts specified in Section 3 below.

Section 2. TERM

The Employer agrees to become and remain a participating employer in the Fund throughout the term of this Collective Bargaining Agreement ("CBA"), including any extensions thereof.

Section 3. CONTRIBUTIONS

The employer contribution rate will increase by 2.5% compounding annually during the rehabilitation period as outlined in the chart below.

Base Pension Rate	Type	AEC/Rehab %	AEC/Rehab $	Total $	AEC/NPF Effective Date
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	

*****Please ensure all dates are in MM/DD/YYYY format. You should include a line item for each AEC anniversary date, regardless of whether there is an NPF rate increase.**

Contributions will be made on all hours worked up to 40 hours per week and 2080 hours per year.

- If an employee is paid only for a portion of an hour/day, contributions will be made by the Employer for the full hour/day.

(a) Contributions required by this provision shall be paid to the Fund on or before the twentieth (20th) day of the month following the month for which contributions are being paid ("Due Date"). Contributions shall become delinquent if they are not received by the last day of the month in which Contributions are due.

(b) Contributions shall be transmitted together with a remittance report containing such information, in such manner, and on such form as may be required by the Trustees or their designee.

Section 4. TRUST AGREEMENT

The Employer hereby agrees to be bound by and assents to the IAM National Pension Fund Amended and Restated Trust Agreement ("Trust Agreement"), including all amendments thereto, whether adopted before or after the date of this CBA, which establishes the Fund and may be amended from time to time, and to all resolutions and rules adopted by the Trustees pursuant to the powers delegated to them by that agreement, including collection policies, audit policies, and withdrawal liability policies. The Employer hereby designates the Employer members of the Fund's Board of Trustees, or their duly selected successor(s), as its representatives on the Board.

Section 5. AUDITS

The Employer agrees to permit auditors authorized by the Fund to inspect and review any of its records necessary to ensure compliance with this Agreement and, upon request, to forward such records or true copies thereof to the Fund's auditors.

Section 6. DELINQUENCIES

The Employer agrees and affirms that, should it default or become delinquent in any of its obligations to the Fund set forth in this Article, it shall be liable for such damages, penalties, and costs as may be provided for by the Fund's Trust Agreement, resolutions, and collection policy, including, but not limited to, a late payment penalty, interest, liquidated damages, and all costs of collection, including reasonable attorney's and accounting fees.

Section 7. COOPERATION

The Employer and Union agree to cooperate with the Trustees of the Fund in distributing Plan booklets, literature, and other documents supplied by the Fund Administrator, and in obtaining and providing such census and other data as may be required by the Fund Administrator or the Trustees to enable the Fund Administrator or the Trustees to comply with the applicable provisions of ERISA.

Section 8. APPROVAL BY TRUSTEES

The undersigned parties acknowledge that the provisions of this Article and the participation of the employees covered by it are subject to approval by the Trustees of the Fund, and that the Trustees reserve the right, at their sole and unreviewable discretion, to terminate the participation of the employees covered by this Agreement and to establish the level(s) of benefits to be provided. Termination may be directed by the Trustees for reasons including, but not limited to, failure of the Employer to timely pay contributions and the expiration of a Collective Bargaining Agreement. The parties further acknowledge that the Trustees' acceptance of the employees covered by the Collective Bargaining Agreement for participation in the Fund is limited to the categories of employment covered by the Collective Bargaining Agreement at the time of application for acceptance, and that admission of other categories of employment to participate in the Fund will require specific acceptance by the Trustees.

Section 9. MISCELLANEOUS

In the event of any inconsistency between this Supplement and the Collective Bargaining Agreement, the terms of this Supplement shall prevail.

For the Employer [Fed. EIN: _______________ For the Union

_____________________________________ _____________________________________

Dated _______________________________ Dated _______________________________

2. Sample Supplement - All Employees after 60 days

SUPPLEMENT

TO COLLECTIVE BARGAINING

AGREEMENT BETWEEN _______________

AND IAM LOCAL______________________

Section 1. COVERAGE

______________________________ ("Employer") agrees to make periodic contributions on behalf of all employees covered by the Collective Bargaining Agreement ("CBA") to the IAM National Pension Fund ("Fund") in the amounts specified in Section 3 below. Contributions will be made on all job classifications listed in Article ___ of the CBA.

Section 2. CONTRACT TERM and PROBATIONARY PERIOD

The Employer agrees to become and remain a participating employer in the Fund throughout the term of this Collective Bargaining Agreement ("CBA"), including any extensions thereof. The Employer agrees to begin contributions for each employee after completion of sixty (60) calendar days of employment.

Section 3. CONTRIBUTIONS

The employer contribution rate will increase by 2.5% compounding annually during the rehabilitation period as outlined in the chart below.

Base Pension Rate	Type	AEC/Rehab %	AEC/Rehab $	Total $	AEC/NPF Effective Date
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	

*****Please ensure all dates are in MM/DD/YYYY format. You should include a line item for each AEC anniversary date, regardless of whether there is an NPF rate increase.**

Contributions will be made on all hours worked up to 40 hours per week and 2080 hours per year.

- If the employee is paid only for a portion of an hour/day, contributions will be made by the Employer for the full hour/day.

(a) Contributions required by this provision shall be paid to the Fund on or before the twentieth (20th) day of the month following the month for which contributions are being paid ("Due Date"). Contributions shall become delinquent if they are not received by the last day of the month in which Contributions are due.

(b) Contributions shall be transmitted together with a remittance report containing such information, in such manner, and on such form as may be required by the Trustees or their designee.

Section 4. TRUST AGREEMENT

The Employer hereby agrees to be bound by and assents to the IAM National Pension Fund Amended and Restated Trust Agreement ("Trust Agreement"), including all amendments thereto, whether adopted before or after the date of this CBA, which establishes the Fund and may be amended from time to time, and to all resolutions and rules adopted by the Trustees pursuant to the powers delegated to them by that agreement, including collection policies, audit policies, and withdrawal liability policies. The Employer hereby designates the Employer members of the Fund's Board of Trustees, or their duly selected successor(s), as its representatives on the Board.

Section 5. AUDITS

The Employer agrees to permit auditors authorized by the Fund to inspect and review any of its records necessary to ensure compliance with this Agreement and, upon request, to forward such records or true copies thereof to the Fund's auditors.

Section 6. DELINQUENCIES

The Employer agrees and affirms that, should it default or become delinquent in any of its obligations to the Fund set forth in this Article, it shall be liable for such damages, penalties, and costs as may be provided for by the Fund's Trust Agreement, resolutions, and collection policy, including, but not limited to, a late payment penalty, interest, liquidated damages, and all costs of collection, including reasonable attorney's and accounting fees.

Section 7. COOPERATION

The Employer and Union agree to cooperate with the Trustees of the Fund in distributing Plan booklets, literature, and other documents supplied by the Fund Administrator, and in obtaining and providing such census and other data as may be required by the Fund Administrator or the Trustees to enable the Fund Administrator or the Trustees to comply with the applicable provisions of ERISA.

Section 8. APPROVAL BY TRUSTEES

The undersigned parties acknowledge that the provisions of this Article and the participation of the employees covered by it are subject to approval by the Trustees of the Fund, and that the Trustees reserve the right, at their sole and unreviewable discretion, to terminate the participation of the employees covered by this Agreement and to establish the level(s) of benefits to be provided. Termination may be directed by the Trustees for reasons including, but not limited to, failure of the Employer to timely pay contributions and the expiration of a Collective Bargaining Agreement. The parties further acknowledge that the Trustees' acceptance of the employees covered by the Collective Bargaining Agreement for participation in the Fund is limited to the categories of employment covered by the Collective Bargaining Agreement at the time of application for acceptance, and that admission of other categories of employment to participate in the Fund will require specific acceptance by the Trustees.

Section 9. MISCELLANEOUS

In the event of any inconsistency between this Supplement and the Collective Bargaining Agreement, the terms of this Supplement shall prevail.

For the Employer [Fed. EIN: _______________ For the Union

_________________________________ _________________________________

Dated _____________________________ Dated _____________________________

3. Sample Supplement - All Employees after 90 days Retro

SUPPLEMENT
TO COLLECTIVE BARGAINING AGREEMENT
BETWEEN ________________________________
AND IAM LOCAL_______

PENSION

Section 1. COVERAGE

________________________________("Employer") agrees to make periodic contributions on behalf of all employees covered by the Collective Bargaining Agreement to the IAM National Pension Fund ("Fund") in the amounts specified in Section 3 below.

Section 2. TERM AND PROBATIONARY PERIOD

The Employer agrees to become and remain a participating employer in the Fund throughout the term of this Collective Bargaining Agreement ("CBA"), including any extensions thereof. The Employer agrees to begin contributions for each employee after completion of ninety (90) calendar days of employment, retroactive to the date of each employee's date of hire.

Section 3. CONTRIBUTIONS

The employer contribution rate will increase by 2.5% compounding annually during the rehabilitation period as outlined in the chart below.

Base Pension Rate	Type	AEC/Rehab %	AEC/Rehab $	Total $	AEC/NPF Effective Date
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	

*****Please ensure all dates are in MM/DD/YYYY format. You should include a line item for each AEC anniversary date, regardless of whether there is an NPF rate increase.**

Contributions will be made on all hours worked up to 40 hours per week and 2080 hours per year.

- If an employee is paid only for a portion of an hour/day, contributions will be made by the Employer for the full hour/day.

(a) Contributions required by this provision shall be paid to the Fund on or before the twentieth day of the month following the period for which contributions are due or before such other date as the Trustees may hereafter determine.

(b) Contributions shall be transmitted together with a remittance report containing such information, in such manner, and on such form as may be required by the Fund or their designee.

Section 4. TRUST AGREEMENT

The Employer hereby agrees to be bound by the provisions of the Agreement and Declaration of Trust establishing the Fund, as it may from time to time be amended, and by all resolutions and rules adopted by the Trustees pursuant to the powers delegated to them by that agreement, including collection policies, receipt of which is hereby acknowledged. The Employer hereby designates the Employer members of the Fund's Board of Trustees, or their duly selected successor(s), as its representatives on the Board.

Section 5. AUDITS

The Employer agrees to permit auditors authorized by the Fund to inspect and review any of its records necessary to ensure compliance with this Agreement and to forward such records or true copies thereof to the Fund's auditors upon request.

Section 6. DELINQUENCIES

The Employer agrees and affirms that, should it default or become delinquent in any of its obligations to the Fund set forth in this Article, it shall be liable for such damages, penalties and costs as may be provided for by the Fund's Trust Agreement, resolution(s) and collection policy(ies) of the Fund's Trustees including, but not limited to, a late payment penalty, interest, liquidated damages, and all costs of collection including reasonable attorney's and accounting fees.

Section 7. COOPERATION

The Employer and Union agree to cooperate with the Trustees of the Fund in distributing Plan booklets, literature, and other documents supplied by the Fund Administrator and in obtaining and providing such census and other data as may be required by the Fund's Administrator or Trustees to enable them to comply with the applicable provisions of the Employee Retirement Income Security Act.

Section 8. APPROVAL BY TRUSTEES

The undersigned parties acknowledge that the provisions of this Article and the participation of the employees covered by it are subject to approval by the Trustees of the Fund and that the Trustees reserve the right to terminate, at their sole and unreviewable discretion, the participation of the employees covered by this Agreement and to establish the level(s) of benefits to be provided. Termination may be directed by the Trustees for reasons including, but not limited to, failure of the Employer to timely pay contributions and expiration of a Collective Bargaining

Agreement. The parties further acknowledge that the Trustees' acceptance for participation in the Fund of the employees covered by the Collective Bargaining Agreement is limited only to the categories of employment covered by the Collective Bargaining Agreement at the time application for acceptance occurs and the admission of other categories of employment to participate in the Fund will require specific acceptance by the Trustees.

Section 9. MISCELLANEOUS

In the event of any inconsistency between this Supplement and the Collective Bargaining Agreement, the terms of this Supplement shall prevail.

For the Employer [Fed. EIN: ________________]	For the Union:
____	____
Dated ______________________________________	Dated ______________________________________

4. Sample Supplement - Date of Hire & 1000 hours

SUPPLEMENT TO COLLECTIVE BARGAINING
AGREEMENT BETWEEN__________ AND IAM LOCAL_______

Section 1. COVERAGE

______________________________ ("Employer") agrees to make periodic contributions to the IAM National Pension Fund (Fund) on behalf of all regular full-time and regular part-time employees covered by the Collective Bargaining Agreement from date of hire, in the amounts specified in Section 3 below.

Section 2. TERM
The Employer agrees to become and remain a participating employer in the Fund throughout the term of this Collective Bargaining Agreement, including any extensions thereof.

Section 3. CONTRIBUTIONS

The employer contribution rate will increase by 2.5% compounding annually during the rehabilitation period as outlined in the chart below.

Base Pension Rate	Type	AEC/Rehab %	AEC/Rehab $	Total $	AEC/NPF Effective Date
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
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$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	

*****Please ensure all dates are in MM/DD/YYYY format. You should include a line item for each AEC anniversary date, regardless of whether there is an NPF rate increase.**

Contributions will be made on all hours worked up to 40 hours per week and 2080 hours per year.

- If the employee is paid only for a portion of an hour/day, contributions will be made by the Employer for the full hour/day.

(a) Contributions required by this provision shall be paid to the Fund on or before the twentieth day of the month following the period for which contributions are due or before such other date as the Trustees may hereafter determine.

(b) Contributions shall be transmitted together with a remittance report containing such information, in such manner, and on such form as may be required by the Fund or its designee.

(c) Notwithstanding any other provision of the Agreement or this Supplement thereto, contributions shall be made on behalf of any employee who is not a regular full- time or regular part-time employee, provided he has worked, or been compensated, for one thousand (1,000) hours or more during the twelve-month period beginning with the employee's date of hire. If such an employee does not work, or is not compensated for, at least one thousand (1,000) hours during the first year of employment, the computation period shall be based on the calendar year beginning after the end of his first year of employment. Thereafter, contributions shall be made for such employees for all hours paid irrespective of whether the hours worked exceed one thousand (1,000) hours in subsequent years. Until contributions are required to be made on behalf of an employee pursuant to the terms of this provision, the employee shall not be deemed to be a covered employee working in covered employment within the meaning of the IAM National Pension Fund and subsection (a) above. All employees who previously were participants in the pension plan sponsored by the Employer or its predecessor by virtue of having one thousand (1,000) or more hours of service with the Employer or predecessor shall be deemed to be participants under the IAM National Pension Fund and have contributions made on their behalf to the Fund for all paid hours without the necessity of meeting any additional eligibility requirement.

Section 4. TRUST AGREEMENT

The Employer hereby agrees to be bound by the provisions of the Agreement and Declaration of Trust establishing the Fund, as it may from time to time be amended, and by all resolutions and rules adopted by the Trustees pursuant to the powers delegated to them by that agreement, including collection policies, receipt of which is hereby acknowledged. The Employer hereby designates the Employer members of the Fund's Board of Trustees, or their duly selected successor(s), as its representatives on the Board.

Section 5. AUDITS

The Employer agrees to permit auditors authorized by the Fund to inspect and review any of its records necessary to ensure compliance with this Agreement and to forward such records or true copies thereof to the Fund's auditors upon request.

Section 6. DELINQUENCIES

The Employer agrees and affirms that, should it default or become delinquent in any of its obligations to the Fund set forth in this Article, it shall be liable for such damages, penalties and costs as may be provided for by the Fund's Trust Agreement, resolution(s) and collection policy(ies) of the Fund's Trustees including, but not limited to, a late payment penalty, interest, liquidated damages, and all costs of collection including reasonable attorney's and accounting fees.

Section 7. COOPERATION

The Employer and Union agree to cooperate with the Trustees of the Fund in distributing Plan booklets, literature, and other documents supplied by the Fund Administrator and in obtaining and providing such census and other data as may be required by the Fund's Administrator or Trustees to enable them to comply with the applicable provisions of the Employee Retirement Income Security Act.

Section 8. APPROVAL BY TRUSTEES

The undersigned parties acknowledge that the provisions of this Article and the participation of the employees covered by it are subject to approval by the Trustees of the Fund and that the Trustees reserve the right to terminate, at their sole and unreviewable discretion, the participation of the employees covered by this Agreement and to establish the level(s) of benefits to be provided. Termination may be directed by the Trustees for reasons including, but not limited to, failure of the Employer to timely pay contributions and expiration of a Collective Bargaining Agreement. The parties further acknowledge that the Trustees' acceptance for participation in the Fund of the employees covered by the Collective Bargaining Agreement is limited only to the categories of employment covered by the Collective Bargaining Agreement at the time application for acceptance occurs and the admission of other categories of employment to participate in the Fund will require specific acceptance by the Trustees.

Section 9. MISCELLANEOUS

In the event of any inconsistency between this Supplement and the Collective Bargaining Agreement, the terms of this Supplement shall prevail.

For the Employer [Fed. EIN: ________________ For the Union

____ ____

Dated ________________________________ Dated ________________________________

5. Sample Supplement - 60 days & 1000 hours

SUPPLEMENT
TO COLLECTIVE BARGAINING
AGREEMENT BETWEEN _____
AND IAM LOCAL ____________

Section 1. COVERAGE

____________________________ ("Employer") agrees to make periodic contributions on behalf of all employees covered by the Collective Bargaining Agreement to the IAM National Pension Fund ("Fund") in the amounts specified in Section 3 below.

Section 2. TERM AND PROBATIONARY PERIOD
The Employer agrees to become and remain a participating employer in the Fund throughout the term of this Collective Bargaining Agreement ("CBA"), including any extensions thereof. The Employer agrees to begin contributions for each regular full- time or regular part-time employee after completion of sixty (60) calendar days of employment.

Section 3. CONTRIBUTIONS

The employer contribution rate will increase by 2.5% compounding annually during the rehabilitation period as outlined in the chart below.

Base Pension Rate	Type	AEC/Rehab %	AEC/Rehab $	Total $	AEC/NPF Effective Date
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	

*****Please ensure all dates are in MM/DD/YYYY format. You should include a line item for each AEC anniversary date, regardless of whether there is an NPF rate increase.**

Contributions will be made on all hours worked up to 40 hours per week and 2080 hours per year.

- If the employee is paid only for a portion of an hour/day, contributions will be made by the Employer for the full hour/day.

(a) Contributions required by this provision shall be paid to the Fund on or before the twentieth day of the month following the period for which contributions are due or before such other date as the Trustees may hereafter determine.

(b) Contributions shall be transmitted together with a remittance report containing such information, in such manner, and on such form as may be required by the Fund or their designee.

(c) Notwithstanding any other provision of the Agreement or this Supplement thereto, contributions shall be made on behalf of any employee who is not regular full- time or regular part-time, provided he has worked, or been compensated, for one thousand (1,000) hours or more during the twelve-month period beginning with the employee's date of hire. If such an employee does not work, or is not compensated for, at least 1,000 hours during his first year of employment, the computation period shall be based on the calendar year beginning after the end of their first year of employment. Thereafter, contributions shall be made for such employee for all hours paid irrespective of whether the hours worked exceeds one thousand (1,000) hours in subsequent years. Until contributions are required to be made on behalf of an employee pursuant to the terms of this provision, the employee shall not be deemed to be a covered employee working in covered employment within the meaning of the IAM NPF Plan and subsection (a) above. All employees who previously were participants in the pension plan sponsored by the Employer or its predecessor by virtue of having one thousand (1,000) or more hours of service with the Employer or predecessor shall be deemed to be participants under the IAM NPF and have contributions made on their behalf to the Fund for all paid hours without the necessity of meeting any additional eligibility requirement.

Section 4. TRUST AGREEMENT

The Employer hereby agrees to be bound by the provisions of the Agreement and Declaration of Trust establishing the Fund, as it may from time to time be amended, and by all resolutions and rules adopted by the Trustees pursuant to the powers delegated to them by that agreement, including collection policies, receipt of which is hereby acknowledged. The Employer hereby designates the Employer members of the Fund's Board of Trustees, or their duly selected successor(s), as its representatives on the Board.

Section 5. AUDITS

The Employer agrees to permit auditors authorized by the Fund to inspect and review any of its records necessary to ensure compliance with this Agreement and to forward such records or true copies thereof to the Fund's auditors upon request.

Section 6. DELINQUENCIES

The Employer agrees and affirms that, should it default or become delinquent in any of its obligations to the Fund set forth in this Article, it shall be liable for such damages, penalties and costs as may be provided for by the Fund's Trust Agreement, resolution(s) and collection policy(ies) of the Fund's Trustees including, but not limited to, a late payment penalty, interest, liquidated damages, and all costs of collection including reasonable attorney's and accounting fees.

Section 7. COOPERATION

The Employer and Union agree to cooperate with the Trustees of the Fund in distributing Plan booklets, literature, and other documents supplied by the Fund Administrator and in obtaining and providing such census and other data as may be required by the Fund's Administrator or Trustees to enable them to comply with the applicable provisions of the Employee Retirement Income Security Act.

Section 8. APPROVAL BY TRUSTEES

The undersigned parties acknowledge that the provisions of this Article and the participation of the employees covered by it are subject to approval by the Trustees of the Fund and that the Trustees reserve the right to terminate, at their sole and unreviewable discretion, the participation of the employees covered by this Agreement and to establish the level(s) of benefits to be provided. Termination may be directed by the Trustees for reasons including, but not limited to, failure of the Employer to timely pay contributions and expiration of a Collective Bargaining Agreement. The parties further acknowledge that the Trustees' acceptance for participation in the Fund of the employees covered by the Collective Bargaining Agreement is limited only to the categories of employment covered by the Collective Bargaining Agreement at the time application for acceptance occurs and the admission of other categories of employment to participate in the Fund will require specific acceptance by the Trustees.

Section 9. MISCELLANEOUS

In the event of any inconsistency between this Supplement and the Collective Bargaining Agreement, the terms of this Supplement shall prevail.

For the Employer [Fed. EIN: ________________ For the Union

____ ______________________________________

Dated _______________________________________ Dated _______________________________

6. Sample Supplement – 90-day-1000 hours & Retro

SUPPLEMENT

TO COLLECTIVE BARGAINING AGREEMENT
BETWEEN ___________________________________
AND IAM LOCAL_______

PENSION

Section 1. COVERAGE

___________________________________("Employer") agrees to make periodic contributions to the IAM National Pension Fund ("Fund") on behalf of all regular full-time and regular part-time employees covered by the Collective Bargaining Agreement, after completing a probationary period of 90 calendar days, retroactive to date of hire, in the amounts specified in Section 3 below.

Section 2. TERM AND PROBATIONARY PERIOD
The Employer agrees to become and remain a participating employer in the Fund throughout the term of this Collective Bargaining Agreement ("CBA"), including any extensions thereof. The Employer agrees to begin contributions for each regular full- time or regular part-time employee after completion of ninety (90) calendar days of employment, retroactive to the date of each employee's date of hire.

Section 3. CONTRIBUTIONS

The employer contribution rate will increase by 2.5% compounding annually during the rehabilitation period as outlined in the chart below.

Base Pension Rate	Type	AEC/Rehab %	AEC/Rehab $	Total $	AEC/NPF Effective Date
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	
$ 0.00	For Each Hour	0.00%	$0.00	$0.00	

*****Please ensure that all dates are in MM/DD/YYYY format. You should have a line item for each AEC anniversary date, regardless of whether there is an NPF rate increase.**

Contributions will be made on all hours worked up to 40 hours per week and 2080 hours per year.

- If the employee is paid only for a portion of an hour/day, contributions will be made by the Employer for the full hour/day.

(a) Contributions required by this provision shall be paid to the Fund on or before the twentieth day of the month following the period for which contributions are due or before such other date as the Trustees may hereafter determine.

(b) Contributions shall be transmitted together with a remittance report containing such information, in such manner, and on such form as may be required by the Fund or their designee.

(c) Nothing any other provision of the Agreement or this Supplement thereto, contributions shall be made on behalf of any employee who is not regular full- time or regular part-time, provided he worked, or been compensated, for one thousand (1,000) hours or more during the twelve-month period beginning with the employee's date of hire. If such an employee does not work, or is not compensated for, at least 1,000 hours during his first year of employment, the computation period shall be based on a calendar year beginning after the end of his first year of employment. Thereafter, contributions shall be made for such employee for all hours paid irrespective of whether the hours worked exceeds one thousand (1,000) hours in subsequent years. Until contributions are required to be made on behalf of an employee pursuant to the terms of this provision, the employee shall not be deemed to be a covered employee working in covered employment within the meaning of the IAM National Pension Fund and subsection (a) above. All employees who previously were participants in the pension plan sponsored by the Employer or its predecessor by virtue of having one thousand (1,000) or more hours of service with the Employer or predecessor shall be deemed to be participants under the IAM National Pension Fund and have contributions made on their behalf to the Fund for all paid hours without the necessity of meeting any additional eligibility requirement.

Section 4. TRUST AGREEMENT

The Employer hereby agrees to be bound by the provisions of the Agreement and Declaration of Trust establishing the Fund, as it may from time to time be amended, and by all resolutions and rules adopted by the Trustees pursuant to the powers delegated to them by that agreement, including collection policies, receipt of which is hereby acknowledged. The Employer hereby designates the Employer members of the Fund's Board of Trustees, or their duly selected successor(s), as its representatives on the Board.

Section 5. AUDITS

The Employer agrees to permit auditors authorized by the Fund to inspect and review any of its records necessary to ensure compliance with this Agreement and to forward such records or true copies thereof to the Fund's auditors upon request.

Section 6. DELINQUENCIES

The Employer agrees and affirms that, should it default or become delinquent in any of its obligations to the Fund set forth in this Article, it shall be liable for such damages, penalties and costs as may be provided for by the Fund's Trust Agreement, resolution(s) and collection.

policy(ies) of the Fund's Trustees including, but not limited to, a late payment penalty, interest, liquidated damages, and all costs of collection including reasonable attorney's and accounting fees.

Section 7. COOPERATION

The Employer and Union agree to cooperate with the Trustees of the Fund in distributing Plan booklets, literature, and other documents supplied by the Fund Administrator and in obtaining and providing such census and other data as may be required by the Fund's Administrator or Trustees to enable them to comply with the applicable provisions of the Employee Retirement Income Security Act.

Section 8. APPROVAL BY TRUSTEES

The undersigned parties acknowledge that the provisions of this Article and the participation of the employees covered by it are subject to approval by the Trustees of the Fund and that the Trustees reserve the right to terminate, at their sole and unreviewable discretion, the participation of the employees covered by this Agreement and to establish the level(s) of benefits to be provided. Termination may be directed by the Trustees for reasons including, but not limited to, failure of the Employer to timely pay contributions and expiration of a Collective Bargaining Agreement. The parties further acknowledge that the Trustees' acceptance for participation in the Fund of the employees covered by the Collective Bargaining Agreement is limited only to the categories of employment covered by the Collective Bargaining Agreement at the time application for acceptance occurs and the admission of other categories of employment to participate in the Fund will require specific acceptance by the Trustees.

Section 9. MISCELLANEOUS

In the event of any inconsistency between this Supplement and the Collective Bargaining Agreement, the terms of this Supplement shall prevail.

For the Employer [Fed. EIN: ____________]	For the Union:
______________________________	______________________________
Dated ______________________	Dated ______________________

7. Assumption Agreement

Assumption Agreement

IAM Local (insert #) and ______________________________ (insert previous employer's name) have a Collective Bargaining Agreement covering (insert site name). The term of that Collective Bargaining Agreement is (insert start date) through (insert end date).

_______________________________ (insert new employer's name) hereby agrees to adhere to all terms and conditions of the above-referenced Collective Bargaining Agreement that relates to the IAM National Pension Fund for the duration, and any extensions, thereof.

___________________________ (insert new employer's name) shall be bound by the terms of the IAM National Pension Fund's Trust Agreement and Collection Policy.

This Assumption Agreement will be effective as of _______________________________________ and (insert new employer name)'s first remittance to the IAM National Pension Fund shall be due on ____

For the Employer (Insert Employer's Name)	For the Union IAM Local(insert #)
By: _________________________________	By:____________________________________
Date: _________________________________	Date: _________________________________

APPENDIX

IAM Rehabilitation Plan

Original Rehabilitation Plan

Adopted April 17, 2019

I. INTRODUCTION

The Pension Protection Act of 2006 ("PPA") requires an annual actuarial status determination for multiemployer pension plans including the IAM National Pension Fund (the "Fund"). On March 29, 2019, the Fund's actuary certified to the U.S. Department of the Treasury, and also to the Fund's Board of Trustees ("Board"), that the Fund is in endangered status for the plan year beginning January 1, 2019, and that it is projected to be in critical status in one of the succeeding five plan years. On April 17, 2019, to improve the Fund's financial health the Board voluntarily elected for the Fund to be in critical status effective for the plan year beginning January 1, 2019 as permitted under the law.

The PPA requires that the board of trustees of a multiemployer pension plan in critical status develop a rehabilitation plan that is intended to improve a plan's funding over a period of years. A rehabilitation plan sets forth the 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."[1] The rehabilitation plan must be based on reasonably anticipated experience and reasonable actuarial assumptions regarding investment income and other experience of the Fund over the rehabilitation period.[2]

[1] The 10-year rehabilitation period begins with the first plan year that begins two years after adoption of the RP or, if earlier, 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 Fund's active participants, although the RP may be effective before the 10-year rehabilitation period begins. In the case of the Fund, the 10-year rehabilitation period begins January 1, 2022 and goes through December 31, 2031.

[2] 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").

II. OVERVIEW OF REHABILITATION PLAN

Key Date Summary

• Notice of Critical Status:	4/26/2019
• Lump Sum Benefit and Social Security Option Modifications Effective:	4/26/2019
• Employer Surcharges Imposed:	6/1/2019 (5%); 1/1/2020 (10%)
• RP Effective Date:	9/1/2019
• RP Schedule Adoption Deadline:	180 days from expiration of CBA in effect on 9/1/2019 (or 3/2/2020 if CBA

The Board is adopting this Rehabilitation Plan ("RP") to emerge from critical status within the 10-year rehabilitation period. The Board has determined that the RP is in the best interest of the Fund and its participants and beneficiaries.
The Board is adopting the RP effective September 1, 2019 ("RP Effective Date").

The RP consists of two schedules, the "Preferred Schedule" and the "Default Schedule," that set forth both benefit modifications and employer contribution requirements. Under the PPA, the collective bargaining parties are responsible for selecting and adopting one of the two schedules consistent with the RP (an "RP Schedule").

Collective bargaining parties are not required to select and adopt an RP Schedule until the expiration of their collective bargaining agreement in effect on or after the RP Effective Date. Nevertheless, the Board anticipates that some collective bargaining parties will adopt the RP earlier than the RP Effective Date to avoid or minimize the employer surcharge described in Section V, by agreeing to one of the RP Schedules as soon as June 1, 2019. In that circumstance, the RP will become effective upon the adoption of a schedule by the bargaining parties.

The Board reserves the right to not accept any collective bargaining agreement that the Board determines, in its sole and absolute discretion, fails to comply with, or is intended to evade or avoid, the RP. The main elements of the RP are as follows:

A. Under the Preferred Schedule:

1. Benefit Modifications. The Preferred Schedule eliminates the following adjustable benefits and benefit alternatives previously available under the Fund: (i) early retirement subsidy; (ii) unreduced age and service pensions, including the 20 and age 62 pension and 30 and out pension; (iii) the unreduced disability pension; and (iv) normal form of payment for unmarried participants.

   These modifications, which are described in more detail in Section III below, will generally apply to participants for whom the Fund office receives a completed pension application on or after the later of: (i) January 1, 2022 or (ii) the date that a participant's employer and union incorporate the Preferred Schedule into their collective bargaining agreement ("Preferred Schedule Participant Effective Date"). The date on which the Fund office receives a participant's completed pension application is referred to as the participant's "Completed Application Date." The benefit modifications under the Preferred Schedule are applied to benefits earned both before and after the Preferred Schedule Participant Effective Date.

2. Contribution Increases. Under the Preferred Schedule, effective for contributions earned on or after September 1, 2019, unless adopted earlier, the employer contribution rate will increase by 2.5% annually during the rehabilitation period. The employer contribution requirements are described in more detail in Section IV below.

B. Under the Default Schedule:

1. Benefit Modifications. The Default Schedule eliminates the following adjustable benefits and benefit alternatives previously available under the Fund: (i) early retirement subsidy; (ii) unreduced age and service pensions, including the 20 and age 62 pension and 30 and out pension; (iii) the unreduced disability pension; and (iv) normal form of payment for unmarried participants.

   The Default Schedule also eliminates the 60 monthly payments pre-retirement death benefit and the "pop-up" benefit. Lastly, the Default Schedule reduces the benefit accrual rate to 1% of benefit-bearing contributions.

   These modifications are described in more detail in Section III below and will generally apply to participants with a Completed Application Date (and to benefits earned) on or after the later of: (i) June 1, 2019 or (ii) the date that a participant's employer and union incorporate the Default Schedule into their collective bargaining agreement or the Default Schedule is imposed on them ("Default Schedule Participant Effective Date").

2. Contribution Increases. Under the Default Schedule, effective for contributions earned on or after September 1, 2019, unless adopted earlier, the employer contribution rate will increase by 6% annually during the rehabilitation period. The employer contribution requirements are described in more detail in Section IV below.

C. Benefit Modifications Applicable to all Participants:

As described in more detail in Section III below, payments in excess of the monthly amount paid under a single life annuity (and similar payments) are eliminated as of April 26, 2019, regardless of the Preferred Schedule Participant Effective Date or the Default Schedule Participant Effective Date.

III. BENEFIT MODIFICATIONS

A. Preferred Schedule

Benefit modifications under the Preferred Schedule apply to participants with a Completed Application Date on or after the Preferred Schedule Participant Effective Date, effective for all benefits earned by such participants – that is, both before and after the Preferred Schedule Participant Effective Date. Deferred vested participants will be covered by the RP Schedule elected by (or imposed on) their last covered employer of record. Orphaned deferred vested participants (whose employers no longer contribute to the Fund) will be covered by the Preferred Schedule as of the RP Effective Date.

Preferred Schedule benefit modifications include:

1. Reduction of Early Retirement Pension. The Early Retirement Pension will be in an amount determined based on the Normal Pension Benefit to which the participant would be entitled if he had attained his Normal Retirement Age at the time of his retirement, reduced using the actuarially equivalent factors set forth in Appendix A ("Early Retirement Reduction Factors") for the years, or portion of years, by which the participant is younger than age 65 on the Effective Date of his Early Retirement Pension.
2. Elimination of Unreduced Age/Service Pensions; 20 and Age 62 Pension and 30 and Out Pension. Unreduced benefits under the 20 and Age 62 Pension and 30 and Out Pension benefits are eliminated. A participant may receive an early retirement benefit before age 65, but it is a reduced benefit based on the Early Retirement Reduction Factors.
3. Elimination of Unreduced Disability Pension. The unreduced Disability Pension benefit is eliminated. A participant may receive a benefit due to a disability before age 65, but it is a reduced benefit based on the Early Retirement Reduction Factors.
4. Normal Form of Payment for Unmarried Participants. The Fund's normal form of payment for unmarried participants will be a single life annuity providing equal monthly payments for life, with no benefit payable after the participant's death.

B. Default Schedule

Benefit modifications under the Default Schedule apply to participants with a Completed Application Date on or after the Default Schedule Participant Effective Date, generally effective for benefits earned by such participants on or after the Default Schedule Participant Effective Date. Deferred vested participants will be covered by the RP Schedule elected by (or imposed on) their last covered employer of record.

Default Schedule benefit modifications include:

1. Reduction of Early Retirement Pension. The Early Retirement Pension will be in an amount determined based on the Normal Pension Benefit to which the participant would be entitled if he had attained his Normal Retirement Age at the time of his retirement, reduced using the Early Retirement Reduction Factors for the years, or

portion of years, by which the participant is younger than age 65 on the Effective Date of his Early Retirement Pension.

2. Elimination of Unreduced Age/Service Pensions; 20 and Age 62 Pension and 30 and Out Pension. Unreduced benefits under the 20 and Age 62 Pension and 30 and Out Pension benefits are eliminated. A participant may receive an early retirement benefit before age 65, but it is a reduced benefit based on the Early Retirement Reduction Factors.
3. Elimination of Unreduced Disability Pension. The unreduced Disability Pension benefit is eliminated. A participant can receive a benefit due to a disability before age 65, but it is a reduced benefit based on the Early Retirement Reduction Factors.
4. Normal Form of Payment for Unmarried Participants. The Fund's normal form of payment for unmarried participants will be a single life annuity providing equal monthly payments for life, with no benefit payable after the participant's death.
5. Elimination of 60 Payments Death Benefit. The 60 monthly payments pre-retirement death benefit is eliminated.
6. Elimination of "Pop-Up" Benefit. The Fund will no longer provide a "pop-up" benefit under which, if a spouse of a pensioner who is receiving a 50%, 75%, or 100% Joint and Survivor Option dies before the pensioner, the monthly amount payable to the pensioner is increased to the full monthly amount that would have been payable if the 50%, 75%, or 100% Joint and Survivor Option had not been in effect.
7. Reduction of Benefit Accruals. Prospectively, benefits will accrue at a rate of 1% of benefit-bearing contributions.

C. Amendments Applicable to all Participants in the Fund

The following benefits are eliminated for all participants with a Completed Application Date on or after April 26, 2019:

1. Disability Pension – Auxiliary Benefit, under which a participant whose effective date for a Disability Pension is after the first day of the seventh month of total and permanent disability receives a payment for the first month equal to the monthly benefit amount plus an additional auxiliary amount equal to the monthly benefit times the number of months (to a maximum of 12) between the effective date of the Disability Pension and such first day of the seventh month.
2. Social Security Option, under which eligible participants may elect to have their monthly benefits actuarially adjusted so that they receive a higher amount payable to age 62 and a reduced amount thereafter.
3. Partial Lump Sum Option, under which eligible participants may elect to have the amount of their monthly benefit reduced by not more than 10% in return for the payment of a lump sum.
4. Lump Sum Elections, under which the recipient of a pension with an Actuarial Present Value in excess of $5,000 but not greater than $10,000 may elect to receive it in a single sum.
5. Return to Employment lump sum, under which a participant who retires before Normal Retirement Age and then returns to Covered Employment and earns subsequent

benefits with an Actuarial Present Value of $7,500 or less may elect to receive such benefits in a lump sum payment.

In addition, the Pre-Retirement Lump Sum Death Benefit is eliminated effective with respect to all deaths on and after April 26, 2019. Also, for the 60 Payments Death Benefit (Plan Document Section 4.12(c)), the lump sum payment provided to a participant's estate equal to the Actuarial Present Value of the remaining payments, if a participant fails to designate a beneficiary and none of the persons listed in Plan Section 4.12(d) survive the participant, is eliminated effective with respect to all deaths on and after April 26, 2019.

D. Merged Plans

Fund participants who have accrued adjustable benefits (as defined in Code section 432(e)(8)) as employees of an employer that maintained a plan that subsequently merged with the Fund prior to the RP Effective Date ("Merged Plan") will have their adjustable benefits under a Merged Plan modified consistent with the schedule adopted by or imposed on that employer (or the Preferred Schedule, in the case of orphaned deferred vested participants). Additional details regarding the specific benefits affected and the effective date will be provided in a future addendum to the RP.

In addition, all lump-sum benefits (excluding those under $5,000) and other forms of benefits that result in payments in excess of the monthly amount paid under the single life annuity otherwise payable under a Merged Plan will be eliminated as of April 26, 2019 for all participants regardless of which schedule is adopted by or imposed on the employer.

IV. SCHEDULE OF CONTRIBUTION INCREASES

A. Employer Contribution Increases Required under the Rehabilitation Plan

The RP requires contributing employers to increase the amount of contributions made to the Fund. Although the bargaining parties are not required to agree to an RP Schedule until the expiration of a collective bargaining agreement in effect on September 1, 2019, as described in Section IV(B) below, if the bargaining parties do not agree to the increased contributions in this RP by June 1, 2019, the employer will be subject to a surcharge required by law, as described in Section V, in addition to scheduled contribution increases.

The required increase in the employer contributions is as follows:

1. Preferred Schedule. Effective for contributions earned on or after September 1, 2019, unless adopted earlier (or upon adoption of the Preferred Schedule, if later), the contribution rate will increase by 2.5% over the contribution rate otherwise in effect under the applicable collective bargaining agreement. Effective for contributions earned on or after the anniversary of the respective adoption date of a schedule of each subsequent year for the remainder of the rehabilitation period, the contribution rate will increase by an additional 2.5% over the contribution rate otherwise in effect (that is, the contribution rate under the applicable collective bargaining agreement plus previous increases under this RP).

2. Default Schedule. Effective for contributions earned on or after September 1, 2019, unless adopted earlier (or upon adoption of the Default Schedule, if later), the contribution rate will increase by 6% over the contribution rate otherwise in effect under the applicable collective bargaining agreement. Effective for contributions earned on or after the anniversary of the respective adoption date of a schedule of each subsequent year for the remainder of the rehabilitation period, the contribution rate will increase by an additional 6% over the contribution rate otherwise in effect (that is, the contribution rate under the applicable collective bargaining agreement plus previous increases under this RP).

The increased contributions are payable on the same schedule as the contributions on which the increase is based. However, increased RP contributions will not generate benefit accruals.

B. Effective Date of Contribution Increases

Unless otherwise specifically provided herein, the contribution increases required by the RP become effective upon the *earlier of*:

1. the effective date of a collective bargaining agreement (or an amendment to that collective bargaining agreement) that adopts terms consistent with an RP Schedule, or

2. 180 days after the expiration date of a collective bargaining agreement providing for contributions to the Fund that was in effect on September 1, 2019, if by such date the bargaining parties have failed to adopt a collective bargaining agreement that contains terms consistent with the RP Schedule.

If the collective bargaining agreement had an expiration date before September 1, 2019 and no successor agreement was yet in effect on that date, the RP Schedule must be adopted by March 2, 2020 (180 days from September 1, 2019).

If the bargaining parties fail to adopt a collective bargaining agreement that contains terms consistent with an RP Schedule within 180 days after the expiration date of a collective bargaining agreement providing for contributions to the Fund that was in effect on September 1, 2019 (or by March 2, 2020, if the collective bargaining agreement expired before September 1, 2019), the Default Schedule will automatically be imposed effective immediately upon expiration of the 180 days (or, if later, on March 2, 2020).

Any collective bargaining agreement providing for contributions to the Fund with an evergreen provision that was entered into before April 17, 2019 will be deemed to expire on January 1, 2020. Any collective bargaining agreement governed by the Railway Labor Act will be deemed to expire on the amendable date of the collective bargaining agreement.

V. EMPLOYER SURCHARGES

PPA requires that mandatory "surcharges" be imposed on every contributing employer beginning 30 days after the date on which the notice of critical status is provided to the employer – in this case, beginning June 1, 2019 – and continuing until the employer's collective bargaining agreement(s) (or other agreement(s) pursuant to which it is contributing) is amended to incorporate an RP Schedule.

The amount of the surcharge is as follows:

1. Effective for contributions earned on or after June 1, 2019 and before January 1, 2020, the surcharge is 5% of the employer's contributions to the Fund; and

2. Effective for contributions earned on or after January 1, 2020, the surcharge is 10% of the employer's contributions to the Fund. The 10% surcharge remains in effect for each plan year in which the Fund remains in critical status.

The surcharge is due and payable on the same schedule as the contributions on which the surcharges are based. Surcharges are over and above the required employer contributions and, consistent with law, will not generate any benefit accruals for participants.

The employer remains subject to all surcharges imposed under the PPA until such time as the bargaining parties adopt provisions (or, if later, such time as those provisions take effect) in the employer's collective bargaining agreement that contain terms consistent with one of the RP Schedules. An RP Schedule may not be adopted retroactively. If the Fund receives an executed agreement that contains terms consistent with an RP Schedule more than thirty business days after the date of adoption set forth in the executed agreement, the Fund will treat the date of receipt as the adoption date and the surcharge will be imposed through that date.

The law provides that employers on whom the Default Schedule is imposed (e.g., because the bargaining parties have not adopted an RP Schedule within 180 days after expiration of the collective bargaining agreement) will remain subject to the surcharges imposed under the PPA until such time as the collective bargaining parties adopt provisions in their collective bargaining agreements that contain terms consistent with an RP Schedule. Thus, under the law, such employers will be subject to **both** the Default Schedule and the surcharge.

VI. DELINQUENT EMPLOYER CONTRIBUTIONS/WITHDRAWAL

A contributing employer's failure to contribute to the Fund timely at the rates required by the applicable RP Schedule (once agreed to or imposed) will result in the deficient amounts being treated as delinquent employer contributions under the Fund.

Additionally, this may result in a determination by the Board that the employer has failed to maintain (and thus has withdrawn from) the Fund, in which case such employer will then be subject to withdrawal liability under the terms of the governing Fund documents and Title IV of ERISA. Further, under the PPA, any failure to make a surcharge payment will also be treated as a delinquent contribution.

VII. NOTICE GIVEN BEFORE BENEFIT REDUCTIONS BECOME EFFECTIVE

Pursuant to Section 432(e)(8)(C) of the Code, notice was given at least 30 days before the general effective date of the reduction in adjustable benefits under the Fund.

VIII. NON-COLLECTIVELY BARGAINED PARTICIPANTS

Special rules apply for non-bargained employees participating in the Fund. In the case of an employer that contributes to the Fund for both collectively bargained employees and non-bargained employees, benefits of and contributions for the non-bargained employees are determined as if those non-bargained employees were covered under the first to expire of the employer's collective bargaining agreements in effect on September 1, 2019.

Employers that contribute to the Fund only for non-bargained employees are treated as if the employer were the bargaining party and its participation agreement with the Fund were a collective bargaining agreement with a term ending on the first day of the plan year beginning after the employer is provided the RP (January 1, 2020).

IX. APPLICATION OF RP TO FUTURE AGREEMENTS

If a collective bargaining agreement providing for contributions to the Fund in accordance with an RP Schedule expires while the Fund is still in critical status and the bargaining parties to the agreement fail to adopt a collective bargaining agreement with terms consistent with an updated RP Schedule, then the RP Schedule under the expired collective bargaining agreement (as updated and in effect on the date the collective bargaining agreement expires) is implemented 180 days after the date on which the collective bargaining agreement expires.
Any new collective bargaining agreement entered into by the bargaining parties or any other

agreement providing for participation in the Fund on or after the RP Effective Date must reflect the terms of the most recently issued RP.

X. RP STANDARDS

The Fund's rehabilitation period under the PPA funding rehabilitation rules will begin on January 1, 2022 and will continue for 10 years. The Fund's rehabilitation period may end earlier than the end of 10 years if the Fund actuary certifies during the rehabilitation period that the Fund is not projected to have an accumulated funding deficiency for a plan year or any of the 9 succeeding plan years and the Fund is not projected to become insolvent for any of the 30 succeeding plan years.

Based on reasonably anticipated experience and reasonable actuarial assumptions regarding investment income and other experience of the Fund over that period, the Fund actuary currently projects that, under the RP, the Fund will emerge from critical status within the rehabilitation period. The Board recognizes the possibility that the Fund's actual experience could be more or less favorable than the assumptions used as the basis for developing the RP. The Board also recognizes the need to review and update the RP on an annual basis. Consequently, the Board will rely on an annual updated assessment regarding this projection as the basis for evaluating the Fund's progress under this RP, and the annual standard for meeting the requirements of the RP will be a demonstration, based on the updated actuarial projections each year using reasonable assumptions, that the RP (as amended from time to time and as then currently in effect) will as implemented continue to allow the Fund to emerge from critical status.

XI. ANNUAL REVIEW AND UPDATE OF RP

The Fund's actuary will annually report to the Board regarding the Fund's progress in meeting this annual standard. The Board may make any changes to this RP that it deems necessary or advisable.

XII. CONSTRUCTION AND MODIFICATIONS TO THIS RP

This RP is intended to present only a summary of the law, the Fund and the changes to the Fund. It is not intended to serve as an exhaustive, complete description of the law, the Fund or the modifications discussed herein.[3]

The Board reserves the right, in its sole and absolute discretion, to construe, interpret and/or apply the terms and provisions of this RP in a manner that is consistent with the PPA and other applicable law. Any and all constructions, interpretations and/or applications of the Fund (and other Fund documents) or the RP by the Board, in its sole and absolute discretion, will 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 RP that the Board, in its sole and absolute discretion, determines are necessary and/or appropriate (including, without limitation in the event of any omission or the issuance of any future

[3] The terms of the official plan documents will govern in the event of any contradiction between this RP and the plan documents as adopted to incorporate the changes described herein. All capitalized terms within this RP not otherwise defined have the meaning set forth in the plan documents.

legislative, regulatory or judicial guidance).

REHABILITATION PLAN APPENDIX A

Early Retirement Reduction Factors based on Actuarial Equivalence
Age 65

RETIREMENT AGE	EARLY RETIREMENT FACTOR	SAMPLE $1,000 ACCRUED BENEFIT
20	.023	$23
21	.024	$24
22	.026	$26
23	.028	$28
24	.030	$30
25	.033	$33
26	.035	$35
27	0.038	$38
28	0.041	$41
29	0.044	$44
30	0.048	$48
31	0.051	$51
32	0.056	$56
33	0.06	$60
34	0.065	$65
35	0.07	$70
36	0.076	$76
37	0.082	$82
38	0.088	$88
39	0.096	$96
40	0.103	$103
41	0.112	$112
42	0.121	$121
43	0.132	$132
44	0.143	$143
45	0.155	$155
46	0.168	$168
47	0.182	$182
48	0.198	$198
49	0.216	$216
50	0.235	$235
51	0.256	$256
52	0.28	$280
53	0.305	$305
54	0.334	$334
55	0.366	$366
56	0.401	$401
57	0.441	$441
58	0.485	$485
59	0.534	$534
60	0.59	$590
61	0.653	$653
62	0.723	$723
63	0.804	$804
64	0.895	$895
65	1	$1,000

Actuarial Equivalence Basis
Interest Rate: 7.50%
Mortality Table: RP-2000 Combined Healthy Male Mortality with Blue Collar Adjustment

Early Retirement Reduction Factors based on Actuarial Equivalence
Age 62

RETIREMENT AGE	EARLY RETIREMENT FACTOR	SAMPLE $1,000 ACCRUED BENEFIT
20	0.031	$31
21	0.034	$34
22	0.036	$36
23	0.039	$39
24	0.042	$42
25	0.045	$45
26	0.049	$49
27	0.053	$53
28	0.057	$57
29	0.061	$61
30	0.066	$66
31	0.071	$71
32	0.077	$77
33	0.083	$83
34	0.090	$90
35	0.097	$97
36	0.105	$105
37	0.113	$113
38	0.122	$122
39	0.132	$132
40	0.143	$143
41	0.155	$155
42	0.168	$168
43	0.182	$182
44	0.197	$197
45	0.214	$214
46	0.232	$232
47	0.252	$252
48	0.274	$274
49	0.298	$298
50	0.325	$325
51	0.354	$354
52	0.386	$386
53	0.422	$422
54	0.462	$462
55	0.506	$506
56	0.555	$555
57	0.609	$609
58	0.670	$670
59	0.738	$738
60	0.815	$815
61	0.902	$902
62	1.000	$1,000

Rehabilitation Plan Addendum – Merged Plans

Section 3(D) of the Rehabilitation Plan adopted by the Board of Trustees (the "Board") of the IAM National Pension Fund (the "Fund") on April 17, 2019 (the "RP") provides as follows:

> Fund participants who have accrued adjustable benefits (as defined in Code section 432(e)(8)) as employees of an employer that maintained a plan that subsequently merged with the Fund prior to the RP Effective Date ("Merged Plan") will have their adjustable benefits under a Merged Plan modified consistent with the schedule adopted by or imposed on that employer (or the Preferred Schedule, in the case of orphaned deferred vested participants). Additional details regarding the specific benefits affected and the effective date will be provided in a future addendum to the RP.

This Addendum provides additional information regarding benefit modifications as they relate to provisions of Merged Plans. Because the adjustable benefits under the Merged Plans are substantially the same as the adjustable benefits under the Fund's current plan of benefits, those benefit modifications, as listed below, will also apply to Merged Plan participants' benefits.

Benefit Modifications

A. Preferred Schedule

As provided in the RP, benefit modifications under the Preferred Schedule apply to participants with a Completed Application Date on or after the Preferred Schedule Participant Effective Date, effective for all benefits earned by such participants - that is, both before and after the Preferred Schedule Participant Effective Date. Deferred vested participants will be covered by the RP schedule elected by (or imposed on) their last covered employer of record. Orphaned deferred vested participants (whose employers no longer contribute to the Fund) will be covered by the Preferred Schedule as of the RP Effective Date.

Preferred Schedule benefit modifications for Merged Plan Participants include:

1. Reduction of Early Retirement Pension. The Early Retirement Pension will be in an amount determined based on the Normal Pension Benefit to which the participant would be entitled if he had attained his Normal Retirement Age at the time of his retirement, reduced using the actuarially equivalent factors set forth in Appendix A of the Rehabilitation Plan ("Early Retirement Reduction Factors") for the years, or portion of years, by which the participant is younger than age 65 on the Effective Date of his Early Retirement Pension.
2. Elimination of Unreduced Age/Service Pensions. A participant may receive an early retirement benefit before age 65, but it is a reduced benefit based on the Early Retirement Reduction Factors.
3. Elimination of Unreduced Disability Pension. The unreduced Disability Pension benefit is eliminated. A participant may receive a benefit due to a disability before age 65, but it is a reduced benefit based on the Early Retirement Reduction Factors.

4. Normal Form of Payment for Unmarried Participants. The Fund's normal form of payment for unmarried participants will be a single life annuity providing equal monthly payments for life, with no benefit payable after the participant's death.

B. Default Schedule

As provided in the RP, benefit modifications under the Default Schedule apply to participants with a Completed Application Date on or after the Default Schedule Participant Effective Date, generally effective for benefits earned by such participants on or after the Default Schedule Participant Effective Date. Deferred vested participants will be covered by the RP schedule elected by (or imposed on) their last covered employer of record.

Default Schedule benefit modifications for Merged Plan Participants include:

1. Reduction of Early Retirement Pension. The Early Retirement Pension will be in an amount determined based on the Normal Pension Benefit to which the participant would be entitled if he had attained his Normal Retirement Age at the time of his retirement, reduced using the Early Retirement Reduction Factors for the years, or portion of years, by which the participant is younger than age 65 on the Effective Date of his Early Retirement Pension.
2. Elimination of Unreduced Age/Service Pensions. A participant may receive an early retirement benefit before normal retirement age, but it is a reduced benefit based on the Early Retirement Reduction Factors.
3. Elimination of Unreduced Disability Pension. The unreduced Disability Pension benefit is eliminated. A participant can receive a benefit due to a disability before normal retirement age, but it is a reduced benefit based on the Early Retirement Reduction Factors.
4. Normal Form of Payment for Unmarried Participants. The Fund's normal form of payment for unmarried participants will be a single life annuity providing equal monthly payments for life, with no benefit payable after the participant's death.
5. Elimination of Pre-Retirement Death Benefit. The term certain pre-retirement death benefit is eliminated.
6. Elimination of "Pop-Up' Benefit. The Fund will no longer provide a "pop-up" benefit under which, if a spouse of a pensioner who is receiving a 50%, 75%, or 100% Joint and Survivor Option dies before the pensioner, the monthly amount payable to the pensioner is increased to the full monthly amount that would have been payable if the 50%, 75%, or 100% Joint and Survivor Option had not been in effect.
7. Reduction of Benefit Accruals. Prospectively, benefits will accrue at a rate of 1 % of benefit-bearing contributions.

C. Amendments Applicable to all Merged Plan Participants

As provided in Section 3(D) of the RP, all lump-sum benefits (excluding those under $5,000) and other forms of benefits that result payments in excess of the monthly amount paid under the single life annuity otherwise payable under a Merged Plan were eliminated for all participants with a Completed Application Date on or after April 26, 2019 regardless of which schedule is adopted by or imposed on the employer.

Rehabilitation Plan Addendum

Appendix – Changes to Benefits Earned under Merged Plan

(References are to Merged Plan Sections)

Merged Plan	Preferred Schedule Changes Effective on Preferred Schedule Effective Date	Default Schedule Changes Effective on Deferred Schedule Effective Date	Other Changes Effective on April 26, 2019 (or other date specified below)
Pattern Makers' Pension Trust Fund	• 3.4 (Early Retirement Pension): use reduction factors in IAM NPP • 3.6 (Disability Pension): subsidized Disability Pension eliminated • 3.13 (Normal Form for Unmarried Participants): Guaranteed Pension eliminated: normal form is single life annuity	• 5.2(e) (Husband and Wife Pension): pop-up feature eliminated	• 5.3 (Preretirement Surviving Joint and Survivor: lump-sum death benefit eliminated) • Additional pension amount of $23/month payable under Section 3(b) of the merger agreement eliminated effective for participants with a Completed Application date on or after April 26, 2019
Pattern Manufacturers – Pattern Makers Association of Pattern Makers Detroit and Vicinity, AFL-CIO Pension Fund	• 3.4 (Early Retirement Pension): use reduction factors in IAM NPP • 3.6(a) (Disability Pension): subsidized Disability Pension eliminated		• 4.2 (Optional Forms of Payment): lump-sum payment of guaranteed payments under Five-Year Certain-Life Annuity and Ten-Year Certain-Life Annuity eliminated • 4.6: preretirement lump-sum death benefit eliminated • $1,000/$3,000 lump-sum payment upon benefit commencement under Section III, Article 8 of merger agreement eliminated

Merged Plan	Preferred Schedule Changes Effective on Preferred Schedule Effective Date	Default Schedule Changes Effective on Deferred Schedule Effective Date	Other Changes Effective on April 26, 2019 (or other date specified below)
Pension Plan of Muskegon Area Pattern Manufacturers and Patternmakers Association of Muskegon	• 4.3 (Early Retirement Pension): use reduction factors in IAM NPP • 4.6 (Disability Pension): subsidized Disability Pension eliminated • 5.3(a) (Normal Form for Unmarried Participants): Basic Form eliminated: normal form is single life annuity	4.5(b)(ii), 4.5(c) (Death Benefit): 120 pre-retirement death benefit payment option eliminated	• 4.5(a),(b),(c),(f) (Death Benefit): preretirement lump-sum death benefit eliminated • 5.3(d) (Forms of Payment): Level Income form eliminated for participants with a Completed Application Date on or after April 26, 2019

Merged Plan	Preferred Schedule Changes Effective on Preferred Schedule Effective Date	Default Schedule Changes Effective on Deferred Schedule Effective Date	Other Changes Effective on April 26, 2019 (or other date specified below)
GKN Aerospace Services—St. Louis Hourly Employees Pension Plan	• 4.7.1a (ii) and 4.7.2b (Early Retirement Pension): use reduction factors in IAM NPP • 4.11.2 (Early Retirement Pension for Deferred Vested participants): use reduction factors in IAM NPP • 4.7.1a(i) and 4.7.2a (30 years and age 50 unreduced Early Retirement Pension): use reduction factors in IAM NPP • 4.10 (Disability Pension): subsidized Disability Pension eliminated • 4.10.13 and 4.12.8 (Disability Auxiliary Benefit): Ten-Year Certain payment option eliminated	• 4.12; 4.10.13 (pre-retirement death benefits): all pre-retirement death benefits other than the 50% Qualified Pre-retirement Survivor Annuity eliminated	***Effective: October 28, 2019*** • 4.18.3a(ii) (MDC Hourly East Savings Plan Benefits): lump-sum payment eliminated • 4.17.1 (Post-Retirement Death Benefit): post-retirement lump-sum death benefit eliminated • 4.14.2: Social Security Option eliminated for participants with a Completed Application Date on or after October 28, 2019 • 4.8: Early Retirement with Early Retirement Supplement (ERS) eliminated for participants with a Completed Application Date on or after October 28, 2019 • 4.9: Early Retirement with Level Income Special Allowance (LISA) eliminated for participants with a Completed Application Date on or after October 28, 2019

Todd-Galveston Metal Trades Council Pension Fund	• Article III, Section 4-6 (Early Retirement Pension): use reduction factors in IAM NPP • Article III, Section 9-10 (Unreduced Age/Service Pension): eliminate option for full retirement at age 62 with 25 years of Pension Credit		• Article V, Section 1(b): Preretirement Lump Sum Death Benefit eliminated for participants with a Completed Application Date on or after April 26, 2019 • Article V, Section 1(a): Post-Retirement Lump Sum Death Benefit eliminated for participants with a Completed Application Date on or after April 26, 2019

Merged Plan	**Preferred Schedule Changes Effective on Preferred Schedule Effective Date**	**Default Schedule Changes Effective on Deferred Schedule Effective Date**	**Other Changes Effective on April 26, 2019 (or other date specified below)**
District No. 15 Machinists' Pension Fund	• 3.04-3.06 (Early Retirement Pension): use reduction factors in IAM NPP • 3.09 (Disability Pension): subsidized Disability Pension eliminated • 6.02 (Normal Form for Unmarried Participants): Guaranteed Pension eliminated: normal form is single life annuity		• 6.04: Social Security Option eliminated for participants with a Completed Application Date on or after April 26, 2019 • 6.03: Partial Lump Sum Option eliminated for participants with a Completed Application Date on or after April 26, 2019

Merged Plan	Preferred Schedule Changes Effective on Preferred Schedule Effective Date	Default Schedule Changes Effective on Deferred Schedule Effective Date	Other Changes Effective on April 26, 2019 (or other date specified below)
Todd Pacific Shipyards Corporation, Los Angeles Division and I.U.M.S.W.A and its Local No. 9 Pension Fund	• Article III, Sections 4-5 (Early Retirement Pension): use reduction factors and methodology in IAM NPP • Article III, Section 13-14 (Unreduced Service Pension): eliminate option for full retirement with 20 years of Pension Credit • Article III, Section 6-7 (Disability Pension): subsidized Disability Pension eliminated • Article V, Section 1(b)(i) (Normal Form for Unmarried Participants): Guaranteed Pension eliminated: normal form is single life annuity		• Article V, Section 1(a): Preretirement Lump Sum Death Benefit eliminated for participants with a Completed Application Date on or after April 26, 2019 • Article V, Section 1(b)(ii): Post-Retirement Lump Sum Death Benefit eliminated for participants with a Completed Application Date on or after April 26, 2019
Pension Plan for Designated Hourly Employees of the Arnold Engineering Co.	• Section 4.4 (Early Retirement Pension): use reduction factors in IAM NPP. • Section 6.2(b) (Early Pension – Terminated Vested Participants): use reduction factors in IAM NPP. • Section 4.5(a) (Disability Pension): subsidized Disability Pension eliminated	• 8.3(c)(2) and (3) (Pop-Up Feature for Joint and Survivors) Treats participants who have been married for less than one year as if they have never been married	

Merged Plan	Preferred Schedule Changes Effective on Preferred Schedule Effective Date	Default Schedule Changes Effective on Deferred Schedule Effective Date	Other Changes Effective on April 26, 2019 (or other date specified below)
Burke Industries, Inc. IAM Pension Plan	• Section 6.1 and 7.4 (Early Retirement Pension): use reduction factors in IAM NPP. • Section 8.1 (Disability Pension): subsidized Disability Pension eliminated		
Western Conference of Teamsters Pension Trust	• Section 13.9 (Early Retirement Pension): eliminate Recent Coverage distinction and use reduction factors in IAM NPP. • Section 13.9 (Eliminate PEER Program): subsidized Age/Service Pension eliminated • Section 13.9 (Rule of 84 Benefit): use reduction factors in IAM NPP. • Sections 9.1 and 9.3 (Disability Pension): subsidized Disability Pension eliminated	• Section 10.7 (Pop-up): Regular or Optional Employee and Joint and Survivor pop-up benefit eliminated	• 10.8, 11.6: Small Pension Cashout is eliminated • 12.2: Before Retirement 48-Month Death Benefit eliminated for deaths on or after April 26, 2019 • 12.3: After Retirement Lump Sum Death Benefit eliminated for participants with a Completed Application Date on or after April 26, 2019
I.A.M. & A.W. Die-Sinkers Pension Plan	• Sections 3.04 and 3.06 (Early Retirement Pension) use reduction factors in IAM NPP	• Sections 5.02 and 5.07(b) (Pop-up): Pop-up feature eliminated	• 5.03(d), 6.02(a), 6.02(b): Preretirement Death Benefits Other Than the Preretirement Surviving Joint and Survivor will no longer be paid for deaths on and after April 26, 2019 • 6.01: Termination Benefit eliminated for deaths on and after April 26, 2019

Merged Plan	Preferred Schedule Changes Effective on Preferred Schedule Effective Date	Default Schedule Changes Effective on Deferred Schedule Effective Date	Other Changes Effective on April 26, 2019 (or other date specified below)
Commodore Corporation Hourly Employees Pension Plan and Trust	• Section 7.1(b) and 7.3(b) (Early Retirement Pension) use reduction factors in IAM NPP • Section 7.5 (Deferred Vested Pension): use reduction factors in IAM NPP • Section 7.1(c) (Disability Pension): subsidized Disability Pension eliminated		• 7.12: Plant Closure lump sum option eliminated
Central States, Southeast and Southwest Area Pension Fund	None		None
IA of M – Jax Transit Management Pension-Disability Plan	• Section 1.14 and 5.1(b) (Early Retirement Pension) use reduction factors in IAM NPP • Section 5.3 (Disability Pension): subsidized Disability Pension eliminated		• 5.4: Lump Sum Pre-retirement Death Benefit will no longer be paid for deaths on and after April 26, 2019
Motor Car Dealer's Association of Greater Kansas City and Union Pension Plan and Trust	• Section 7.1 (Early Retirement Pension): use reduction factors in IAM NPP. • Section 8.1 and 8.3 (Disability Pension): subsidized Disability Pension eliminated	• Section 11.3 (pre-retirement death benefits): 120 pre-retirement death benefit payments eliminated	• 11.1: Lump Sum Pre-retirement Death Benefit will no longer be paid for deaths on and after April 26, 2019

Rehabilitation Plan Addendum – New Employer Schedule

Effective January 1, 2025

INTRODUCTION

The Pension Protection Act of 2006 ("PPA") requires an annual actuarial status determination for multiemployer pension plans including the IAM National Pension Fund (the "Fund"). On March 29, 2019, the Fund's actuary certified to the U.S. Department of the Treasury, and also to the Fund's Board of Trustees ("Board"), that the Fund was in endangered status for the plan year beginning January 1, 2019. The Fund's actuary also certified that the Fund was projected to be in critical status in one of the succeeding five plan years. On April 17, 2019, to improve the Fund's financial health the Board voluntarily elected for the Fund to be in critical status effective for the plan year beginning January 1, 2019, as permitted under the Multiemployer Pension Reform Act of 2014 ("MPRA").

As required under PPA, the Board adopted a Rehabilitation Plan consisting of actions, including increases in employer contributions and reductions in participant benefits, intended to improve its funded status over time. Specifically, the Rehabilitation Plan was designed to enable the Fund to emerge from critical status by the end of its ten-year Rehabilitation Period, which began on January 1, 2022 and goes through December 31, 2031. The Board adopted the Rehabilitation Plan on April 17, 2019, the same day as its voluntary election to be in critical status.

RECENT EXPERIENCE

The original Rehabilitation Plan adopted in 2019 was designed based on reasonably anticipated experience and reasonable actuarial assumptions. Nevertheless, experience over the last five years has been less favorable than those assumptions. Covered employment levels and employer contributions have been lower than originally anticipated. Recent demographic changes with the participant population have increased Fund costs. Also, while investment returns over the last five years have generally met expectations, the investment loss incurred in 2022 has delayed the Fund's projected emergence from critical status.

REHABILITATION PLAN STANDARDS

As noted above, the original Rehabilitation Plan standard was that the Fund will emerge from critical status by the end of the ten-year Rehabilitation Period, which ends on December 31, 2031. For the past two years, following the investment loss in 2022, the Fund has not been projected meet this target.

The Board has closely reviewed the Rehabilitation Plan with a focus on possible changes that would enable the Fund to once again be projected to emerge from critical status by the end of the Rehabilitation Period. These possible changes included, but were not limited to, further increases in employer contribution rates and reductions to participant benefits – in addition to those that were included in the original Rehabilitation Plan.

Following its review, the Board has determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the Fund cannot reasonably be expected to emerge from critical status by the end the Rehabilitation Period, which ends December 31, 2031. Therefore, the Board is updating the Rehabilitation Plan to consist of reasonable measures to emerge from critical status by January 1, 2045 or to remain solvent for at least the next 50 years.

CURRENT PROJECTIONS

Based on current actuarial projections, the Fund is not projected to emerge from critical status within the next 20 years, but funding levels are projected to improve over time. The Fund is also projected to remain solvent in all future years. These projections reflect the terms of the Rehabilitation Plan, and they assume future investment returns of 7.0% per year beginning January 1, 2024 and level covered employment.

Favorable investment returns could accelerate the Fund's emergence from critical status. For example, the Fund's independent chief investment officer projects that future investment returns will average 7.6% over the next 10 years. With these higher investment returns, the Fund would be projected to emerge from critical status by 2042. On the other hand, unfavorable investment returns or other experience could further delay the Fund's emergence from critical status.

MEASURES CONSIDERED

Currently, of the active participants under collective bargaining agreements that have adopted a Schedule under the Rehabilitation Plan, over 90% are covered under the Preferred Schedule. In reviewing possible changes to the Rehabilitation Plan, Board considered that the Preferred Schedule has already eliminated "adjustable benefits" effective January 1, 2022, including early retirement subsidies, the unreduced age and service pensions, the unreduced disability pension, and the normal form of payment for unmarried participants. The Board also considered that the Preferred Schedule requires annual contribution rate increases of 2.5% through the end of the Rehabilitation Period to maintain the rate of future benefit accruals that was in effect in 2019. In other words, the contribution rate increases do not generate additional benefit accruals.

The Board considered various scenarios provided by the Fund's actuary involving further increases to employer contribution rates, further reductions to participant benefit levels, or both. For example, to enable the Fund to be projected to emerge from critical status by the end of the Rehabilitation Period, the Fund's actuary estimated that contribution rates under the Preferred Schedule would have to be increased by more than 8.5% per year, instead of the current 2.5% per year. Alternatively, if the rate of future benefit accruals under the Preferred Schedule were reduced by about one-third, contribution rates would still have to be increased by 3.6% per year.

After much deliberation, the Board concluded that such changes to contribution rates or participant benefit levels to enable the Fund to be projected to emerge from critical status by the end of the Rehabilitation Period were unreasonable. The Board determined that implementing such changes at this point, only five years after the adoption of the Rehabilitation Plan, could adversely affect ongoing participation in the Fund. Further reductions to covered participation would reduce overall contribution levels, this increasing risk to the Fund and its participants.

The Board also concluded the Rehabilitation Plan should be updated to encourage participation by new employers. If a significant number of new employers and their employees begin participating in the Fund, it could help the Fund meet the objective of the Rehabilitation Plan by accelerating its emergence from critical status. Therefore, as described below, the Board is updating the Rehabilitation Plan to include a third Schedule, the New Employer Schedule.

NO CHANGES TO EXISTING SCHEDULES

Contribution Rates and Benefit Levels

As described above, the Board has determined that it would be unreasonable at this time to implement further increases to contribution rates or reductions in benefit levels to those already included in the original Rehabilitation Plan. In other words, this amendment to the Rehabilitation Plan does not change the required contribution rates or benefit levels under the Preferred Schedule or the Default Schedule.

Contribution Base

While the Board has determined it would be unreasonable to implement further increases to contribution rates at this time, the Board is clarifying the intent of the original Rehabilitation Plan regarding the basis for making contributions. The original Rehabilitation Plan was designed on the assumption that covered employment levels that generate contributions to the Fund would remain stable for all future years.

Therefore, to comply with the Rehabilitation Plan, a collective bargaining agreement or participation agreement that adopts either the Preferred Schedule or the Default Schedule must not change the basis for making contributions to the Fund from the basis that was in effect on April 17, 2019. For example, an agreement that changes the contribution basis from total hours to regular hours would not comply with the Rehabilitation Plan. Similarly, an agreement that excludes employees hired after a certain date in determining contributions made to the Fund would not comply with the Rehabilitation Plan.

Failure to comply with this rule may result in a determination by the Board that the employer subject to the agreement has failed to satisfy the requirements for participating in the Fund, and the employer will therefore be subject to withdrawal liability. The Board reserves the right to make exceptions to this rule if it determines that a change in the contribution basis would not have an adverse effect on the Fund's ability to meet the objectives of the Rehabilitation Plan.

NEW EMPLOYER SCHEDULE

As noted above, the Board has determined that the Rehabilitation Plan should be updated to encourage participation by new employers. To achieve this objective, the Rehabilitation Plan is updated to include the New Employer Schedule, effective January 1, 2025.

Applicability

In addition to the Preferred Schedule, a New Employer Schedule shall be available to employers that first begin participating in the Fund after December 31, 2024. In addition, the New Employer Schedule shall be available to bargaining units for existing employers that first begin participating in the Fund after December 31, 2024. The New Employer Schedule shall not apply to a bargaining unit (or any portion of a bargaining unit) that was participating in the Fund as of December 31, 2024.

For a New Employer Schedule to apply to an eligible employer or an eligible bargaining unit, the applicable collective bargaining agreement must formally indicate adoption of a New Employer Schedule and specify the applicable employer contribution rates to the Fund.

Contribution Rates

The New Employer Schedules require a minimum employer contribution rate equivalent to $0.50 per hour. There are no required increases in the employer contribution rate. Benefit accrual rates under the New Employer Schedules are based on the negotiated contribution rate. Any increases to the contribution rate under a New Employer Schedule will result in an increase in the benefit accrual rate.

As described below, there are two options for accruing benefits under the New Employer Schedule: the Fixed Benefit Option and the Variable Benefit Option. At the time of its initial participation in the Fund, each New Employer must elect one option for all of its covered employees.

Continued on following page.

Fixed Benefit Option

The following table sets forth the Monthly Accrual Rates under the Fixed Benefit Option. Once benefits are accrued under the Fixed Benefit Option, they will not vary based on investment returns on Fund assets, the same as under the Preferred Schedule and the Default Schedule.

Hourly Contribution Rate	Monthly Accrual Rate
$0.50	$18.45
0.75	26.43
1.00	32.74
1.25	39.06
1.50	46.05
1.75	53.02
2.00	59.55
2.25	66.07
2.50	72.16
2.75	78.24
3.00	83.93
3.25	89.59
3.50	94.81
3.75	100.02
4.00	104.81
4.25	109.59
4.50	114.38
4.75	118.78
5.00	123.19
5.25	127.59
5.50	131.66
5.75	135.72
6.00	139.79
6.25	143.85
6.50	147.91
6.75	151.97
7.00	156.04
7.25	160.09
7.50	164.14

Hourly Contribution Rate	Monthly Accrual Rate
$7.75	$168.20
8.00	172.26
8.25	176.31
8.50	180.36
9.00	188.48
9.25	192.53
9.50	196.59
9.75	200.64
10.00	204.69
10.25	208.76
10.50	212.81
10.75	216.86
11.00	220.92
11.25	224.97
11.50	229.03
11.75	233.09
12.00	237.14
12.25	241.19
12.50	245.25
12.75	249.31
13.00	253.37
13.25	257.42
13.50	261.47
13.75	265.53
14.00	269.59
14.25	273.64
14.50	277.70
14.75	281.75
15.00	285.80

Variable Benefit Option

Under the Variable Benefit Option, benefits will be automatically adjusted based on investment returns on Fund assets relative to a Hurdle Rate of 5.0%. To the extent that investment returns exceed the 5.0% Hurdle Rate, benefits will be adjusted upward. To the extent that investment returns are below the 5.0% Hurdle Rate, benefits will be adjusted downward. These annual adjustments occur through a participant's working lifetime as well as in retirement.

The following table sets forth the Monthly Accrual Rates under the Variable Benefit Option.

Hourly Contribution Rate	Monthly Accrual Rate	Hourly Contribution Rate	Monthly Accrual Rate
$0.50	$12.80	$7.75	$116.69
0.75	18.34	8.00	119.50
1.00	22.71	8.25	122.32
1.25	27.10	8.50	125.13
1.50	31.94	9.00	130.75
1.75	36.79	9.25	133.57
2.00	41.31	9.50	136.38
2.25	45.84	9.75	139.20
2.50	50.06	10.00	142.00
2.75	54.28	10.25	144.82
3.00	58.22	10.50	147.64
3.25	62.15	10.75	150.45
3.50	65.77	11.00	153.27
3.75	69.39	11.25	156.08
4.00	72.72	11.50	158.89
4.25	76.02	11.75	161.70
4.50	79.34	12.00	164.52
4.75	82.40	12.25	167.33
5.00	85.46	12.50	170.15
5.25	88.52	12.75	172.95
5.50	91.35	13.00	175.77
5.75	94.15	13.25	178.58
6.00	96.98	13.50	181.40
6.25	99.80	13.75	184.22
6.50	102.61	14.00	187.02
6.75	105.43	14.25	189.84
7.00	108.25	14.50	192.65
7.25	111.07	14.75	195.47
7.50	113.87	15.00	198.28

The following sets forth how benefits under the Variable Benefit Option are adjusted each year based on investment returns on Fund assets:

- A participant's accrued benefit as of the end of each plan year is equal to their accrued benefit as of the beginning of the plan year (if any) times the Annual Variable Benefit Adjustment, plus the amount of the benefit they accrued during the plan year at the applicable Monthly Accrual Rate set forth in the table above.

- The Annual Variable Benefit Adjustment is equal to a fraction. The numerator of the fraction is one plus the Five-Year Average Investment Return, as described below. The denominator of the fraction is one plus the Hurdle Rate.

- The Hurdle Rate is 5.0%, as noted above.

- The Five-Year Average Investment Return for a given plan year is the average net investment return on Fund assets attributable to the Variable Benefit Option over the five-year period that ends with the immediately preceding plan year. This five-year average return is calculated on a geometric basis, net of investment fees. In determining the five-year average, investment returns for plan years before the New Employer began participating in the Fund are assumed to be equal to the Hurdle Rate. See the example below.

- Fund assets attributable to the Variable Benefit Option are calculated reflecting all contributions made and benefits paid under the Variable Benefit Option, allocable administrative expenses, and allocable investment returns. Administrative expenses are allocated in proportion to participant headcounts relative to the total Fund. Investment returns are based on the market value of assets for any separate accounts dedicated to the Variable Benefit Option. If there are no such separate accounts, the investment return is based on the market value of assets for the total Fund.

As an example, take a New Employer that begins participating in the Fund under the Variable Benefit Option effective January 1, 2025. For a participant who is employed by this New Employer, the accrued benefit as of December 31, 2025 is equal to the amount of the benefit accrued during the 2025 plan year at the applicable Monthly Accrual Rate. The Annual Variable Benefit Adjustment as of December 31, 2025 does not apply, because the accrued benefit as of January 1, 2025 was zero.

The accrued benefit as of December 31, 2026 is equal to the accrued benefit as of January 1, 2026 times the Annual Variable Benefit Adjustment based on the Five-Year Average Investment Return for the plan years from 2021 through 2025, plus the amount of the benefit accrued during the 2026 plan year at the applicable Monthly Accrual Rate. Because the New Employer began participating in the Fund in the 2025 plan year, the Five-Year Average Investment Return is determined assuming the returns for 2021 through 2024 are equal to the Hurdle Rate.

The accrued benefit as of December 31, 2030 is equal to the accrued benefit as of January 1, 2030 times the Annual Variable Benefit Adjustment based on the Five-Year Average Investment Return for the plan years from 2025 through 2029, plus the amount of the benefit accrued during the 2030 plan year at the applicable Monthly Accrual Rate.

Other Benefit Provisions

Other benefit provisions under the New Employer Schedule, including eligibility, vesting, retirement, and optional forms of payment are the same as under the Preferred Schedule.

Withdrawal Liability Rules

The New Employer Schedule will be designed to remain fully funded and have zero withdrawal liability. Pending approval by the Pension Benefit Guaranty Corporation (PBGC), the Fund will use an alternate withdrawal liability methodology under which employers and bargaining units under the New Employer Schedule will not be allocated any unfunded vested benefits attributable to employers under the Preferred Schedule or Default Schedule. The methodology is set forth in a separate amendment.

ANNUAL REVIEW AND UPDATES

Each year, the Fund's actuary will review and certify whether the Fund remains in critical status or has emerged from critical status, as defined under PPA and MPRA funding rules. The Fund's actuary must also certify whether the Fund is making scheduled progress in meeting the requirements of the Rehabilitation Plan.

Each year, the Board must review and update the Rehabilitation Plan based on emerging experience. The Board reserves the right to modify the contribution rates and benefit levels under the three Schedules, if needed, to meet the requirements of the Rehabilitation Plan. If future changes are made to any of the Schedules, the provisions of the Schedules reflected in an existing collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement.

CONSTRUCTION AND MODIFICATIONS

This amendment to the Rehabilitation Plan is intended to present only a summary of applicable law and regulations, the provisions of the Fund, and modifications to those provisions. It is not intended to serve as an exhaustive, complete description of the law, the provisions of the Fund, or the modifications discussed herein. Except as described in this amendment, the provisions of the original Rehabilitation Plan adopted on April 17, 2019, and subsequent amendments, shall continue to apply.

The Board reserves the right, in its sole and absolute discretion, to construe, interpret and/or apply the terms and provisions of this Rehabilitation Plan in a manner that is consistent with PPA, MPRA, and other applicable law. Any and all constructions, interpretations and/or applications of the Fund (and other Fund documents) or the Rehabilitation Plan by the Board, in its sole and absolute discretion, will be final and binding on all parties affected thereby. Subject to PPA, MPRA, 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 the Board, in its sole and absolute discretion, determines are necessary and/or appropriate (including, without limitation in the event of any omission or the issuance of any future legislative, regulatory, or judicial guidance).

Rehabilitation Plan Addendum
Effective August 1, 2025

Employers and bargaining units of existing employers that first begin participating in the Fund on or after the effective date of this addendum and that elect the Preferred Schedule of the Rehabilitation Plan are required to increase their benefit-bearing contribution rate in accordance with the specified "supplemental" increases specified below. The increased contributions are payable on the same schedule as the contributions on which the increase is based. However, increases required under this Rehabilitation Plan addendum will not generate benefit accruals.

The annual 2.5% supplemental (non-benefit bearing) increases are effective on the anniversary of the date the employer began participating in the Fund.

There are no additional supplemental increases after 2031; however, the prior increases remain in effect unless and until the Trustees take action to modify them.

Year of Initial Participation in the Fund	**Supplemental Contribution Load in Year of Participation**	**Number of Subsequent 2.5% Annual Increases**
2025	18.87%	6
2026	21.84%	5
2027	24.89%	4
2028	28.01%	3
2029	31.21%	2
2030	34.49%	1
2031 and later	37.85%	0

Schedule of Preferred Schedule Supplemental Contribution Increases by Year of Entry:

Year	2025	2026	2027	2028	2029	2030	2031 and later
2025	18.87%	n/a	n/a	n/a	n/a	n/a	n/a
2026	21.84%	21.84%	n/a	n/a	n/a	n/a	n/a
2027	24.89%	24.89%	24.89%	n/a	n/a	n/a	n/a
2028	28.01%	28.01%	28.01%	28.01%	n/a	n/a	n/a
2029	31.21%	31.21%	31.21%	31.21%	31.21%	n/a	n/a
2030	34.49%	34.49%	34.49%	34.49%	34.49%	34.49%	n/a
2031 and later	37.85%	37.85%	37.85%	37.85%	37.85%	37.85%	37.85%

Example #1:
A new bargaining unit (whether of a new employer or an existing employer) begins participating in the Fund on September 1, 2025. The bargaining unit's initial benefit-bearing contribution is $1.00 and there are no bargained increases in the future to that initial rate.
The employer is required to contribute a total of $1.1887 ($1.00 x 1.1887) during 2025 for the new bargaining unit, reflecting the 18.87% supplemental load on the benefit-bearing rate applicable in the first year of Plan participation.
Effective September 1, 2026, the bargaining unit's contribution rate increases by 2.5% from $1.1887 ($1.00 x 1.1887) to $1.2184 ($1.00 x 1.2184).
The contribution rate continues to increase by 2.5% per year each September 1st until reaching $1.3785 effective September 1, 2031. The contribution rate remains $1.3785 unless and until the Trustees take action to change the required supplemental contributions or the employer bargains an increase to the underlying $1.00 benefit-bearing contribution rate.

Example #2:
An employer begins participating in the Fund on September 1, 2025. The employer's initial benefit-bearing contribution is $1.00 and it bargains one $0.10 benefit-bearing contribution rate increase effective January 1, 2026.
The employer is required to contribute a total of $1.1887 ($1.00 x 1.1887) during 2025, reflecting the 18.87% supplemental load on the benefit-bearing rate applicable in the first year of Plan participation.
Effective January 1, 2026, the employer's benefit-bearing contribution rate increases to $1.10 ($1.00 + $0.10), reflecting the $0.10 benefit-bearing increase. Their total contribution rate increases to $1.3076 ($1.10 x 1.1887), reflecting the 18.87% supplemental load on the new benefit-bearing rate applicable in the first year of Plan participation.
Effective September 1, 2026, the employer's contribution rate increases to $1.3402 ($1.10 x 1.2184), reflecting the 21.84% required supplemental increase on the benefit-bearing contribution rate applicable in the second year of Plan participation.
The contribution rate continues to increase by 2.5% per year (compounded) each September 1st until reaching a total contribution rate of $1.5164 ($1.10 x 1.3785) effective September 1, 2031. The contribution rate remains $1.5164 unless and until the Trustees take action to change the required supplemental contributions or the employer bargains additional increases to the underlying $1.10 benefit-bearing contribution rate.