IAM NATIONAL PENSION FUND, NATIONAL PENSION PLAN

NOTICE OF CHANGE IN AMOUNT OF FUTURE BENEFIT ACCRUALS TO PARTICIPANTS CURRENTLY ACCRUING BENEFITS UNDER SCHEUDLE A
(Dated: December 13, 2010)

This notice is being provided to you in accordance with Section 204(h) of the Employee Retirement Income Security Act (ERISA). Under that provision of the law, we must provide "affected individuals" with written notice of an amendment to the National Pension Plan that significantly reduces the rate of their **future benefit accruals**. The Trustees have adopted such an amendment to the National Pension Plan, and you have been sent this notice, because we have identified you as an individual that will be affected by the change.

Description of Amendment and to Whom it Applies

The Plan Amendment eliminates what we now call Schedule A for future service benefit accruals. It will be replaced by what we now call Schedule B. Schedule B was first introduced to cover new groups joining the Plan on or after April 1, 2003. The date that Schedule B will go into effect for those currently covered by Schedule A varies by employer, as explained below.

Under the National Pension Plan, benefit amounts are based on the amount of Credit that is earned at each different contribution rate. The higher the employer's contribution rate, the higher the benefit amount. The amount of the monthly benefit at normal retirement age (65) is the total of the monthly benefit amounts based on the amount of Credit that is earned at each different contribution rate.

Currently, the Plan has two main benefit schedules for the accrual of benefits that are earned during periods after the employer becomes a contributing employer. For a limited number of groups, however, benefits are based on a custom benefit schedule. Schedule A has generally applied to Credit earned with contributing employers who first contributed to the National Pension Plan **before** April 1, 2003. Schedule B has generally applied to Credit earned with contributing employers who first contributed to the National Pension Plan on or after April 1, 2003. Schedule A provides greater pension amounts than Schedule B for the same Credit earned at the same employer contribution rate.

Under the recently adopted amendment, Schedule A will no longer apply to benefit accruals earned after the date the amendment becomes effective for you. **This change is prospective only. Benefit amounts previously earned under Schedule A will remain the same.** Also, the amendment will have no effect on the future accruals for anyone who is already accruing benefits under Schedule B, or under a custom schedule, or other adjustment, based on Schedule B.

How to Determine the Approximate Amount Your Rate of Future Accruals will Change

Attached as Exhibit One is a listing of the benefit accrual rates under Schedule A. Attached as Exhibit Two is a listing of the benefit accrual rates under Schedule B. Each Exhibit lists the benefit accrual rate at each employer contribution rate. A comparison of these Exhibits will show you how the future benefit accruals at each contribution rate will change from Schedule A to Schedule B.

For example, the benefit accrual at a $1.00 per hour contribution rate under Schedule A (as shown in Exhibit One) was $78.30 for each year of Credit; and under Schedule B (as shown in Exhibit Two) the benefit accrual at a $1.00 per hour contribution rate is $46.98 for each year of Credit. Similarly, at a $2.00 per hour contribution rate, the benefit accrual under Schedule A (as shown in Exhibit One) was $142.43 for each year of Credit, and the benefit accrual under Schedule B (as shown in Exhibit Two) is $85.46 for each year of Credit.

Groups with Previously Adjusted Accrual Rates (Custom Schedules)

The Plan amendment does not, however, remove any adjustments to standard accrual rates or to any other limitation on benefits, that have previously applied for any group of Employees. All such adjustments remain in effect as follows.

There is a limited number of affected Employer groups with special benefit schedules, and other limitations, that are derived from Schedule A. Those groups will also move to Schedule B under the same time frame and rules as set out in this notice. However, their current reduction from Schedule A will be applied to continue the reduction on a similar basis under Schedule B. A listing of Employer groups affected by this is attached as Exhibit 3, which includes information about how the benefit will change.

Also, the Plan amendment will not change any special benefit schedules or other adjustments that were derived previously under Schedule B.

When this Change Goes into Effect

The changeover from Schedule A to Schedule B takes place as the applicable Collective Bargaining Agreements become amendable or expire. Specifically, the change to future accruals under Schedule B takes effect for Future Service Credit earned on or after the first of the month after the ratification date of the applicable Collective Bargaining Agreement that replaces the Collective Bargaining Agreement that is in effect on January 1, 2011.

For example, if the replacement Collective Bargaining Agreement is ratified on August 15, 2011, accruals under Schedule B start on September 1, 2011.

However, if the replacement Collective Bargaining Agreement is not ratified on or before December 31, 2013, Schedule B will take effective automatically on January 1, 2014. Schedule A will no longer apply under any circumstances for Credited Service earned after December 31, 2013.

Benefit Examples

A. Joe is age 61 on January 1, 2011 and his company's Collective Bargaining Agreement was ratified on December 15, 2012, which means the Schedule B goes into effect for him for Credit he earns on and after January 1, 2013. He plans to work 4 more years. His company contributes $2.50 per hour, which has a benefit value of $172.60 under the Schedule A. Under the Schedule B, the benefit value is $103.56. If he works 2 more years and earns a year of Credit each year under the Schedule A, his benefit for that service will be $172.60 x 2 = $345.20. If he earns a year of Credit each year in his 2 final years, his benefit under Schedule B will be $103.56 x 2 = $207.12.

B. Sally works for the same employer, but she is only 50 years old on January 1, 2011, and she plans to work 13 more years after the Schedule B goes into effect in 2013. Compared to Joe in the prior example, Sally will be under the Schedule B for a longer period of 13 years. If she had remained under the Schedule A and earned one year of Credit in each year, her accrued benefit from 2013 through 2025 would have totaled $2,243.80. Under the Schedule B, however, her accrued benefit through 2025 will total $1,346.28.

If you would like an individualized explanation of how this change will affect you personally, or any other information about this change in future benefit accruals, please write to the Fund Office.