

New England Teamsters Pension Fund

Union Trustees • Sean M. O'Brien, Co-Chairman • George F. Belanger • Jeffrey S. Padellaro • Salvatore Abate
Employer Trustees • Christopher Langan, Co-Chairman • Jason Paradis • William Nations • Philip Paturzo

Special Financial Assistance under the American Rescue Plan Act

Frequently Asked Questions for Plan Participants

Introduction: The New England Teamsters Pension Fund (the “Pension Fund”) was approved on July 25, 2024 to receive approximately \$5.7 billion in financial assistance and related interest under the Pension Benefit Guaranty Corporation’s (“PBGC’s”) Special Financial Assistance Program. The Pension Fund received these funds on August 26, 2024. The Trustees have prepared this Frequently Asked Questions document to explain Special Financial Assistance from a participant perspective.

Q: Will my pension amount change after the Pension Fund receives Special Financial Assistance?

A: No. Your pension amount will neither decrease or increase due to Special Financial Assistance. The Special Financial Assistance Program is designed to allow funds to continue the payment of current and future pension payments through 2051.

Q: How will Special Financial Assistance be used?

A: Special Financial Assistance will be used to make monthly pension benefit payments and to pay the Pension Fund’s administrative expenses.

Q: If I am currently receiving a monthly pension, will there be any disruption to my pension payment?

A: No. The electronic transfer of your pension amount will continue to occur on the first business day of the month to the same bank account you previously have designated.

Q: How will the Special Financial Assistance funds be invested?

A: Special Financial Assistance Program regulations restrict how these funds may be invested. First, the Special Financial Assistance funds are required to be segregated from the non-Special Financial Assistance funds and second, the Special Financial Assistance funds are required to be invested predominantly in high-quality, U.S. denominated fixed income assets. The Trustees, acting on advice from the Pension Fund’s investment consultants, will invest Special Financial Assistance funds in U.S. Treasury securities and “A” rated corporate bonds.

Q: Will Special Financial Assistance make the Pension Fund fully funded?

A: No. Special Financial Assistance, under law, provides financial relief to allow eligible multiemployer pension funds to pay pension benefits and administrative expenses through 2051. Special Financial Assistance will not make any multiemployer pension fund fully funded.

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Frequently Asked Questions for Plan Participants (continued)

Q: What happens after 2051?

A: The Trustees are committed to putting the Pension Fund in a position to continue paying pension benefits to all of its current and future participants far beyond 2051. These efforts already are underway and include reviewing the Pension Fund's long-term investment program.

Q: Will the Special Financial Assistance eliminate employer withdrawal liability?

A: No. Withdrawal liability will continue to exist in all multiemployer pension funds receiving Special Financial Assistance. Special Financial Assistance regulations require the Pension Fund to phase in the recognition of Special Financial Assistance assets when calculating the plan's underfunding for withdrawal liability purposes. This means that there is little impact on withdrawal liability for withdrawing employers. Current employer withdrawal liability payment schedules in place will remain in effect.

Q: Will the Pension Fund continue to mail Annual Funding Notices and Notices of Critical Status?

A: Yes. The Special Financial Assistance Program does not alter the annual notice requirements. Please note that by law the Pension Fund cannot include Special Financial Assistance monies in its calculations under the annual notices, and, therefore, the funded percentages in these notices will continue to appear artificially low. While the Pension Fund will be much better funded after receiving Special Financial Assistance funds, under law, the Pension Fund will continue to be classified as in "critical" status through 2051.