Cleveland Bakers and Teamsters Pension Fund
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Notice of Actuary's Certification of Critical Status of the Cleveland Bakers and Teamsters Pension Plan under the Pension Protection Act of 2006

February 1, 2008

Dear Participants, Participating Employers, Local Unions, Retirees and Beneficiaries:

If you are a current retiree or beneficiary in pay status as of February 1, 2008, the benefit changes described in this notice do not affect you. The Plan is required to send this notice to all plan participants, even those who are not affected.

In recent years, the Plan's Board of Trustees has taken steps to bring the Plan's liabilities into balance with its assets. This has been done through a combination of benefit changes and a commitment for higher contributions from participating employers. Despite these efforts, there remains a shortfall that must be addressed in order for the Plan to comply with the requirements of the Pension Protection Act of 2006 ("PPA") which was passed by Congress and signed into law in August of 2006.

On January 31, 2008, the Plan's actuary issued a certification that the Plan is in Critical Status (as defined under PPA and also known as "Red Zone" status), effective with the Plan Year commencing January 1, 2008.

With the actuary's certification, PPA requires that this notice be sent to all affected parties informing them of the Red Zone Status of the Plan for the Plan Year beginning January 1, 2008. PPA also requires that a Plan in the Red Zone adopt a Rehabilitation Plan designed to enable the Plan to reach PPA's statutory funding requirements over time.

Under PPA, a Rehabilitation Plan is allowed to eliminate or change "adjustable benefits" which includes the following:

1. Benefits, rights and features under the plan, including post-retirement lump sum death benefits, disability benefits not yet in pay status and similar benefits; and,

2. Any early retirement benefit or retirement-type subsidy and any benefit payment option, other than the 50% qualified joint and survivor annuity.

Any such reductions will apply to participants and beneficiaries whose benefit commencement date is after February 1, 2008. The Rehabilitation Plan cannot reduce the accrued benefit payable at normal retirement age as a single life or qualified joint and survivor annuity. As stated above, benefits for pensioners and beneficiaries in pay status on February 1, 2008 will not be affected.

Please note that the Board has adopted a Rehabilitation Plan that must be reflected in collective bargaining agreements that are entered into or renewed after February 1, 2008. Until the Rehabilitation Plan is implemented, benefits and contributions will be governed by the existing collective bargaining agreements and there will not be any changes in benefits or contributions (except for any required surcharges). The Rehabilitation Plan will be provided to the bargaining parties and is summarized as follows:

There are two schedules included in the Rehabilitation Plan, one of which must be reflected in all future agreements based on bargaining between the local union and employer.

The **Alternative Schedule** provides for no changes in benefits (except as noted for deferred vested participants) and supplemental contributions which for contracts implemented in 2008 will be $38 per week with such amount increasing by $7 annually for the following nine years.

The **Default Schedule** provides for:

1. The elimination of disability retirement benefits.

2. All future benefit accruals payable at a normal retirement age of 65 with five years of service.

3. The elimination of unreduced early retirement benefits with 30 years of service or under the Golden 90 rule. Early retirement will still be allowed, but not before age 55 with the completion of 10 years of service. Early retirement benefits will be payable with a reduction of 0.6% for each month that benefits commence prior to normal retirement age.

4. The elimination of the 36-month single life annuity guarantee based on the accrued benefit at December 31, 1994.

5. Supplemental contributions which for contracts implemented in 2008 will be $36 per week with such amount increasing by $5 annually for the following nine years.

Under the Rehabilitation Plan, all participants with a deferred vested benefit will be covered under the Default Schedule.

If a collective bargaining agreement providing for contributions under the Plan was in effect on January 1, 2008, expires, and after receiving the Default and Alternative Schedules, the bargaining parties fail to adopt either the Default or Alternative Schedule, the Default Schedule will be implemented automatically on the earlier of the date (1) on which the Secretary of Labor certifies that the parties are at an impasse, or (2) which is 180 days after the date on which the collective bargaining agreement expires.

As required by law, this notice is also being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of Labor.

Board of Trustees

Cleveland Bakers and Teamsters Pension Plan