

# Automotive Machinists Pension Trust

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Administered by  
Welfare & Pension Administration Service, Inc.

December 22, 2011

**TO: All Participating Employers  
Automotive Machinists Pension Trust**

This notice is to inform you that the Board of Trustees of the Automotive Machinists Pension Trust (“Trust”) has reviewed the Trust’s Rehabilitation Plan for the 2011 Plan Year in accordance with the provisions of the Pension Protection Act of 2006 (“PPA”) and found that no changes are needed. Therefore, there will be no changes to the contribution requirements or the benefits provided under either Schedule A or the Default Schedule. Specifically, the schedule of graded contribution increases in Schedule A continues to be a 125% increase phased in 25% per year over 5 years. The one time contribution increase required in the Default Schedule continues to be 160%.

On March 29, 2011, the plan actuary certified to the US Department of the Treasury, and also to the plan sponsor, that the Plan is in critical status for the plan year beginning January 1, 2011. The Trust is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan was in critical status in 2010 and over the next 9 years the Plan is projected to have an accumulated funding deficiency for the 2019 plan year.

The Rehabilitation Plan Adoption Period for the Trust began on March 23, 2009 and will end on December 31, 2011. During this period the Trustees will not accept any collective bargaining agreement or participation agreement that (a) reduces the level of contributions for any participants; (b) suspends contributions with respect to any period of service; or (c) excludes younger or newly hired employees from plan participation. Also during the Rehabilitation Plan Adoption Period, except as required by law, the Trustees will not adopt amendments to the plan that increase the liability under the plan by increasing benefits, changing the accrual of benefits, or change the rate at which benefits become nonforfeitable.

The Rehabilitation Period for the Trust will begin on January 1, 2012 and end on December 31, 2021, or when the Trust emerges from critical status, if earlier. During this period the Trustees will not adopt amendments that increase benefits or future accruals unless the Trust’s actuary certifies that such increases are paid for out of additional contributions not contemplated by the Rehabilitation Plan and, after taking into account the benefit increases, the plan is still reasonably expected to emerge from critical status by the end of the Rehabilitation Period in accordance with the Rehabilitation Plan.

The 2011 Rehabilitation Plan includes the attached schedules of benefit and contribution structures that, if adopted by the bargaining parties, are reasonably expected to enable the plan to emerge from critical status by December 31, 2021. The 2011 Rehabilitation Plan applies to collective bargaining agreements expiring on or after January 1, 2012. As noted above, these schedules are unchanged from last year’s Rehabilitation Plan.

The Trustees will continue to update the Rehabilitation Plan annually in accordance with the PPA.

**Board of Trustees  
Automotive Machinists Pension Trust**

## Automotive Machinists Pension Trust

### 2011 Rehabilitation Plan

#### Schedule A

Based on the January 1, 2011 census and January 1, 2011 plan assets, the following table shows the benefit changes and increased contributions that can be reasonably expected to bring the plan out of critical status by December 31, 2021.

	<b>Schedule A</b>	<b>Effective Date</b>
Accrual rate on future contributions	1%	July 1, 2009
Early retirement subsidies	Eliminated on all benefits	July 1, 2009
Disability retirement subsidies	Eliminated for all participants with disability applications submitted on/after effective date and take disability retirement per the application	May 1, 2009
Pre-retirement death (return of contributions)	Eliminated	July 1, 2009
Increase in contributions above latest negotiated rate	Increase of 125%, phased in 25% per year over 5 years	Immediately upon renegotiation of collective bargaining agreement

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### 2011 Rehabilitation Plan

#### Default Schedule

Based on the January 1, 2011 census and January 1, 2011 plan assets, the following table shows the benefit changes and increased contributions that can be reasonably expected to bring the plan out of critical status by December 31, 2021.

	<b>Default Schedule</b>	<b>Effective Date</b>
Accrual rate on future contributions	1%	July 1, 2009
Early retirement subsidies	Eliminated on all future benefit accruals. Subsidies are still applied to accrued benefit as of July 1, 2009.	July 1, 2009
Disability retirement subsidies	Eliminated for all participants with disability applications submitted on/after effective date and take disability retirement per the application	May 1, 2009
Pre-retirement death (return of contributions)	Eliminated	July 1, 2009
Post-retirement death life annuity (return of contributions)	Eliminated (future benefits only)	July 1, 2009
Increase in contributions above latest negotiated rate	Increase of 160%	Immediately upon renegotiation of collective bargaining agreement

As required under the PPA, should bargaining parties be unable to agree on a contribution and benefit schedule consistent with Schedule A, the Trustees will implement for all participants covered by the bargaining parties' collective bargaining agreement the above Default Schedule of increased contributions and reduced benefits on the date that is 180 days after the date on which the collective bargaining agreement expires.