2025 UPDATED REHABILITATION PLAN
FOR THE
WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND

I. Introduction

On March 31, 2024, the actuary of the Warehouse Employees Union Local No. 730 Pension Trust Fund (the "Fund") certified that the Fund is in Critical and Declining Status for the 2024 Plan Year for the purposes of the Employee Retirement Income Security Act ("ERISA") as amended by the Pension Protection Act of 2006 ("PPA"). The Fund has been in Critical Status since 2009.

As required by law, the Board of Trustees sent a Notice of Critical and Declining Status to participants, beneficiaries, Local 730 as the participating union, the participating employers ("Employers"), the Pension Benefit Guaranty Corporation and the Department of Labor, advising that the Fund is in Critical and Declining Status for the 2023 Plan Year and describing the consequences of being in Critical and Declining Status. Similar notices have been distributed annually since the Fund first entered Critical Status in 2009.

As a result of being in Critical Status the Trustees adopted a Rehabilitation Plan on November 26, 2009. The Fund's Rehabilitation Period began on January 1, 2012, and expired on December 31, 2024. TheFund's Trustees previously elected to extend the Rehabilitation Period by an additional three years as permitted under Section 205 of the Worker, Retiree and Employer Recovery Act of 2008. Generally, the Fund must emerge from Critical Status by the end of its thirteen-year Rehabilitation Period, as defined under ERISA. However, the Fund's Board of Trustees has determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the Fund cannot be reasonably expected to emerge from critical status by the end of the Rehabilitation Period.

Pursuant to ERISA Section 305(e)(3)(A)(ii), the Board of Trustees updated the Rehabilitation Plan in 2020 to provide that the goal of the Rehabilitation Plan is to emerge from critical status at a time later than the end of the extended Rehabilitation Period or to forestall possible insolvency (as defined by ERISA Section 4245).

On March 11, 2021, the American Rescue Plan ("ARPA") was enacted. Under ARPA, the Fund is eligible for Special Financial Assistance ("SFA") from the Pension Benefit Guaranty Corporation "("PBGC") that is intended to keep the Fund solvent through December 31, 2051, and perhaps beyond. On February 5, 2025, the Fund submitted an application for SFA to the PBGC. The SFA application seeks approximately $110,000,000 in SFA Upon receipt of SFA, the Fund will be deemed to be in "Critical" Status through December 31, 2051 under ARPA. In accordance with the PPA, the Trustees hereby revise and update the Fund's Rehabilitation Plan effective January 1, 2025.

This 2025 Updated Rehabilitation Plan is based on reasonable assumptions about how the Fund's assets and liabilities will change in the coming years, particularly as a result of changes in the Fund's level of participation. The Board of Trustees will review the Fund's Rehabilitation Plan and will update the Rehabilitation Plan as required by law. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan.

Given the findings of the Trustees described in Section II of this Rehabilitation Plan, the Trustees will send the entire updated Rehabilitation Plan to the Union and the Employers. The Board of Trustees will update this Rehabilitation Plan, as required by law. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan.

II. Determination that Section 305(e)(3)(A)(ii) of ERISA Applies

The Board of Trustees noted that only one CBA expires before the end of the Rehabilitation Period, and that the CBA in question expiredon October 1, 2024. That CBA generated less than 1% of annual contributions to the Fund. The Trustees concluded that no contribution increase could be negotiated such that the Fund would be able to emerge from Critical Status by the end of the Fund's Rehabilitation Period.

Based on the above-referenced information and analysis, the Board of Trustees has determined that, upon exhaustion of all reasonable measures, the Fund could not reasonably be expected to emerge from Critical Status by the end of the Rehabilitation Period.

III. Alternatives Considered

The Board of Trustees noted that the bargaining parties' largest employers best know the competitive market and the Employers' potential future in the market. Therefore, it would be most prudent to be informed by the parties' negotiations which most recently yielded a 4.9% annual rate increase. The Trustees reviewed that result and having no objective reason to reject it, adopted the 4.9% annual increases for the bargaining parties as contracts continue or expire through 2027. In anticipation of receiving SFA, the Trustees have determined that any future contribution rate increases will be as agreed to by the bargaining parties.

IV. Actions to be Taken by the Board of Trustees

The Fund's Board of Trustees will review the Fund's Rehabilitation Plan as required by law and will update the Rehabilitation Plan as required by law to enable the Fund to emerge from critical status at a later time (than the end of the Rehabilitation Period) or to forestall possible insolvency. Upon receipt of SFA, the Trustees will use the SFA assets in accordance with the PBGC Final Rule (see 29 CFR part 4262). Annual Standards for Meeting the Requirements of this Rehabilitation Plan

The Fund will make adequate progress, to the extent reasonable based on financial markets activity and other relevant factors, toward enabling the Fund to emerge from critical status at a later time (than the end of the Rehabilitation Period) or to forestall possible insolvency, because, based on reasonable actuarial assumptions and upon the exhaustion of all reasonable measures, the Fund did not emerge from Critical Status by the end of the Rehabilitation Period.