AUTOMOTIVE INDUSTRIES PENSION FUND

4160 DUBLIN BOULEVARD SUITE 400 | DUBLIN, CA 94568-7756
TELEPHONE (800) 635-3105 | FAX (925) 588-7121
www.aitrustfunds.org

November 1, 2019

REPORT OF SUMMARY PLAN INFORMATION

2018 Plan Year

In accordance with ERISA §104(d), the Trustees of the Automotive Industries Pension Trust Fund are providing the following Report of Summary Plan Information to unions that represent Plan participants and employers obligated to contribute to the Plan.

Except as otherwise specified, all information in this Report pertains to the 2018 Plan Year.

1. Contribution Schedule and Benefit Formula Information.

The monthly-accrued benefit at normal retirement age is the sum of the following:

- $10.00 for each year of Past Service;
- $5.00 for each $100 of the contributions made on the participant's behalf from his Contribution Date through June 30, 2003;
- $3.00 for each $100 of the contributions made on the participant's behalf from July 1, 2003 through December 31, 2004;
- 0.5% for the first $250 of monthly contributions, 1.0% for the next $250 of monthly contributions, and 2.0% of monthly contributions in excess of $500 made on the participant's behalf on or after January 1, 2005; and
- 1.0% of monthly contributions made on the participant's behalf on or after July 1, 2008.

Employer contribution rates differ from employer to employer and are the subject of negotiated collective bargaining agreements. Under the rehabilitation plan (see below), new or renewed collective bargaining agreements negotiated after April 27, 2008 must include the contribution rates and benefits contained in the rehabilitation plan schedule then in effect. Contribution increases under the Rehabilitation Plan do not count for benefit accruals.

2. Number of Contributing Employers.

For the Plan Year ending December 31, 2018, 129 employers were obligated to contribute to the Plan.

3. Employers Contributing More than 5%.

During the 2018 Plan Year, the employers listed below contributed more than 5% of total contributions to the Plan:

- Gillig Corporation

- United Parcel Service
- SSA Terminals

4. Participants for Whom No Contributions Were Made.

The chart below sets out, for the 2018, 2017 and 2016 Plan Years, the number of participants with respect to whom no employer contributions were made by an employer as the participant's employer:

	2018 Plan Year	2017 Plan Year	2016 Plan Year
Participants	70	94	62

5. Plan Funding Status.

The Plan was in critical and declining status during the 2018 Plan Year.

(a) **Steps Taken to Improve Funding Status**.

The Plan has taken the following steps to improve its funding status:

The Plan was initially classified as Critical (*Red Zone*) for 2008 and the Trustees adopted a rehabilitation plan. Under the rehabilitation plan, new collective bargaining agreements negotiated after April 27, 2008 have included the maximum benefit reductions allowed by law. They included the removal of all early retirement subsidies, joint and survivor subsidies, disability pensions, the 36-payment pre-retirement death benefit and all benefit options besides the single life annuity, the qualified joint and survivor annuity and qualified optional survivor annuity. The rehabilitation plan has also included supplemental off-benefit contributions to the plan beginning January 1, 2013.

The Trustees elected under the Worker, Retiree and Employer Recovery Act of 2008 (WRERA) to freeze the zone status for 2009 at the level it was assigned for 2008, (i.e., critical). As a result, an update to rehabilitation plan was not required in the 2009 Plan Year. WRERA permitted trustees of plans that were in critical status in 2008 or 2009 to extend the rehabilitation period by three additional years. The Trustees elected this option.

The Plan was again classified as critical for the 2010 and 2011 Plan Years. On March 8, 2011, the Trustees determined that under the current rehabilitation plan schedule, the Plan was not expected to emerge from critical status by the end of the rehabilitation period. The Trustees determined that they could not make any reasonable updates to that schedule and adopted a resolution to forestall plan insolvency. As part of the resolution, effective February 1, 2011, benefits could not commence prior to normal retirement age for inactive vested participants and supplemental contributions under the rehabilitation plan were reduced to encourage continued plan participation.

The Plan continued to be classified as critical for the 2012, 2013 and 2014 Plan Years. On December 16, 2014, the Multiemployer Pension Reform Act of 2014 (MPRA) was enacted. It included the addition of a new zone status – critical and declining status. For the 2015 Plan Year, the Plan was classified as being in critical and declining status because its funding percentage was 61.1%, there was a projected funding deficiency within one year and there was a projected insolvency within 20 years.

Beyond the Plan being classified as being in critical and declining status, this Report does not discuss the implications of MPRA or any actions taken beyond the 2015 Plan Year in connection with MPRA.

(b) How to Obtain Information.

You may obtain a copy of the Rehabilitation Plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by submitting a written request to:

Automotive Industries Pension Trust Fund
c/o Health Services & Benefit Administrators
4160 Dublin Blvd., Suite 400 | Dublin, CA 94568
Toll-Free: (800) 635-3105

6. Number of Employers That Withdrew in Preceding Plan Year.

During the 2017 Plan Year, 10 employers withdrew from the Plan.

As reported on the 2018 Form 5500, the actual or estimated amount of employer withdrawal liability assessed was $4,668,598.

7. Transaction Information.

The Plan did not merge with another plan and did not receive a transfer of the assets and liabilities of any other plan during the 2018 Plan Year.

8. Amortization Extension or Shortfall Funding Method Information.

The Plan did not apply for or receive an amortization extension under ERISA §304(d) or Code §431(d) for the 2018 Plan Year.

The Plan did not use the shortfall funding method (as described in ERISA §305) for the 2018 Plan Year.

9. Right to Additional Information.

Any contributing employer or participating union under the Plan may request from the Plan Administrator, in writing, a copy of the documents listed below, but not more than one time during any one 12-month period. The administrator may charge a reasonable amount to cover the cost of providing the document requested.

- ❑ The Plan’s 2018 Form 5500.
- ❑ The Plan’s Summary Plan Description.
- ❑ Any Summaries of Material Modification to the Plan.