

NOTICE OF REDUCTION IN ADJUSTABLE BENEFITS GRAPHIC ARTS INDUSTRY JOINT PENSION PLAN

SEPTEMBER 27, 2010

INTRODUCTION

The Graphic Arts Industry Joint Pension Plan (the "Plan") is in "critical status" pursuant to the Pension Protection Act of 2006 ("PPA"). Pursuant to the PPA, the Board of Trustees and bargaining parties are required to take steps to improve the funding status of the Plan. The Board of Trustees agreed to a number of changes (described in this notice) that will go into effect as of December 1, 2010 upon adoption by your employer and union. The changes described in this Notice are the Plan changes set forth in the "Preferred Schedule" of the Plan's Rehabilitation Plan. If your employer and union do not timely adopt the Preferred Schedule, you will be subject to further benefit reductions set forth in the "Default Schedule" of the Rehabilitation Plan. If the Default Schedule applies to you, you will receive a subsequent Notice. **The changes detailed in this notice do not apply to you if your benefit commencement date is before September 27, 2010, and will not reduce the amount of your pension earned as of that date if you work until normal retirement age (generally age 65) or do not draw your pension before normal retirement age.**

The remainder of this communication describes the changes to the Plan, and is being provided to you in accordance with Section 305(e)(8)(C) and Section 204(h) of the Employee Retirement Income Security Act ("ERISA") and Section 432(e)(8)(C) of the Internal Revenue Code (the "Code"). This notice also constitutes your summary of material modifications as required by section 104(b) of ERISA. You should place this Notice with your Summary Plan Description ("SPD") and save it for future reference.

EFFECTIVE DATES OF CHANGES

The changes will be effective for benefits that begin or accrue on or after December 1, 2010.

BENEFIT CHANGES

Changes to Pre-Retirement Death Benefits

Death benefits in excess of the amount required by law will be eliminated.

Explanation. Prior to this change, if a married participant who was vested died before termination of employment, his or her surviving spouse would have been entitled to receive a death benefit equal to 50% of the normal retirement benefit accrued by the participant (*i.e.*, without applying the Husband and Wife Annuity reduction factors). Further, the surviving spouse's benefit would become payable on the first day of the month immediately following the death of the participant.

In addition, prior to this change, the surviving spouse of a participant who was represented by Local 546M, participated in the Local 24P Plan and satisfied the requirements for a special preretirement death benefit would receive a special preretirement death benefit if it was more than the benefit determined under the paragraph above. The benefit would equal the greater of (a) 50% of the participant's accrued past service benefit from the Local 24P Plan or (b) 50% of the total amount contributed to the Local 24P Plan on the participant's behalf as of January 1, 1989, divided by 48.

Following the change, a surviving spouse of a vested participant who dies prior to commencing receipt of his or her pension benefits will be eligible for a surviving spouse benefit equal to 50% of the monthly benefit the participant would have been entitled to receive in the form of a 50% Husband and Wife Annuity (*i.e.*, with the Husband and Wife Annuity reduction factors applied). Benefits cannot begin until the first day of the month following the month the participant would have attained age 55 or, if later, the first day of the month following the participant's death.

Example: Sam and his wife are both 51 years old. Sam's Basic Benefit is \$675. Prior to the change, Sam's surviving spouse would have received a monthly benefit equal to \$337.50 (50% of the monthly benefit Sam would have received determined without applying the husband and wife annuity reduction factors). In addition, her benefit would have commenced on the first day of the month following Sam's death.

After the change, Sam's surviving spouse will receive a \$124.94 monthly benefit (50% of the monthly benefit Sam would have been entitled to receive in the form of a 50% Husband and Wife Annuity). Her benefit will not begin until the first day of the month following the date Sam would have attained age 55.

Change in Benefit Accrual Rate

The Plan's benefit rate for benefit accruals earned on or after December 1, 2010 will be changed. In general, a participant's monthly pension benefit upon retirement is equal to the total of his or her Past Service Benefit and Future Service Benefit. A participant's Future

Service Benefit equals the sum of the participant's Unit Benefits for each year he or she participated in the Plan. The Unit Benefit for a Plan Year equals the total Future Service Contributions made on behalf of the participant multiplied by a specified percentage.

Explanation: After the change, the Future Service Benefit percentage is reduced to 1% of contributions, as shown below:

Current Percentage	New Percentage for contributions on and after 12/1/10
2.17%	1%
2.21%	1%
2.22%	1%
2.23%	1%

Example: Jim's employer makes contributions of \$1.79 per hour on his behalf from July 1, 2011 until he retires on June 30, 2021 at the age of 65 and begins to draw his pension on July 1, 2021. During this period Jim works full time, earning 2,000 hours per Plan Year. With the change, the amount of Jim's Basic Benefit earned from July 1, 2011 until June 30, 2021 would be calculated as follows:

$$\begin{aligned} \$1.79 \times 2,000 &= \$3,580; \$3,580 \times 1\% = \$35.80; \$35.80 \times 10 \text{ years} \\ &= \$358 \text{ per month.} \end{aligned}$$

Without the change, Jim's Basic Benefit would have been calculated as follows:

$$\begin{aligned} \$1.79 \times 2,000 &= \$3,580; \$3,580 \times 2.23\% = \$79.83; \$79.83 \times 10 \text{ years} \\ &= \$798.30 \text{ per month.} \end{aligned}$$

Comparable reductions would occur at different future service benefit percentages.

Elimination of Five-Year and Ten-Year Certain Forms of Benefit

The Five-Year and Ten-Year Certain and Life Annuity forms of benefit will be eliminated, except that the Five-Year Certain and Life Annuity will not be eliminated for participants for whom the Five-Year Certain and Life Annuity is the normal form of benefits (unmarried participants in former Locals 44B, 49B, 60B and 449S). In addition, the Three-Year Certain and Life Annuity for participants represented by former Local 31C will not be eliminated.

Explanation: Prior to the change, certain participants could elect to receive an income payable monthly for the lifetime of the participant and, if the participant died before receiving a specified number of monthly payments (either 60 or 120), monthly payments in the amount payable at the time of the participant's death would continue until a total of the specified number of payments (either 60 or 120) had been made to the participant and his or her designated beneficiary. Prior to the change, the Plan offered the following period certain benefits:

- Participants represented by former Locals 144B or 199B could elect a Five-Year Certain and Life Annuity (60 guaranteed payments).
- Participants represented by former Locals 24P, 60B, 144B, 199B or 210B could elect a Ten-Year Certain and Life Annuity (120 guaranteed payments).

After the change, these participants can no longer elect a Five-Year or Ten-Year Certain and Life Annuity form of benefit.

Example: Sue is represented by former Local 144B. Without the change, at retirement, Sue would be able to elect a Five-Year Certain and Life Annuity form of benefits. If Sue received monthly benefits for 48 months and then died, her designated beneficiary would receive the 12 remaining monthly payments.

With the change, Sue cannot choose the Five-Year Certain and Life Annuity form of benefit. She will receive the Single Life Annuity and her monthly benefits will cease upon her death.

Elimination of Optional Forms of Benefit

Optional forms of benefit other than the 50% Husband and Wife Annuity and the 75% Husband and Wife Annuity are eliminated.

Explanation. Prior to this change, the Plan offered the following optional forms of benefit for certain participants who participated in a merged plan:

- Participants represented by former Locals 60B, 144B, or 199B could elect a 66-2/3% joint and survivor annuity. Under this form of benefit, the participant would receive a pension payable during his or her life. After the participant's death, the participant's designated beneficiary would receive a monthly amount equal to 66-2/3% of the participant's monthly benefit for the beneficiary's lifetime.
- Participants represented by former Local 210B could elect a 75% joint and survivor annuity. Under this form of benefit, the participant would receive a pension payable during his or her life. After the participant's death, the participant's designated beneficiary would receive a monthly amount equal to 75% of the participant's monthly benefit for his or her lifetime.

- Participants represented by former Locals 60B, 199B or 210B could elect a 100% joint and survivor annuity. Under this form of benefit, the participant would receive a pension payable during his or her life. After the participant's death, the participant's designated beneficiary would receive a monthly amount equal to 100% of the participant's monthly benefit for his or her lifetime.
- Participants represented by former Locals 8B and 24P could elect a 100% spouse joint and survivor annuity. Under this form of benefit, the participant would receive a pension payable during his or her life. After the participant's death, the participant's surviving spouse would receive a monthly amount equal to 100% of the participant's monthly benefit for his or her lifetime.
- Participants represented by former Locals 60B, 199B and 210B could elect a 50% joint and survivor annuity. Under this form of benefit, the participant would receive a pension payable during his or her life. After the participant's death, the participant's designated beneficiary would receive a monthly amount equal to 50% of the participant's monthly benefit for his or her lifetime.
- Participants represented by former Locals 44B, 49B and 60B could elect a Single Life Annuity. Under this form of benefit, the participant would receive a pension payable during his or her life. No benefits would be payable after the participant's death.

Following the change, these optional forms of benefit are eliminated. The only optional forms of payment are a Single Life Annuity, a 50% spouse joint and survivor annuity, a 75% spouse joint and survivor annuity and, for participants in former Local 31C, a Three-Year Certain and Life Annuity and, for participants in former Locals 44B, 49B, 60B and 449S, a Five-Year Certain and Life Annuity.

Example: Ted is represented by former Local 199B. Without the change, if Ted retires, he would be able to elect any of the following joint and survivor forms of benefit: 50%, 66-2/3% or 100%. If Ted elected one of these joint and survivor forms of benefit, after Ted's death, his surviving beneficiary would have received an amount equal to 50%, 66-2/3% or 100%, respectively, of Ted's monthly benefit for the beneficiary's lifetime.

With the change, if Ted retires at age 65, he cannot choose a 50%, 66-2/3% or 100% joint and survivor annuity form of benefits. However, if Ted is married, he can choose a 50% spouse joint and survivor annuity or a 75% spouse joint and survivor annuity. Under these forms of benefit, Ted's surviving spouse will receive a benefit equal to 50% or 75%, respectively, of Ted's monthly benefit for the spouse's lifetime.

Elimination of Lump Sum and Special Death Benefits

Lump sum death benefits and special death benefits for certain participants who participated in a Merged Plan will be eliminated.

Explanation. Prior to this change, the eligible child(ren) of an unmarried vested participant who died prior to termination of employment would receive a lump sum death benefit equal to \$5,000.

In addition, prior to the change, the Plan offered the following special death benefits for certain participants who participated in a merged plan:

- The surviving spouse of a participant who was represented by former Local 49B and who satisfied the conditions for a preretirement death benefit would receive a lump sum death benefit equal to the sum of (a) \$100 multiplied by the number of years of contributory service earned prior to July 1, 1976, and (b) 25% of the contributions made to the Plan on the participant's behalf after July 1, 1976.
- The surviving spouse of a participant who was represented by former Local 8B and who satisfied the conditions for a preretirement death benefit would receive a death benefit equal to the sum of (a) a lump sum based on years of contributory service earned prior to July 1, 1976 ranging from \$200 to \$1,200, and (b) an amount equal to 25% of the contributions made to the Plan on the participant's behalf after July 1, 1976.
- The surviving spouse of a participant who was represented by former Local 144B and who satisfied the conditions for a special death benefit would receive a lump sum death benefit equal to either \$500 or \$1,000, depending on the participant's years of contributory service.
- The designated beneficiary of a participant who was represented by former Local 42B and who satisfied the conditions for a special death benefit would receive a lump sum death benefit equal to \$100 multiplied by the number of years of the service earned after April 1, 1976, up to a maximum payment of \$2,000.
- The designated beneficiary of a participant who was represented by former Local 210B and who satisfied the requirements for a preretirement death benefit would receive a lump sum death benefit equal to \$3,500.
- The designated beneficiary of a participant who was represented by former Local 31C and who satisfied the requirements for a preretirement death benefit would receive a lump sum death benefit equal to the total contributions paid to the 31C

Plan on the participants behalf before August 1, 1990 minus the total amount of any monthly disability pension payments to the participant.

- The designated beneficiary of a participant who was represented by former Local 449S and who satisfied the conditions for a special lump sum death benefit would receive a lump sum death benefit equal to \$3,000.
- The designated beneficiary of a participant who was represented by former Local 60B and who satisfied the requirements for a special death benefit would receive a lump sum death benefit equal to the lesser of (a) \$3,000 or (b) 50% of the total contributions paid to the 60B Plan on the participant's behalf before November 1, 1995.
- The designated beneficiary of a participant who was represented by former Local 60B and who satisfied the requirements for a special preretirement death benefit would receive a lump sum death benefit equal to the lesser of (a) \$1,500 or (b) 50% of the total contributions paid to the Local 60B Plan on the participant's behalf before November 1, 1995.

Following the change, these special death benefits are eliminated. A surviving spouse or child of a vested participant who dies prior to commencing receipt of his or her pension benefits will not receive a lump sum death benefit. However, a surviving spouse will continue to be eligible for a surviving spouse benefit equal to 50% of the monthly benefit the participant would have been entitled to receive in the form of a 50% Husband and Wife Annuity (see "Changes to Pre-Retirement Death Benefits" above).

Example: Jane is an unmarried vested participant who has one dependent child. Jane dies at age 52. Prior to the change, Jane's child would receive a lump sum death benefit equal to \$5,000.

After the change, Jane's child will not receive a death benefit because the lump sum death benefit is eliminated.

PARTICIPANT RIGHTS

If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a Federal Court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a State or Federal Court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor ("DOL"), or you may file suit in a Federal Court. The court will decide who should pay court costs and legal fees.

For assistance from the DOL, contact the DOL's Employee Benefits Security Administration ("EBSA"), which maintains regional and district offices covering your state or territory. You may obtain the contact information for the closest EBSA office (or receive other assistance) by calling their toll free Hotline at (866) 444-EBSA [3272]. You can also obtain information on the EBSA's website at: www.askebsa.dol.gov.

CONCLUSION

The Board of Trustees has taken the actions described in this Notice after reviewing many factors, particularly the earnings on Plan investments, which determine the level of benefits that can be promised and paid. The professionals retained by the Plan have advised the Trustees that the amendments described in this Notice combined with increased contributions from participating employers are needed to promote the financial stability of the Plan in the future and preserve the Plan's ability to pay core pension benefits.

We urge you to read this notice carefully, and keep it as a reference. The Trustees will keep you informed on the financial status of the Plan and we encourage you to contact the Plan Office at (202)-466-2507 with any questions you may have.

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