The Wisconsin Laborers' Pension Fund

PLAN RULES CONCERNING EMPLOYER WITHDRAWALS AND EMPLOYER WITHDRAWAL LIABILITY

WISCONSIN LABORERS' PENSION FUND

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The Trustees of the Wisconsin Laborers' Pension Fund have adopted the following Employer Withdrawal Liability Rules in accordance with the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

I. WITHDRAWAL LIABILITY

An employer who completely or partially withdraws from the Wisconsin Laborers' Pension Fund (hereinafter referred to as the "Plan") will be liable to the Plan for its withdrawal liability.

II. COMPLETE OR PARTIAL WITHDRAWAL

The Plan constitutes a building and construction industry plan under section 4203(b)(1)(B)(i) of ERISA. Therefore, the rules concerning what constitutes a complete or partial withdrawal are different depending upon whether an employer meets ERISA's definition of a building and construction industry employer (hereinafter referred to as "Construction Employer").

Under ERISA, an employer is a Construction Employer if substantially all of the employees with respect to whom the employer has an obligation to contribute to the Plan perform work in the building and construction industry.

III. COMPLETE AND PARTIAL WITHDRAWAL FOR CONSTRUCTION INDUSTRY EMPLOYERS

(a) Complete Withdrawal for a Construction Employer

Complete withdrawal occurs for a Construction Employer if it ceases to have an obligation to contribute to the Plan and:

(i) continues to perform work in the jurisdiction of the applicable collective bargaining agreement of the type for which contributions were previously required; or

(ii) resumes such work within the jurisdiction within five years after the date on which the obligation to contribute ceased, and does not renew the obligation at the time of the resumption.

Example: An Employer who fails to renew a collective bargaining agreement but continues or resumes the same work in the same area within five years.

Any employer who no longer has a collective bargaining agreement calling for contributions to the Fund will be unable to continue making contributions on estimators or other non-bargaining unit employees covered under a participation agreement. Work by estimators or other non-bargaining unit employees previously covered under a participation agreement will be considered a continuation or resumption of work in the same area as provided above.

Note: In the case of a Plan termination by mass withdrawal, withdrawal liability is assessed if the Construction Employer resumes work within three years after the date on which its contribution obligation ceased, without the obligation at the time the work is resumed.

(b) Partial Withdrawal for a Construction Employer

Partial withdrawal for a Construction Employer occurs if the employer's obligation to contribute to the Plan is continued for only an insubstantial portion of the employer's work in the craft and area jurisdiction of the applicable collective bargaining unit of the type for which contributions are required.

Example: An Employer who was contributing on 10 laborers under a collective bargaining agreement goes double breasted and continues to contribute on only 1 laborer under a collective bargaining agreement and works the other 9 laborers in the same area doing the same work but without a collective bargaining agreement covering the 9.

IV. COMPLETE AND PARTIAL WITHDRAWAL FOR NON-CONSTRUCTION EMPLOYER

(a) Complete Withdrawal for a Non-Construction Employer

A Non-Construction Employer, that is an employer who does not meet ERISA's definition of Construction Employer, will incur a complete withdrawal where:

(i) the employer permanently ceases to have an obligation to contribute to the Plan; or

(ii) the employer permanently ceases all covered operations under the Plan.

Example of Permanent Cessation Obligation to Contribute: The employer fails to sign a collective bargaining agreement which requires contributions to the Plan.

Example of Permanent Cessation of all Covered Operations: If the employer for any reason permanently shuts down all business operations involving employees for whom contributions to the Plan were previously required.

(b) Partial Withdrawal for a Non-Construction Employer

There is a partial withdrawal for a Non-Construction Employer as of the last day of the Plan Year (Plan Year for the purpose of these rules is September 1 through August 31) if for such Plan Year:

(i) there is 70% contribution decline; or

(ii) there is a partial cessation of the employer's contribution obligation.

<u>70% Decline</u>

A Non-Construction Industry Employer will incur a 70% contribution decline partial withdrawal where the employer's contribution hours decline in each of three consecutive years to less than 30% or less of what they had been in the high base year of the five-year period preceding the three years of low activity. Hereinafter the three year decrease shall be referred to as the "three-year testing period."

ERISA provides a formula for calculating whether a 70% contribution decline has occurred. A 70% contribution decline occurs if during each Plan Year in a 3-year testing period an employer's contribution hours are 30% or less of the employer's contribution hours for the "high base year."

Contribution hours for the "high base year" means the employer's average number of hours for the two highest Plan Years within the five Plan Years before the beginning of the 3-year testing period.

Example:

Plan Year	Employer's Contribution Hours
1	19,000
2	20,000
3	20,000
4	18,000
5	17,000
6	15,000
7	10,000
8	5,000

At the end of this employer's eighth Plan Year, its annual contribution hours have declined from 20,000 to 5,000 -- a 75% decline. To determine whether a partial withdrawal occurred, the following calculations would be made by the Board of Trustees.

Step 1 The 3-year testing period consists of Plan Years 6, 7 and 8.

Step 2 The contribution hours for this employer's high base year is the average of Plan Years 2 and 3 or 20,000 contribution hours.

Step 3

a. $\frac{\text{Plan Year 6 Hours}}{\text{High Base Years Hours}} = \frac{15,000}{20,000} = 75\%$

b. $\frac{\text{Plan Year 7 Hours}}{\text{High Base Years Hours}} = \frac{10,000}{20,000} = 50\%$

c. $\frac{\text{Plan Year 8 Hours}}{\text{High Base Years Hours}} = \frac{5,000}{20,000} = 25\%$

The ratios calculated were 30% or less for only one year of the 3-year test period, therefore, there is no partial withdrawal. The ratios would have to be 30% or less for each year in the 3-year test period for a partial withdrawal to occur.

Partial Cessations - Reduction in Facilities Covered and Reduction in Bargaining Units Covered

There is a partial cessation of the employer's contribution obligation for the Plan Year if, during such year, there is a "reduction in facilities covered" or a "reduction in bargaining units covered" as defined below.

Reduction in Facilities Covered - One of the employer's facilities continues to operate, but the facility is no longer covered by a collective bargaining agreement requiring contributions to the Plan.

Reduction in Bargaining Units Covered - The employer permanently ceases to have an obligation for one or more, but less than all, of the collective bargaining agreements under which the employer has been obligated to contribute under the Plan but continues to perform work in the jurisdiction of the collective bargaining agreement of the type for which contributions were previously required or transfers such work to another location or to an entity or entities owned or controlled by the employer.

V. SALE OF ASSETS

If an Employer sells assets resulting in a stoppage of Plan contributions by the employer, such employer may have a complete or partial withdrawal liability. A withdrawal will not occur if the Employer satisfies ERISA's section 4204 sale of assets exemption. Under ERISA section 4204, a withdrawal will not occur if:

(a) the sale was a bona fide arm's length sale to an unrelated party; and

(b) the purchaser agrees to contribute to the Plan for substantially the same number of hours for which the seller had an obligation to contribute to the Plan; and

(c) the purchaser provides, for five Plan Years, a bond or escrow account to cover one year's contributions (one year's contributions means the greater of the average annual contributions required to be made to the Plan by the seller for the three years preceding the Plan Year in which the sale occurs, or annual contributions required to be made by the seller for the Plan Year before the sale); and

(d) the sales contract provides that if during the first five plan years beginning after the sale of assets occurs the purchaser withdraws from the Plan and fails to pay the withdrawal liability the seller will be secondarily liable.

VI. FREE LOOK RULE

For Plan Years beginning on or after August 1, 2020 for which the Plan is eligible to utilize the free look rule under Section 4210 of ERISA, described below, Eligible Employers may have the opportunity to take a "free look." An Eligible Employer that qualifies for a free look may participate in the Plan for a limited period of time without accruing withdrawal liability. For purposes of this Section VI, Section 4210 of ERISA is specifically incorporated herein.

(a) Plan Eligibility for Free Look

Eligible Employers may take a free look for each Plan Year in which the ratio of the assets of the Plan for the Plan Year preceding the first Plan Year for which the Eligible Employer became obligated to contribute to the Plan to the benefit payments made during that Plan Year equals or exceed 8 to 1.

(b) Eligible Employer

An Employer is eligible for a free look provided that the Employer:

(i) First had an obligation to contribute to the Plan on or after August 1, 2020;

(ii) Contributed to the Plan for no more than five (5) years prior to a complete or partial withdrawal;

(iii) Had a contribution obligation to the Plan that was less than 2% of the sum of all employer contributions to the Plan for each Plan Year during the free look period; and

(iv) Has never avoided withdrawal liability based on a Free Look from the Plan before.

If an Eligible Employer begins a free look during a year in which the Plan is eligible to offer a free look, and during the Eligible Employer's free look period, the Plan ceases being eligible to offer free looks, the Eligible Employer is still entitled to the free

look, provided the Eligible Employer continues to meet the eligibility conditions of this Section VI, subsection (b).

(c) Free Look Withdrawal – Cancellation of Accruals

In the event an Eligible Employer withdraws from the Plan and the conditions set forth in subsection (b) above are satisfied such that the Eligible Employer is not subject to Employer Withdrawal Liability, benefits of Employees accrued on the basis of service for the Eligible Employer before it was required to contribute to the Plan shall not be payable except in the case of a Pensioner who has commenced receiving benefits under the Plan or the Beneficiary of such Pensioner, prior to such Eligible Employer's withdrawal.

VII. CALCULATION OF WITHDRAWAL LIABILITY FOR ALL EMPLOYERS

SUMMARY OF THE FORMULA

An employer's withdrawal liability is the employer's proportional share of the Plan's unfunded vested benefits. There is a complex formula which the Trustees must use to allocate unfunded vested benefits to a withdrawing employer. The formula is provided in full later in this section. A brief description of the formula is provided here to attempt to communicate the concept.

The Plan uses the "presumptive method" as set forth in section 4211(b) of ERISA to allocate the Plan's unfunded vested benefits. Under this formula, a distinction is drawn between unfunded vested benefits that came into existence in Plan Years ending on or before September 26, 1980, and in Plan Years ending after September 26, 1980.

An employer's share of the unfunded vested benefits accumulated in the Plan Year ending August 31, 1980 is equal to the percentage of the employer's required contributions for the last five Plan Years preceding August 31, 1980 compared with all employers' actual contributions for the same five-year period (the employer's "proportional contributions").

An employer's share of changes in unfunded vested benefits in Plan Years ending August 31, 1981 and later is equal to the employer's proportional contributions for the year of the change and the five Plan Years preceding the change in unfunded vested benefits.

The law also requires the Trustees to reallocate to remaining employers unfunded vested benefits which are either uncollectible or not assigned to a withdrawing employer under certain relief provisions. Amounts to be reallocated include de minimis deductibles.

Under the formula, new employers only inherit a portion of liabilities that were created prior to their participation in the Plan.

In summary, withdrawal liability is divided into three parts:

(1) unamortized liability for unfunded vested benefits for the last Plan Year ending before September 26, 1980 (August 31, 1980 for this Plan);

(2) unamortized liability for changes in unfunded vested benefits for Plan Years ending after September 25, 1980 (August 31, 1981 and later for this Plan) in which the employer was required to contribute; and

(3) unamortized liability for reallocated unfunded vested benefits.

The Formula

Under the presumptive method, the complete formula for determining an employer's share of the Plan's unfunded vested benefits is as follows:

(1) What is the withdrawal liability for an employer who completely withdraws from the Plan?

It is the employer's share of the Plan's unfunded vested benefits which is the sum of:

(a) the employer's proportional share of the unamortized amount of the change in the Plan's unfunded vested benefits for Plan Years ending August 31, 1981, or later, as determined under Paragraph VI(2) below; plus

(b) the employer's proportional share, if any, of the unamortized amount of the Plan's unfunded vested benefits at the end of the Plan Year ended on August 31, 1980, as determined under Paragraph VI(3) below; plus

(c) the employer's proportional share of the unamortized amounts of the reallocated unfunded vested benefits, if any, as determined under Paragraph VI(4) below.

If the sum of the amounts determined with respect to the employer under Paragraphs (a), (b) and (c) noted above is negative, the unfunded vested benefits allocable to the employer shall be zero.

(2) What is an employer's proportional share of the unamortized amount of the change in the Plan's unfunded vested benefits for Plan Years ending August 31, 1981 and later?

It is the sum of the employer's proportional shares of the unamortized amount of the change in unfunded vested benefits for each Plan Year in which the employer had an obligation to contribute under the Plan ending

- on and after August 31, 1981, and
- before the Plan Year in which the employer withdraws.

(a) The change in the Plan's unfunded vested benefits for a Plan Year is the amount by which the unfunded vested benefits at the end of the Plan Year, exceeds the sum of

  - the unamortized amount of the unfunded vested benefits for the Plan Year ended August 31, 1980; and
  - the sum of the unamortized amounts of the change in unfunded vested benefits for each Plan Year ending August 31, 1981 and later and preceding the Plan Year for which the change is determined.

  Such sum shall not be less than zero.

(b) The unamortized amount of the change in the Plan's unfunded vested benefits with respect to the Plan Year is the change in unfunded vested benefits for the Plan Year, reduced by five percent of such change for each succeeding Plan Year.

(c) The unamortized amount of the unfunded vested benefits for the Plan Year ended August 31, 1980, is the amount of the unfunded vested benefits as of the end of that Plan Year reduced by five percent of such amount for each succeeding Plan Year.

(d) An employer's proportional share of the unamortized amount of a change in unfunded vested benefits is the product of the unamortized amount of such change (as of the end of the Plan Year preceding the Plan Year in which the employer withdraws) multiplied by a fraction:

(i) the numerator of which is the sum of the contributions required to be made under the Plan by the employer for the Plan Year in which such change arose and for the four preceding Plan Years; and

(ii) the denominator of which is the total adjusted employer contributions to the Plan with respect to the Plan Year in which the change or reallocation arose and the 4 preceding Plan Years ("Apportionment Base Period"), determined as follows:

(A) The total contributions by an employer means the amounts considered contributed to the Plan for purposes of section 412(b)(3)(A) or section 431(b)(3)(A) of the Code, other than withdrawal liability payments or amounts that an employer is obligated to pay to the Plan pursuant to section 305(e)(7) of ERISA or section 432(e)(7) of the Code (automatic employer surcharge).

(B) Notwithstanding paragraph (A), with respect to any Plan Year ended on or before August 31, 1980, the total employer contributions shall be as reported in the audited financial statements of the Plan for those Plan Years. The total for any Plan Year ending after August 31, 1980, shall be reduced by the amount of any employer contributions included, consistent with these provisions, in any previous annual total.

(C) The total adjusted employer contributions shall be the total employer contributions with respect to the Apportionment Base Period, determined under paragraphs (A) and (B), reduced by any contributions otherwise included in the total that were made by (1) a significant employer that was not obligated to contribute to the Plan in the Plan Year in which the change or reallocation arose, or (2) any employer to which a demand for payment of withdrawal liability was made by the Plan within the Apportionment Base Period. For this purpose, "significant employer" means an employer to which the Plan has sent a notice of withdrawal liability under section 4219 of ERISA.

(3) What is an employer's proportional share of the unamortized amount of the Plan's unfunded vested benefits for the Plan Year ended August 31, 1980? Zero. The Plan had no unfunded vested benefits as of August 31, 1980.

(4) What is an employer's proportional share of the unamortized amount of the reallocated unfunded vested benefits?

It is the sum of the employer's proportional share of the unamortized amount of the reallocated unfunded vested benefits for each Plan Year ending before the Plan Year in which the employer withdrew from the Plan.

(a) What is the reallocated unfunded vested benefits for a Plan Year?

Except as may be otherwise provided in regulations adopted by the Pension Benefit Guaranty Corporation ("PBGC"), it is the sum of

- any amount which the Trustees determine in that Plan Year to be uncollectible for reasons arising out of cases or proceedings under Title 11, United States Code, or similar proceedings;

- any amount which the Trustees determine in that Plan Year will not be assessed as a result of the de minimis reduction,

the 20 year cap limitation, the bona fide sale of assets dollar limitation under ERISA section 4225(a), or the insolvency dollar limitation under ERISA section 4225(b); and

- any amount which the Trustees determine to be uncollectible or unassessable in that Plan Year for other reasons under standards not inconsistent with regulations prescribed by the PBGC.

(b) What is the unamortized amount of the reallocated unfunded vested benefits with respect to a Plan Year?

It is the reallocated unfunded vested benefits for the Plan Year, reduced by five percent of such reallocated unfunded vested benefits for each succeeding Plan Year.

(c) What is an employer's proportional share of the unamortized amount of the reallocated unfunded vested benefits with respect to a Plan Year?

It is the product of the unamortized amount of the reallocated unfunded vested benefits (as of the end of the Plan Year preceding the Plan Year in which the employer withdraws) multiplied by the fraction defined in item VI(2)(d).

VIII. DE MINIMIS REDUCTION OF WITHDRAWAL LIABILITY

The unfunded vested benefits allocable to an employer who withdraws from the Plan shall be reduced by the smaller of:

- 3/4 of 1% of the Plan's unfunded vested benefits (determined as of the end of the Plan Year ending before the date of withdrawal); or

- $50,000,

In each case, reduced by any amount by which the unfunded vested benefits allowable to the Employer, determined without regard to the above reduction, exceeds $100,000.

IX. COMPUTATION OF LIABILITY FOR PARTIAL WITHDRAWAL

What is the amount of the employer's liability for a partial withdrawal, before application of any reduction limitations? It is equal to the product of:

(a) The amount determined as if the employer had completely withdrawn from the Plan, and adjusted if appropriate under the de minimis reduction;

- on the date of the partial withdrawal; or
- in the case of a partial withdrawal relating to a 70% contribution decline, on the last day of the first Plan Year in the three-year testing period.

(b) This amount is multiplied by a fraction which is 1 minus a fraction

- the numerator of which is the employer's contribution base units for the Plan Year following the Plan Year in which the partial withdrawal occurs; and
- the denominator of which is the average of the employer's contribution based units for the five Plan Years immediately preceding the Plan Year in which the partial withdrawal occurs. In the case of a partial withdrawal relating to a 70% contribution decline, it is the five Plan Years immediately preceding the beginning of the three-year testing period.

(c) What happens in the case of an employer that has liability for a partial withdrawal from the Plan and there is a further withdrawal?

Any withdrawal liability of that employer for a partial or complete withdrawal from that Plan in a subsequent Plan Year shall be reduced by the amount of any partial withdrawal liability (reduced by any abatement or reduction of such liability) of the employer with respect to the Plan for a previous Plan Year in accordance with PBGC regulations for the adjustment of liability for a withdrawal subsequent to a partial withdrawal (PBGC Regulation sections 4206.1 et seq.).

X. NOTICE AND REVIEW OF ASSESSMENT

(a) An employer shall, within 30 days after a written request from the Trustees, furnish such information as the Trustees reasonably determine is necessary to enable the Trustees to comply with ERISA.

(b) As soon as practicable after an employer's complete or partial withdrawal, the Trustees shall:

(i) notify the employer of

- the amount of the liability, and

- the schedule for liability payments, and

(ii) demand payment in accordance with the schedule.

(c) No later than 90 days after the employer receives the notice described in Paragraph (b) above, the employer may

- ask the Trustees to review any specific matter relating to the determination of the employer's liability and schedule of payments;

- identify any inaccuracy in the determination of the amount of unfunded vested benefits allocable to the employer; and

- furnish any additional relevant information to the Trustees.

(d) After a reasonable review of any matter raised, the Trustees shall notify the employer of

- the Trustees' decision;

- the basis for the decision; and

- the reason for any change in the determination of the employer's liability or schedule of liability payments.

(e) An employer shall pay the amount determined by the Trustees as the employer's withdrawal liability over the period of years necessary to

amortize the amount in level annual installments. The annual installments shall be calculated as if the first payment were made on the first day of the Plan Year following the Plan Year in which the withdrawal occurs and as if each subsequent payment were made on the first day of each subsequent Plan Year. The determination of the amortized period shall be based on the assumptions used for the most recent actuarial valuation of the Plan.

(f) The amount of each annual payment shall be the product of

- the average annual number of contribution hours for the three consecutive Plan Years in which the number of contribution hours for which the employer had an obligation to contribute under the Plan were the highest (during the ten consecutive Plan Years ending before the Plan Year in which the withdrawal occurs); and

- the highest contribution rate at which the employer had an obligation to contribute under the Plan during the ten Plan Years ending with the Plan Year in which the withdrawal occurs.

(g) In any case in which the amortization period exceeds 20 years (other than in the event of a mass employer withdrawal) the employer's liability shall be limited to the first 20 annual payments.

(h) In the case of a partial withdrawal, the amount of each annual payment shall be the product of the amount determined under Paragraph X(f) multiplied by the fraction determined under Paragraph IX(b).

(i) Withdrawal liability shall be payable in accordance with the schedule established by the Trustees no later than 60 days after the date of the Trustees' demand for payment, notwithstanding any request for review or appeal of determinations of the amount of such liability or of the schedule.

(j) Each annual payment shall be payable in 4 equal installments due quarterly on the first business day of each quarter. If payment is not made when due, interest shall be charged or credited for each calendar quarter at an annual rate equal to the average quoted prime rate on short-term commercial loans for the fifteenth day (or next business day if the fifteenth day is not a business day) of the month preceding the beginning of each calendar quarter, as reported by the Board of Governors of the Federal Reserve System in Statistical Release H.15 ("Selected Interest Rates").

(k) In the event of a default, the Trustees may require immediate payment of the outstanding amount of an employer's withdrawal liability, plus accrued interest on the total outstanding liability from the due date of the first payment which was not timely made plus liquidated damages in an amount equal to the greater of the interest on the unpaid payment or the amount of 20% of the total outstanding liability.

(l) Default shall mean the failure of an employer to make a payment on time and if it fails to make the payment within 60 days after it receives written notification of such failure from the Trustees. Default also means any other event which occurs that the Trustees reasonably believe indicates a substantial likelihood that an employer will be unable to pay the employer's withdrawal liability. Some examples of such events are as follows:

   (i) The Employer dies, ceases to exist, becomes insolvent or is the subject of bankruptcy or insolvency proceedings under state or federal law.

   (ii) The Employer files a petition in bankruptcy.

   (iii) Negotiations by the Employer for the sale of all or substantially all of its assets.

   (iv) Actual or imminent assignment for benefit of creditors or initiation of bulk sale proceeding involving the Employer.

   (v) A surety or guarantee of the Employer concerning the withdrawal liability experiences of any of the events described in items (i) through (iv) above.

   (vi) Any circumstances which in the judgment of the Trustees and in their discretion impair the credit standing of the Employer.

   (vii) The Employer upon request by the Trustees is unable to provide adequate assurance or security which the Trustees deem necessary to establish the likelihood of payment of the withdrawal payments. In lieu of accelerating withdrawal liability payments for a default, the Trustees may in their discretion require the Employer to furnish collateral or an indemnity bond up to 150% of the outstanding withdrawal liability payment. In the event the Trustees in good faith determine at any time that the Plan is insecure as to

the Employer's withdrawal payments, it may require the Employer to execute an agreement setting forth the terms of the withdrawal payments and providing collateral or bonding as mentioned above.

(n) Notwithstanding anything within this policy to the contrary, for purposes of determining the highest contribution rate at which an Employer was obligated to contribute to the Plan, any increase in an Employer's contribution rate (or other increase in contribution requirements) that is required or made in order to enable the Plan to meet the requirement of a funding improvement plan or rehabilitation plan shall be disregarded in determining the allocation of unfunded vested benefits to the Employer under section 4211 of ERISA and in determining the Employer's highest contribution rate, if such increase goes into effect on or after September 1, 2015. This exclusion shall cease to apply as of the expiration date of the collective bargaining agreement in effect when the Plan emerges from endangered or critical status; provided, however that it shall continue to be disregarded in determining the highest contribution rate for Plan Years during which the Plan was in endangered or critical status. Notwithstanding the foregoing, an Employer's highest contribution rate shall include any amount attributable to an increase in contribution requirements: (1) due to increased levels of work, employment, or periods for which compensation is provided, or (2) because of additional contributions used to provide an increase in benefits, including an increase in future benefit accruals permitted by Internal Revenue Code section 432(d)(1)(B) or (f)(1)(B).

In addition, any surcharges under subsection 432(e)(7) of the Internal Revenue Code shall be disregarded in determining the allocation of unfunded vested benefits to an Employer under section 4211 of ERISA and in determining the highest contribution rate under section 4219(c) ERISA.

XI. RESOLUTION OF DISPUTES

(a) Any dispute between an employer and the Trustees concerning a determination of withdrawal liability or withdrawal liability payments shall be resolved through arbitration. Either party may initiate the arbitration proceeding within a 60 day period after the earlier of

- the date of notification to the employer of the Trustees' decision concerning the employer's request for review relating to the determination of the employer's withdrawal liability; or

- 120 days after the date of the employer's request for such review relating to the determination of the employer's withdrawal liability.

The parties may jointly initiate arbitration within the 180 day period after the date of the Trustees' demand for payment.

(b) Notwithstanding section XI(a), the Trustees in their discretion may revise their initial withdrawal liability assessment. Any revised assessment shall supersede the initial or any other prior revised assessment and the Employer shall be subject to the obligations of the revised assessment. The Plan shall be entitled to retain all payments made pursuant to the prior assessment(s) and these payments will be taken into account when calculating the revised assessment(s).

(c) In the absence of PBGC regulations rendering the use of such rules impermissible, arbitration procedures shall be those established for such purpose by the American Arbitration Association ("AAA"). If PBGC regulations do not permit the use of AAA rules, then arbitrations shall be conducted in accordance with procedures established by the PBGC. An arbitration proceeding concerning a determination of withdrawal liability or withdrawal liability payments shall be conducted in accordance with procedures established by the PBGC.

(d) (i) For the purposes of such arbitration proceedings, any determination made by the Trustees concerning withdrawal liability or withdrawal liability payments is presumed correct unless the party contesting the determination shows by a preponderance of the evidence that the determination was unreasonable or clearly erroneous.

(ii) The Trustees' determination of a Plan's unfunded vested benefits for a Plan Year, is presumed correct unless a party contesting the determination shows by the preponderance of the evidence that

- the actuarial assumptions and methods used in the determination were, in the aggregate, unreasonable (taking

into account the experience of the Plan and reasonable expectations); or

- the Plan's actuary made a significant error in applying the actuarial assumptions or methods.

(e) The amounts demanded by the Trustees shall be due and owing on the date specified in the schedule prepared by the Trustees and the Trustees may bring an action for collection in a State or Federal Court of competent jurisdiction.

(f) Upon completion of the arbitration proceedings in favor of one of the parties, any party may bring an action, no later than 30 days after the issuance of the arbitrator's award, in an appropriate United States District Court to enforce, vacate, or modify the arbitrator's award.

(g) In any proceeding to enforce, vacate or modify an arbitrator's award, there shall be a presumption, rebuttable only by a clear preponderance of the evidence, that the findings of fact of the arbitrator were correct.

(h) Payments shall be made by an employer in accordance with the determinations of the Trustees until the arbitrator issues a final decision. Any necessary adjustments shall be made in accordance with the arbitrator's decision. If the employer fails to make timely payment in accordance with such final decision, the employer shall be treated as being delinquent in the making of a contribution required under the Plan (within the meaning of section 515 of ERISA).

(i) The Plan shall comply with employer requests for withdrawal liability estimates to the extent required by ERISA section 101(l). The Trustees are authorized to charge an employer for all or a portion of the costs incurred in preparing the estimate pursuant to rules to be adopted by the Trustees.

XII. INTERPRETATION. The above Plan rules concerning employer withdrawals and employer withdrawal liability shall be construed and interpreted in accordance with the ERISA's withdrawal liability rules set forth in sections 4201-4225 of ERISA and any related applicable guidance. If the rules in this policy and the technical legal language of ERISA sections 4201-4225 conflict, the rules within sections 4201-4225 of ERISA will control and be the final authority. Examples used within this rule are for illustrative

purposes only and shall not be interpreted as limiting the application of any withdrawal liability rule.

THESE RULES ARE SUBJECT TO MODIFICATION
AT THE TRUSTEES' DISCRETION AND IN
ACCORDANCE WITH THE PROCEDURES OF ERISA.

Adopted by the Trustees September 8, 2021