

### **Clarification of Notice of Critical Status of AMO Pension Plan:**

The "Notice of Critical Status" published in yesterday's edition of AMO Currents contained the IRS required notifications. It outlined the possible "worst case scenario" that could happen relating to "Adjustable Benefits". As has been previously published on Currents and in the AMO Newspaper and further stated by AMO President Tom Bethel and the Executive Director of the Pension Plan, Steve Nickerson, this is not the direction of the Plan Trustee recommended Rehabilitation Plan.

By IRS regulation, a Pension Plan considered to be in critical status is not permitted to pay lump sum benefits; this occurred with the AMO Plan effective October 1, 2009. However, all other forms of benefits remain in place until the effective date of the Rehabilitation Plan including the "20 and out" option. To give participants additional time to make possible retirement decisions, the recommended Rehabilitation Plan includes a provision allowing participants employed with an employer who has negotiated a collective bargaining agreement consistent with the terms of the Rehabilitation Plan, a sixty day (60) grace period within which to retire without a reduction in benefits. For those participants eligible for the "20 and out" option, this means you have until 60 days after the effective date of the Rehabilitation Plan to make this election – YOU DID NOT LOSE THE ABILITY TO ELECT THIS BENEFIT OPTION AS OF OCTOBER 1, 2009.

The Trustee recommended Rehabilitation Plan incorporates the following changes to the Pension Plan in addition to the elimination of the lump sum benefit:

- Eliminates all early retirement subsidies provided under the Regular Pension and Early Retirement Pension by reducing the benefit payable prior to age 65 to be actuarially equivalent to the benefit payable at age 65
- Eliminates cost of living adjustments for new retirees
- Eliminates all pre-retirement survivor benefits other than the pre-retirement surviving spouse benefit
- Eliminates the 60-month guarantee for new retirees
- Eliminates the 50% and 100% Joint and Survivor Pop-up Options

Retired participants are not affected by the Rehabilitation Plan; benefits in place will not change.

Collective bargaining agreements covering at least 75% of the active participants must be completed prior to the implementation of the Rehabilitation Plan. Therefore, the effective date is not known at this time. It is anticipated the Rehabilitation Plan will be implemented later in 2010. Additional updates will be communicated as we move toward the implementation of the Rehabilitation Plan.

October 1, 2009