

WESTERN STATES OFFICE AND PROFESSIONAL EMPLOYEES
PENSION FUND

PENSION PROTECTION ACT POLICY

Effective: June 6, 2012

1. **Policy Statement.**

This Pension Protection Act Policy ("Policy") is adopted by the Board of Trustees of Trustees ("Board") of the Western States Office and Professional Employees Pension Fund ("Plan") in order to establish uniform administrative rules for implementing Pension Protection Act requirements applicable to the Plan.

2. **Statement of Authority.**

This Policy is adopted pursuant to the Board's express and implied authority to administer the Plan and to implement the Pension Protection Act of 2006, and pursuant to: (a) the Employee Retirement Income Security Act of 1974, as amended; (b) common law; (c) the Trust Agreement ("Trust") for the Western States Office and Professional Employees Pension Fund; and (d) the Pension Protection Act of 2006.

3. **Employer Contribution Rules.**

The Pension Protection Act states that: (a) a plan in critical status must adopt a rehabilitation plan; and (b) during the rehabilitation plan adoption period the plan cannot accept a collective bargaining agreement that provides for a reduction in the level of contributions for any participant, suspends contributions for any period of service, or includes a new direct or indirect exclusion of younger or newly hired employees from participation.¹

The Board hereby adopts the above employer contribution rules as Board policy applicable during both the rehabilitation plan adoption period and during the rehabilitation period. The Board determines that these rules are necessary to implement the Pension Protection Act, protect the integrity and purposes of the rehabilitation plan and protect the Plan and Plan assets.

3.1 **New CBAs and CBA Amendments.** The Board will not accept either a new CBA or a CBA amendment that reduces the level of contributions for any participant, suspends contributions for any period of service, or includes a new direct or indirect exclusion of younger or newly hired employees from participation.

3.2 **Retroactive CBAs and CBA Amendments.** The Board will not accept a retroactive CBA or CBA amendment that reduces or eliminates employer contributions for participants with regard to hours the participants have already worked, suspends contributions for any period of service, or includes

¹ See IRC §432(f)(4) and IRC §432(d)(1)&(2).

WESTERN STATES OFFICE AND PROFESSIONAL EMPLOYEES
PENSION FUND

PENSION PROTECTION ACT POLICY

Effective: June 6, 2012

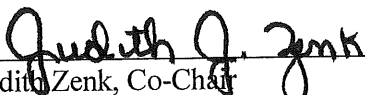
a new direct or indirect exclusion of younger or newly hired employees from participation.

3.3 **Employer Switches Between CBAs.** The Board will accept a new CBA (including a CBA amendment) when an employer switching between CBAs (i.e., the employer switches between master agreements), provided:

- a. The new CBA applies prospectively; and
- b. The employer contributions under the new CBA (both the base rate and the Supplemental Employer Contributions under the Rehabilitation Plan) are equal to or greater than the employer contributions under the old CBA.

4. **Authority to Modify Policy.** The Board may modify this Policy at any time. As used in the preceding sentence the term "modify" includes but is not limited to: interpretation, modification, extension, correction, amendment, suspension or termination.

Signed on behalf of the Board of Trustees:



Judith Zenk, Co-Chair

Date signed: 6-7-12



Michael Parmelee, Co-Chair

Date signed: 6-7-12

Adopted at the June 6, 2012, Board of Trustees meeting