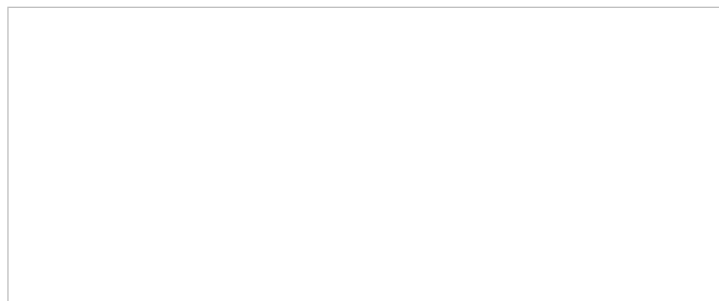




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Highlights

July 1, 2001

This bulletin highlights some of the changes and improvements to the Pension Plan. A Summary Plan Description will be mailed this year with the full, technical explanation.

3% Bonus Accrual Rate

The ongoing benefit accrual rate for the Plan is 2.5% of contributions. However, contributions from July 1, 2000 to June 30, 2002 are being credited at the bonus rate of 3%.

A Year of Vesting Service is Now 250 hours

If you work 250 hours, you now earn one year of vesting service (before it took 1,000 hours) and you can still earn additional credit in a year by working more than 2,000 hours.

Recapture of Forfeited Service

Participants who left the plan for a period before they vested and lost those years can now recapture the hours and contributions they lost.

Retirees' Receive Bonus

Retirees received a bonus check in the month of May 2001.

Plan Improvements Summarized

FORMULA FOR BENEFIT ACCRUAL IS INCREASED

Plan Year 2002 – Another Bonus Year at 3%

The ongoing benefit accrual rate for the Plan is 2.5% of contributions. However, as previously announced, contributions that were made for the current Plan Year are being credited at the bonus rate of 3%. Now, in addition to the bonus for the current Plan Year, contributions made between July 1, 2001 and June 30, 2002 will also be credited at the 3% bonus rate.

For example, if you have \$8,000 contributed for work between July 1, 2000 and June 30, 2001 and another \$8,000 for work between July 1, 2001 and June 30, 2002, you will earn a monthly benefit payment of \$240 for your service in each of those years (for a total of \$480), payable at your normal retirement age.

RULES FOR THE PERIOD BEFORE YOU BECOME VESTED ARE IMPROVED

Participation and Break-in-Service is now 250 Hours – Effective July 1, 2001

An employee working under the Plan becomes a “Participant” by working 250 hours in one Plan Year (the requirement prior to July 1, 2001 was 1,000 hours worked in one or two consecutive Plan Years).

A Participant will remain a Participant by working 250 hours each year (the requirement prior to July 1, 2001 was 500 hours to remain a Participant). If a Participant works fewer than 250 hours, then s/he will incur a break-in-service and have five (5) years to return to covered employment before incurring a permanent forfeiture. If you have questions about returning to work after a break-in-service, please review those rules on page five of your Summary Plan Description.

For those Participants currently in a break-in-service, working 250 hours in one (1) Plan Year prior to a permanent forfeiture will “heal” your break, even if the break was incurred prior to July 1, 2001.

Vesting Service Year Now 250 Hours – Effective July 1, 2001

Participants working toward the right to a non-forfeitable benefit will now earn one (1) full Year of Vesting Service for hours worked between 250 and 2,000 hours in a Plan Year. Hours worked under 250 in a Plan Year will also earn a proportional vesting credit, based on 1,000. Hours worked over 2,000 will earn an additional, proportionate vesting credit, based on 2,000.

Example: A Participant works as follows:

Plan Year	Hours Worked	Vesting Credit
PY2002	300	1.0
PY2003	200	.20
PY2004	1,000	1.0
PY2005	2,500	1.25
PY2006	250	1.0
<u>PY2007</u>	<u>400</u>	<u>1.0</u>
Total		5.45

In the above example, the Participant will be fully vested in the 6th year (PY2007) under the new July 1, 2001 vesting schedule.

The existing rules for Contributory Vesting Service and qualification for early unreduced retirement and the Rule of 80 are unchanged.

Plan Improvements Summarized

RECAPTURING LOST SERVICE NOW POSSIBLE

Recapturing Permanent Forfeitures – Effective July 1, 2001

If you became a Participant under the Plan, left before you vested and permanently forfeited those years of service, you can recapture permanently forfeited hours and benefit contributions. Participants and retirees who return to work, who work at least 500 hours in one of the three Plan Years beginning July 1, 2001, 2002, or 2003 will have their previously forfeited hours and benefit contributions recognized on a “dollar for dollar” and an “hour for hour” basis.

Example: A former Participant worked three (3) years under the Plan and then left covered employment. Because the former Participant did not return to work within a five (5) year period, as required by ERISA, the 7,500 hours he worked and his benefit derived from \$22,500 in employer contributions were permanently forfeited. With this Plan improvement, the former Participant can recapture the lost time if this individual returns to covered employment and works 500 hours in any one of the three Plan Years beginning July 1, 2001, 2002 or 2003. The recapture is on an “hour for hour” and “dollar for dollar” basis. Thus, if the individual works 7,500 hours after his return, this Participant will be credited with 15,000 hours (the 7,500 hours recently worked *plus* the 7,500 recaptured hours that had been forfeited) and for the first \$22,500 in Employer contributions made after his return to work, the Participant will be credited \$45,000 (\$22,500 for the contributions recently contributed *plus* \$22,500 recaptured contributions attributable to hours that had been forfeited). The recaptured contributions will be calculated using the Plan’s 2.5% accrual rate.

PAST SERVICE ADDED TO OVERLAY PLAN – Effective immediately, retroactive to July 1, 1999

In addition to the significant improvements to the benefits earned before July 1, 1990, the Board further announces that those Participants who were granted past service (credit for years before participation in the Plan began) will receive a monthly benefit equal to \$25 under the Overlay Plan for each year of past benefit service.

Example: A Participant was granted eight (8) years of past benefit service for his period of employment before his employer began making contributions to the Plan. If this Participant qualifies for the Overlay Plan benefits, he will also qualify for an additional \$200 (8 years x \$25) per month in benefits.

This enhanced benefit applies to Participants who retired after June 30, 1999 under the Overlay Plan. Staff has calculated the additional payments for those eligible for this improvement.

RETIREE RECEIVED BONUS IN MAY 2001

Retirees Receive Bonus Check

All retirees and beneficiaries who were entitled to a benefit payment on May 1, 2001, received a separate bonus check during the month of May equal to one-half of their monthly benefit amount.
