

PACE Industry Union-Management Pension Fund

REPORT OF SUMMARY PLAN INFORMATION

2013 Plan Year

In accordance with section 104(d) of the Employee Retirement Income Security Act), the Trustees of the PACE Industry Union-Management Pension Fund are providing the following Report of Summary Plan Information to unions that represent Plan participants and employers obligated to contribute to the Plan.

Except as otherwise specified, all information in this Report pertains to the plan year that began January 1, 2013 and ended December 31, 2013 ("Plan Year").

1. **Contribution Schedule and Benefit Formula Information.**

Participating employers contribute amounts based upon the contribution rates that have been agreed to in their collective bargaining agreements with the sponsoring union and participation agreements with the Plan. The collective bargaining agreements and participation agreements require contributions to the Plan at fixed rates per hour. Such contributions are required to be remitted to the Plan monthly. No employee contributions are permitted.

The Plan comprises several alternative programs that determine a participant's benefits as follows:

Programs A-G. Programs A-G provide for several different types of pension and other forms of benefits which are determined based on the participant's pension credits and benefit levels applicable to each participant. Programs A-G determine a participant's pension credit as follows:

Future Service Credit: Future service credit is based on hours of service in covered employment and generally includes all hours in covered employment which are paid by an employer. Subject to certain limitations, hours may also be credited for certain non-working periods.

Programs A, B, C, D, E & F: Participants receive one full year of future service credit for each calendar year in which they have at least 1,760 hours (effective January 1, 2011 this requirement increased to 2,040 hours) for which contributions are due from a contributing employer on their behalf. Participants may also receive a partial year of future service credit for calendar years in which they have less than 1,760 hours (effective January 1, 2011 this requirement increased to 2,040 hours for most participants).

Program G: Participants receive one full year of future service credit for each calendar year in which they have at least 1,800 hours (effective January 1, 2011 this requirement increased to 2,040 hours) for which contributions are due on their behalf. Participants may also receive a partial year of future service credit for calendar years in which they have less than 1,800 hours (effective January 1, 2011 this requirement increased to 2,040 hours).

Past Service Credit: Past service credit is pension credit for work performed before an employer started contributing to the Plan.

Programs A, B, C, D, E & F: Participants qualify for past service credit if they satisfy certain requirements. Subject to several restrictions, including type of eligible employment, participants may receive one year of past service credit for each calendar year in which they worked at least 1,200 hours in creditable employment. A partial year of past service credit for the calendar year in which covered employment or creditable employment starts may also be received. Under Programs A, B and C, past service is available for both vesting and pension credit purposes; under Programs D, E and F, on or after January 1, 1999, it is available only for vesting purposes.

Program G: Participants qualify for past service credit if they satisfy certain requirements. Subject to several restrictions, including type of eligible employment, participants may receive one year of past service credit for each calendar year in which they worked at least 150 days.

For employees of employers that begin participating in the Fund on or after January 1, 2006, past service credit is limited to time worked at the facility for which the employer makes contributions to the Fund, subject to limitations as determined by the Fund's actuary.

Please see the attached Exhibit A for a list of benefit levels and accrual rates as of January 1, 2013.

2. Number of Contributing Employers.

119 employers were obligated to contribute to the Plan for the Plan Year.

3. Employers Contributing More than 5%.

The employers listed below contributed more than 5% of total contributions to the Plan during the Plan Year:

Georgia Pacific Corporation
Clearwater Paper Corporation
Robert Wood Johnson University Hospital
Huhtamaki Americas Inc.
Rock-Tenn Company
Evergreen Packaging Inc.

4. Participants for Whom No Contributions Were Made.

The chart below sets out, for the 2013, 2012, and 2011 Plan Years, the number of participants with respect to whom no employer contributions were made by an employer as the participant's employer:

	2013 Plan Year	2012 Plan Year	2011 Plan Year
Participants	14,800	14,518	14,308

5. Plan Funding Status.

The Plan was certified in "critical" status (as defined by ERISA section 305) for the Plan Year.

(a) Steps Taken to Improve Funding Status.

The Fund has taken the following steps to improve its funding status:

The Fund was certified to be in Critical Status on March 31, 2010. The Board of Trustees sent a Notice of Critical Status, advising, in part, that (1) the Fund was in Critical Status for the 2010 Plan Year and did not emerge from Critical Status; (2) suspended the payment of all non-level benefits previously available under the Plan, including lump sum benefits and employers participating in the Fund were obligated to pay a 5% contribution surcharge effective with respect to contributions owed for work performed on and after June 1, 2010, which increased to 10% on January 1, 2011.

As required by law, the Fund's Board of Trustees also adopted a Rehabilitation Plan, effective July 19, 2010. The Rehabilitation Plan contains a Schedule of increases in contributions and reductions in future benefits intended for the Fund to improve the Plan's funding status.

The Fund continued to be in Critical Status for the Plan Year and a Notice of Critical Status was sent accordingly. The Board of Trustees updated the Rehabilitation Plan for the Plan Year as required by law. The Board of Trustees will continue to review the Fund's Rehabilitation Plan, including the Schedule, as required by law, and will update the Rehabilitation Plan as required by law to make adequate progress, to the extent reasonable based on financial markets activity and other relevant factors, toward enabling the Fund to emerge from critical status by the end of its rehabilitation period, or a later date or to forestall insolvency, if the Trustees determine, based on reasonable actuarial assumptions and upon the exhaustion of all reasonable measures, that the Fund cannot reasonably be expected to emerge from critical status by the end of its rehabilitation period.

(b) How to Obtain Information.

You may obtain a copy of the Rehabilitation Plan (including the update) and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by submitting a written request to:

Plan Administrator
PACE Industry Union-Management Pension Fund
3320 Perimeter Hill Drive
Nashville, TN 37211-4123

6. Number of Employers That Withdrew in Preceding Plan Year.

During the 2012 plan year, 15 employers withdrew from the Plan.

As reported on the Form 5500 for the Plan Year, the actual or estimated amount of employer withdrawal liability assessed was \$158,954,070.

7. Transaction Information.

The Plan did not merge with another plan and did not receive a transfer of the assets and liabilities of any other plan during the Plan Year.

8. Amortization Extension or Shortfall Funding Method Information.

The Plan did not apply for or receive an amortization extension under ERISA §304(d) or Code §431(d) for the Plan Year. The Plan did not use the shortfall funding method (as described in ERISA §305) for the Plan Year.

9. Right to Additional Information.

Any contributing employer or participating union under the Plan may request from the Plan Administrator, in writing, a copy of any of the documents listed below, but not more than one time during any one 12-month period. The administrator may charge a reasonable amount to cover the cost of providing the document requested.

- The Plan's Form 5500 for the Plan Year.
- The Plan's Summary Plan Description.
- Any Summaries of Material Modification to the Plan.