

**SUMMARY OF MATERIAL MODIFICATIONS
TO YOUR PENSION PLAN**

TO: Active and Terminated Participants, and Retirees, of the N. Y. Backstretch Employees Pension Plan (the "Pension Plan")

FROM: The Pension Plan Administrator

DATE: August 1, 2016

RE: Changes to Your Pension Plan

This notice is intended to be a Summary of Material Modifications ("SMM") to the Pension Plan's Summary Plan Description ("SPD") dated January 1, 2014. It describes changes to the information presented in the SPD booklet effective January 1, 2016 and June 15, 2016.

You should read this SMM carefully. If you have any questions, please see the Pension Plan Administrator, Ms. Carletta Pizzorno, in the Pension Office, or call her at (516) 488-4220. Please keep this SMM with your SPD booklet for future reference.

1. The paragraph called "Early Retirement Pension" on pages 9 and 10 of the SPD under the CALCULATING YOUR PENSION section is replaced with the following effective January 1, 2016:

Early Retirement Pension

You may retire at or after age 62 if you have completed at least 10 Credited Years of Service, and stopped working in covered employment at a NYRA racetrack. Your early retirement pension is calculated in the same manner as the normal retirement pension but your monthly benefit will be reduced to reflect the longer period that you will be collecting your benefit (1/180 for each month your commencement date precedes your Normal Retirement Date).

If you take early retirement and return to work in covered employment, your benefit payments will continue. Upon your subsequent retirement, your benefit payments will be adjusted to reflect your additional Credited Years of Service. You are strongly encouraged to inform the Plan Administrator if you return to work in covered employment so that you receive the proper credit for your additional time worked. If you complete at least an additional five (5) Credited Years of Service without a Break in Service following your reemployment, your pension will be recalculated based on the benefit level in effect on the date of your subsequent retirement, if higher. If you don't complete an additional five (5) Credited Years of Service without a Break in Service following your reemployment, your pension may still be recalculated at more than one benefit level (see later discussion in the Terminated Vested Pension section).

2. The section called "PAYMENT FORMS" on pages 12 through 14 of the SPD is replaced with the following effective January 1, 2016:

PAYMENT FORMS

Normal Forms

Life Annuity: If you are lawfully unmarried at the time you retire (or are lawfully married for less than 12-months), you will receive payment of your pension in the form of a monthly benefit for the rest of your life, unless you elect one of the optional methods described below. Under this payment form, payments will stop when you die. This is called a Life Annuity.

Qualified Joint and 50% Survivor Annuity: If you are lawfully married for at least 12-months when you retire, you will receive a reduced monthly income for as long as you live with a survivor benefit payable to your spouse for his or her life after you die, if he or she survives you, equal to 50 percent of the amount you were receiving, unless you elect, with your spouse's consent, one of the optional methods described below. This is called a Qualified Joint and 50% Survivor Annuity. Your own monthly benefit will be reduced to provide for the fact that payment is anticipated to be made over two lives (yours and your spouse's). The amount of the reduction depends on your age and the age of your spouse at your commencement date.

Optional Methods

The Life Annuity if you are unmarried (or are married for less than 12-months), and the Qualified Joint and 50% Survivor Annuity if you are married for at least 12-months, are the usual ways of paying out benefits. If you wish, you can select one of the optional forms of payment listed below. To do so, you must make a written election on the forms provided by the Plan Administrator during the 180-day election period prior to the commencement of your retirement benefits. If you are married for at least 12-months, your spouse will have to give his or her notarized consent in writing to waive the Qualified Joint and 50% Survivor Annuity, and to elect a different benefit form (unless you are electing the Joint and 75% Survivor Annuity) or to designate a beneficiary other than your spouse.

Joint and 75% Survivor Annuity: If you are married for at least 12-months when you retire, this option pays you a reduced benefit for life, and after you die, your spouse, if he or she survives you, will receive 75% of the amount you received for the remainder of his or her life. Your own benefit is reduced to provide for payments anticipated to be made over two lives. The amount of the reduction depends on your age and the age of your spouse at your commencement date. Because 75% of your benefit is payable to your spouse after you die, the reduction in your benefit under the Joint and 75% Survivor Annuity is greater than under the Qualified Joint and 50% Survivor Annuity.

Life Annuity: This option will pay you a monthly benefit for the rest of your life. No payments will be made to anyone after your death. This is the normal payment form if you are unmarried when you retire (or are married for less than 12-months), but an optional payment form if you are married for at least 12-months when you retire.

10 Year Certain Annuity: This option is available whether you are married or unmarried when you retire, and pays you a reduced benefit for your life, but guarantees at least a 10-year payment term. For example, if you elect the 10 Year Certain Annuity and die at the end of four (4) years, the benefits would continue to your designated beneficiary for six (6) more years. If you elect to receive payments under this method, your benefit will be reduced to cover the cost of the guarantee.

Contingent Annuity: This option is available whether you are married or unmarried when you retire, and under this option you will receive a reduced monthly income for as long as you live, with your designated beneficiary receiving 50% of the amount you received for the remainder of his or her life after you die. Your own monthly benefit will be reduced to provide for the fact that two lives are involved. The amount of the reduction depends on your age and the age of your designated beneficiary at your commencement date.

You may not change your beneficiary or form of payment after benefits commence even if your spouse or other beneficiary dies before you or you become divorced.

3. The following reflects, as of June 15, 2016, the members of the Board of Trustees and replaces the list of such members on page 16 of the SPD and on page 2 of the SMM dated August 15, 2015:

7. **Board of Trustees**

(Same address as above)

Jack Brothers
Kenneth DeMarinis
David Donk
Marc Keller
Patrick J. Kelly
Donald R. Larkin
William Parsons, Jr.
Peter G. Schiff

Stephen DiMauro (*Trustee Emeritus*)

4. The following reflects, as of June 15, 2016, the members of the Trainers Committee and replaces the list of such members on page 16 of the SPD:

8. **Trainers Committee**

(Same address as above)

Gregory DiPrima
B.G. Dunham
James Ferraro
John Hertler
Mark Hennig
Michael Miceli
Robert Ribauda