Your Retirement Goals

Most of us look forward to the time when we can relax and enjoy the freedom of retirement. But it is becoming harder for individuals to retire with income from Social Security and savings alone. That is why a pension plan is such an important part of your benefits program.

Packaging Corporation of America ("PCA" or the "Company") established the Packaging Corporation of America Hourly Pension Plan (the "Plan") and pays the full cost of the Plan. In general, the longer your period of service with the Company, the greater the amount of benefits that will be paid to you. Together with your Social Security benefits and your savings, your pension benefits can help provide a secure income for your retirement years. In addition to retirement benefits, if you meet certain eligibility requirements, the Plan may also pay benefits if you become disabled or if you die.

Whether you are approaching retirement or just starting your career with the Company, it is a good idea to have a general understanding of how your pension plan works. This booklet is intended to provide you with that information.

This booklet summarizes the Plan in non-technical language. Every effort has been made to follow the official documents that define the Plan. However, if there is a disagreement between this booklet and the Plan documents, the documents always govern.

If you have any questions after reading this material, contact the PCA Benefits Center at 1-877-453-0945. Benefits Center Representatives are available from 8:00am to 5:00pm Central Time, Monday through Friday. You should have your Social Security number and Password available to access your information or speak with a representative. You may receive estimated benefit calculations through the interactive voice response system, also at 1-877-453-0945.

You will find a special Supplement at the back of this booklet. It is important that you review the information provided in the Supplement because it describes additional Plan details that apply to you.

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Participating in the Plan

Generally, your participation in the Plan begins automatically after you work for the Company for one year. The Company pays the full cost of the Plan.

Plan Participation

Generally, you are eligible to participate in the Plan if you are an hourly employee who is credited with at least one year of eligibility service and you are a member of one of the employee groups listed in the Supplement at the back of this booklet. If you are eligible, participation begins on the later of:

- Your location's effective date; or
- The first day of the calendar month that coincides with or is after the date you complete one year of eligibility service.

Check the Supplement at the back of this booklet for your location's effective date.

Once you are eligible, your participation in the Plan is automatic. There is no need to enroll.

Plan Cost

The Company pays the full cost of your pension plan. The amount of the Company's contributions is determined with the help of an actuary who determines how much money the Company must contribute to a special pension fund to cover benefits provided by the Plan.

Special eligibility rules may apply to some employee groups. If so, those rules are described in the Supplement at the back of this booklet.

The assets of the pension fund are held in a trust (the "Trust"). Under current laws, the money in the Trust can be used only to pay benefits and administrative costs of the Plan and cannot be returned to the Company unless all benefit obligations have been met. The Trustee makes all payments from the Plan.

Leased Employees, Contract Employees, and Independent Contractors

Leased employees are persons hired by the Company through an agreement with a leasing organization. Contract employees and independent contractors provide services to the Company under a contract or agreement with the Company. You are not eligible to participate in the Plan if you are a leased employee, contract employee, independent contractor, or any other individual who performs services for the Company and who is not treated as an employee by the Company, even if a court, administrative agency, or other entity determines that you are a common law employee.

What Service Means

The length of your service determines your eligibility to receive Plan benefits and the amount of your benefit.

Generally, service means the length of time you work for the Company. But service under the pension plan is counted in a special way.

> Elapsed time is used to determine your eligibility service, vesting service, and benefit service.

Eligibility Service

Eligibility service is calculated in years and fractions of a year from the first day you are credited with an hour of service to the date your employment with the Company terminates.

> Eligibility service is used to determine when you can begin participating in the Plan. However, special eligibility rules may apply to some employee groups. If so, those rules are described in the Supplement at the back of this booklet.

Vesting Service

Vesting service is calculated in full years from the first day you are credited with an hour of service to the date your employment with the Company terminates.

> Vesting service is used to determine your eligibility to receive Plan benefits. However, special rules may apply to some employee groups. See the Supplement at the back of this booklet for additional information.

Benefit Service

In general, the greater the number of years of benefit service credited to you, the greater the amount of benefit that will be paid to you.

In most cases, once you become a Plan participant, benefit service is counted in full years and fractions of a year retroactively from the day you became an eligible employee.

> Benefit service is one of the factors used to determine the amount of your pension benefit. However, special rules may apply to some employee groups. If so, those rules are described in the Supplement at the back of this booklet.

Hours of Service

You earn an hour of service for each hour you are:

- Paid for actively working;
- Absent from work for military service (as long as you are reemployed under laws governing veterans' reemployment rights), limited to each hour of the normally-scheduled work-week;
- Directly or indirectly paid for time away from work due to vacation, holidays, illness, incapacity (including disability), layoff, jury duty, military duty, or approved leave of absence; or
- Entitled to back pay.

Break in Service

You have a break in service on:

- The date you quit, are discharged, or retire, or
- The first day of your leave if you do not return to work within the specified time after military duty or any other approved leave of absence.

> Special break in service rules may apply to some employee groups. If so, those rules are described in the Supplement at the back of this booklet.

If you have a break in service from the Company on or after April 12, 1999, and you return to work for the Company, the eligibility service, vesting service and benefit service you had earned while at the Company before your break will be restored if:

- You returned to work before you had a one-year break in service;
- You had incurred a one-year break in service and you were vested or already eligible to receive benefits under the Plan; or
- You were not vested when you left the Company and the length of the break in service was less than five years.

If you lose your service credit and you do not satisfy the rules described above for restoring service credit, and you later return to the employ of the Company, you will begin earning eligibility, vesting and benefit service again as if you were a new employee.

Maternity/Paternity Leaves of Absence

You will receive service credit, according to the Company's policies, if you are on an authorized leave of absence because of:

- Your pregnancy;
- The birth of your child;
- Your adoption of a child; or
- Caring for your child immediately following birth or adoption.

Other Leaves of Absence

You will earn service as determined by the Company's policy if you are on an approved leave of absence.

Leave of Absence for Military Service

You will receive service credit for periods of military service as required by law.

How to Calculate Benefits

Plan benefits are calculated based on a formula.

The plan formula is designed to reward long-service employees with greater pension benefits.

Under the formula, your pension benefit will be:

The benefit rate in effect when you stop participating as a member of your current employee group

MULTIPLIED BY

Your years of benefit service

If you transfer to a different participating group (at another location, for example), that group may have a different benefit rate and your future benefits may be affected either positively or negatively. In neither case, however, will the benefit earned as of your date of transfer be reduced.

> See the Supplement at the back of this booklet for the benefit rates that apply to your employee group, along with an explanation of any offsets that may apply.

The formula determines the amount of benefit you would receive each month if you retired and started receiving benefit payments at your normal retirement age. The formula also assumes a benefit payable for your lifetime only. When you retire, other payment methods may be available. For more information on payment methods, see the **"How To Receive Plan Payments"** section of this booklet.

When You Can Retire

Under the Plan, you may choose when to retire.

Normal Retirement

> Additional rules may apply to some employee groups. If so, those rules are described in the Supplement at the back of this booklet.

If your employment with the Company terminates when you reach your normal retirement age, you may choose to begin receiving Plan payments as of your normal retirement date. Your benefits will be calculated under the formula described in the **"How to Calculate Benefits"** section of this booklet.

Your normal retirement age is generally age 65. Your normal retirement date is generally the first day of the calendar month that coincides with or is after the date you attain age 65.

Early Retirement

> You may retire early if you meet the age and service requirements set forth in the Supplement at the back of this booklet.

If your employment with the Company terminates before you reach your normal retirement age but after you have attained your early retirement age, you may be eligible to receive early retirement benefits. You may begin receiving benefit payments on the first day of the calendar month that coincides with or follows the date your employment with the Company terminates. You may also delay the start of benefit payments until your normal retirement date.

Your early retirement benefit is calculated in the same way as your normal retirement benefit, based on your years of benefit service, the benefit rate in effect when your participation in the Plan ceases, and the Plan provisions in effect on your early retirement date. However, if you file an application for benefits and you choose to have payments begin before you reach age 65, your payments will be reduced to stretch your benefits over a longer payment period.

> If retirement payments begin before you reach age 65, they will be reduced as described in the Supplement at the back of this booklet.

Your early retirement age is the date you satisfy the age and service requirements set forth in the Supplement at the back of this booklet.

If You Become Disabled

If you become disabled, you may be eligible to receive benefits from the Plan.

Total and Permanent Disability

You *may* be eligible to receive disability benefits from the Plan if you become disabled while you are an active employee. *You also must meet any other requirements outlined in the Supplement at the back of this booklet to be eligible for disability benefits from the Plan.*

You are generally eligible for disability benefits if your employment with the Company terminates because of a disability, the termination occurs after you satisfy the age and service requirements set forth in the Supplement at the back of this booklet, you are disabled for at least 6 months and you have exhausted all of your Company short term disability income benefits.

In addition, to qualify for disability benefits, you must be totally and permanently disabled. You are totally and permanently disabled if you are unable to work in *any* occupation for wage or profit as the result of a bodily injury or disease or a mental disorder. If your disability is due to a mental disorder, you are required to show legal proof of mental incompetence. To receive disability pension benefits, your disability must be continuous and permanent and you must have exhausted all Company-provided short - term disability income benefits.

You are not eligible for disability retirement benefits if your disability is the result of:

- Service in the armed forces of any country;
- Employment with any other organization or employer;
- Participation in a fight, riot, or criminal activity;
- Frequent use of alcohol or drugs; or
- Intentional self-inflicted injuries.

You may be required to provide proof of continuing disability from time to time. If the Company asks you to take a physical exam and you refuse, benefits can be canceled.

How Your Disability Benefit Is Calculated

Your monthly disability benefit is calculated in the same way as your normal retirement benefit, using your years of benefit service and the benefit rate in effect at the time of your disability.

Disability benefits begin on the first day of the month following six months of disability, or, if later, benefits begin on the first day of the month after the Company approves your application for benefits.

Duration of Disability Benefits

Your disability benefit will be payable until the earlier of

- Your attainment of normal retirement age;
- Your death;
- Your recovery from the disability before your normal retirement date;
- Your failure to provide proof of continuing disability; or
- Your engagement in gainful employment except for purposes of vocational rehabilitation.

Once you are eligible for early, normal, or deferred vested benefits, you may elect to convert your disability benefits to retirement benefits and choose one of the payment methods described in the **"How to Receive Plan Payments"** section of this booklet. To convert your disability benefits to retirement benefits, call the PCA Benefits Center at 1-877-453-0945.

If You Recover

If you recover from your disability and return to work before your normal retirement date, any benefit service you earned before your disability will be restored. You will begin to earn benefit service again from the date of your reemployment.

If you recover and do not return to work, your benefit at retirement will be calculated using the benefit service you earned before the date of your disability.

If You Die

If you die and you had at least five years of vesting service when you became disabled, preretirement death benefits may be payable to your surviving spouse.

If you die before you are eligible for early retirement benefits or deferred vested benefits, payments to your surviving spouse may begin as early as the date you would have first been eligible for early retirement benefits or deferred vested benefits. Your spouse may elect to begin receiving preretirement benefits at a later date, but no later than the first day of the month that coincides with or is after the date you would have reached age 65, or if later, the first day of the month after the month in which you die. Generally, your spouse will receive a larger benefit if he or she defers the start of payments until your normal retirement age.

For more information, see the **"Protection for Your Spouse"** section of this booklet.

If You Leave Before Retirement

Even if you leave the Company before you reach your normal retirement age or your early retirement age, you will still be eligible for a Plan benefit as long as you have at least five years of vesting service.

Deferred Vested Benefit

The amount of your deferred vested benefit is determined in the same manner as your normal retirement benefit, using your years of benefit service, the benefit rate in effect on the date you stop participating in the Plan, and the Plan provisions in effect on the date that you leave.

> If you leave the Company for any reason after you have five or more years of vesting service, but before you qualify for a normal retirement benefit or an early retirement benefit, you will be eligible to receive a pension benefit starting at age 65, or earlier if you are eligible.

Payments usually begin when you reach age 65, as long as you have filed an application for benefits. However, if you are eligible and you meet the requirements set forth in the Supplement at the back of this booklet, you may choose to receive your deferred vested benefit earlier. However, benefits that are paid before age 65 will be reduced to reflect the longer payment period, as described in the Supplement at the back of this booklet.

When Benefits Are Not Paid

Generally, no benefits are payable if you leave the Company before you have five years of vesting service, since you are not vested in the Plan.

How to Receive Plan Payments

You can choose the form in which your benefit will be paid. When you decide to retire and initiate your pension benefits, call the PCA Benefits Center at 1-877-453-0945. You should call at least 45 days, but no more than 90 days, before the date you wish to begin receiving payments.

The Plan allows you to choose the form in which your benefits will be paid.

If you are married, your standard payment method is the Joint and 50% Spouse Annuity.

If you are single, your standard payment method is the Single Life Annuity.

> The standard payment method, which applies to you, depends on your marital status.

If you want to choose an optional payment method instead of your standard payment method, you must reject your standard payment method in writing before it becomes effective. You must make this election during the 90-day period ending on the date your benefits will begin, or, if later, during the 30-day period after the notice describing your standard payment method and the effect of an election to reject the standard payment method is provided to you.

If you are married and you elect payment under any method other than the Joint and 50% Spouse Annuity, your spouse must consent to the change by signing an election form in the presence of a notary public or a designated Plan representative.

Standard Payment Methods

Two standard payment methods are provided under the Plan:

Joint and 50% Spouse Annuity. The Joint and 50% Spouse Annuity is the standard payment method if you are married. The Joint and 50% Spouse Annuity pays you an income for life and provides continuing protection for your surviving spouse after your death. When you accept the Joint and 50% Spouse Annuity, you agree to receive a reduced benefit because payments are expected to be made over two lifetimes instead of one. If your spouse dies before you do but after payments begin, your benefit payments continue in the same amount. If you die before your spouse but after payments begin, 50% of your benefit under this option will be paid each month to your surviving spouse for the rest of his or her life.

Single Life Annuity. The Single Life Annuity is the standard payment method if you are single and may be chosen as an option if you are married. Under this method, benefits are paid to you monthly for your life. No benefits are paid after your death. The single life method pays the largest monthly amount because no payments are made after your death.

Optional Payment Methods

Instead of the standard methods described above, you may elect one of the optional payment methods described in the Supplement at the back of this booklet.

Payment of Small Amounts

If the present value of your normal retirement benefit is $5,000 or less, the Plan will pay the entire benefit to you in a lump sum. No additional benefits will be paid.

Any lump sum payment made from this Plan may be eligible for a direct rollover to another qualified retirement plan, an annuity plan under Section 403(a) of the Internal Revenue Code of 1986, as amended (the "Code"), an annuity contract under Section 403(b) of the Code, a governmental 457(b) plan that separately accounts for amounts transferred into such plan, an individual retirement account or an individual retirement annuity.

Choosing a Payment Method

The method you elect becomes effective on the date payments start. If your beneficiary dies before payments start, your election will automatically be canceled. You may designate a new beneficiary or elect a new method of payment, or both.

> You may choose or change payment methods at any time within 90 days before payments start, but not after payments begin.

If you are married and you die before payments begin, your spouse may receive benefits from the Plan as described in the **"Protection for Your Spouse"** section of this booklet.

Designating a Beneficiary

A beneficiary is the person to whom your benefits will be paid if you choose a payment method that continues benefits to someone else after your death. If you are married, your spouse automatically is your beneficiary. If you choose someone other than your spouse as your beneficiary, your spouse must consent to the change by signing the election form in the presence of a notary public or a designated Plan representative.

You should keep your beneficiary designation and your beneficiary's address up to date. To do so, call the PCA Benefits Center at 1-877-453-0945. In addition, if your beneficiary dies or if your marital status changes, you should call the PCA Benefits Center as soon as possible.

When Benefits Are Paid

Usually, your first payment will be made on the first day of the month that coincides with or is after the date you are eligible to receive a normal retirement benefit, an early retirement benefit or a deferred vested retirement benefit, as applicable. To avoid delay in the payment of benefits, you should file the necessary forms within 90 days before the date you want payments to begin.

You must begin receiving a distribution no later than April 1 of the calendar year that follows the year in which you attain age 70½, even if you have not terminated your employment.

Protection for Your Spouse

If you die before benefit payments begin, your spouse may be eligible to receive benefits from the Plan.

Who Is Eligible

In general, your spouse is eligible for benefits if, at the time of your death, you

- Were married for at least one year and
- Had at least five years of vesting service.

> Check the Supplement at the back of this booklet for information on special rules that may apply to your employee group and for applicable reduction factors.

How Your Spouse's Benefit Is Calculated

If you are married and you die before Plan payments begin, your spouse will receive a monthly benefit during his or her life. The benefit generally is equal to 50% of the amount you would have received under the Joint and 50% Spouse Annuity. Benefit amounts also depend on the date of your death:

- **Deferred Vested Early Retirement.** If you die after you attain age 55 and are credited with at least 10 years of vesting service (or otherwise satisfied the requirements for early retirement on the date of your death), benefits will be calculated as if you retired on the day before you died based on your years of benefit service and the benefit rate and Plan provisions in effect on the day before you died, or, if earlier, the date your employment with the Company terminated.

- **Early Retirement.** If you die after you met both the age and service requirements (and any other requirements set forth in the Supplement at the back of this booklet) for early retirement while employed by the Company, benefits will be calculated as if you retired on the day before you died based on your years of benefit service and the benefit rate and Plan provisions in effect on the day before you died, or if earlier, the date your employment with the Company terminated.

- **Normal Retirement.** If you die after you met both the age and service requirements (and any other requirements set forth in the Supplement at the back of this booklet) for normal retirement while employed by the Company, benefits will be calculated as if you retired on the day before you died based on your years of benefit service and the benefit rate and Plan provisions in effect on the day before you died, or if earlier, the date your employment with the Company terminated.

- **Deferred Vested Normal Retirement.** If you die after earning five years of vesting service, but before you are eligible to receive a normal retirement benefit, an early retirement benefit or a deferred vested early retirement benefit (as described above), benefits will be calculated as if your employment ended on the date of your death based on your years of benefit service and the benefit rate and Plan provisions in effect on the date of your death, or, if earlier, the date your employment with the Company terminated. Furthermore, benefits will be calculated as if you had died but deferred the start of payments to what would have been your earliest retirement age.

> Check the Supplement at the back of this booklet to find out when you are eligible for early retirement.

Payments to your spouse may begin as early as the date you would have first been eligible for normal, early or deferred vested early retirement, but assuming that you survived to the first day on which you could receive a normal, early or deferred vested retirement benefit and you retired on such day. However, your spouse can elect a later date that is no later than the first day of the month that coincides with or is after the date you would have reached age 65, or, if later, the first day of the calendar month that coincides with or is after the month in which you died. Generally, because payments are adjusted to reflect an early commencement date, your spouse will receive a larger benefit if he or she defers the start of payments until your normal retirement age.

If the value of your normal retirement benefit at the time of your death is $5,000 or less, the Plan will pay the entire benefit to your spouse in a lump sum. No additional benefits will be paid.

If You Are Single

Generally, if you are single, no plan benefits are payable to a beneficiary if you die before retirement benefits begin.

Cost of Protection
There is no charge for preretirement spouse's protection.

If You Transfer

If you transfer, your benefits may be affected.

If you transfer from one participating group to another participating group, your benefit will be calculated as follows:

Benefit service credited while a member in the first group **MULTIPLIED BY** The benefit rate in effect on the date of the transfer

PLUS

Benefit service credited while a member in the second group **MULTIPLIED BY** The benefit rate in effect on the date of retirement or termination

The way your vesting service and benefit service is counted may also be affected by when you transfer.

If you have any questions about how a transfer will affect your benefit under the Plan, call the PCA Benefits Center at 1-877-453-0945.

Paying Taxes on Your Benefits

Your benefits are taxable when you receive them.

Benefits from the Plan are considered taxable income.

Generally, federal tax law requires the Company to withhold taxes automatically before your benefits are paid to you. However, if the payment of the benefit is not in the form of an eligible rollover distribution, you may elect not to have withholding apply. In addition, if the payment of the benefit is in the form of an eligible rollover distribution from the Plan, the Company will withhold taxes unless you elect to have the distribution directly transferred to an individual retirement account, an individual retirement annuity, a qualified trust, an annuity plan under Section 403(a) of the Code, an annuity contract under Section 403(b) of the Code or a governmental 457(b) plan that separately accounts for amounts transferred into such plan.

An eligible rollover distribution is any distribution other than a distribution which is a part of a series of substantially equal periodic payments made, at least annually, for your life or life expectancy, the joint lives or joint life expectancies of you and your beneficiary, or for a period of ten years or more. A distribution is not an eligible rollover distribution if it is a required minimum distribution or a hardship distribution.

You may also be responsible for paying additional taxes when you file your tax return. Additional state income taxes may be due as well, depending on where you live.

A Final Note on Taxes

Taxes are a complex subject, and tax laws change frequently. Also, your particular tax situation is unique. That is why it is necessary for you to get personal tax advice on your own before receiving your pension benefits. Neither the Company, the Plan Administrator, nor any employee or representative of the Company can be responsible for advising you on the tax effects of pension benefit decisions.

Applying for Benefits

When you approach retirement age, call the PCA Benefits Center at 1-877-453-0945 to begin the process for the payment of your benefit.

When you approach retirement age, you should request a retirement kit from the PCA Benefits Center. If you have satisfied the eligibility requirements for early retirement under the Plan, you may begin receiving benefit payments when you retire, or you may defer payments until a later date.

> To avoid a delay in receiving pension benefits, you should notify the Company and the PCA Benefits Center of your intention to retire 45 to 90 days before you plan to retire.

You must submit a completed copy of any necessary forms, along with a copy of your birth certificate and any other required information, to the PCA Benefits Center within 45 to 90 days before your actual retirement. If you are unable to locate a copy of your birth certificate, the PCA Benefits Center can give you information about other acceptable methods to verify your date of birth.

To the extent allowed by law, the Plan Administrator has full discretion to determine eligibility for benefits under the Plan and to interpret the terms of the Plan and the Trust.

Applying for Survivor Benefits

In the event of your death, your spouse or other representative should contact the PCA Benefits Center at 1-877-453-0945. It will be necessary for your beneficiary to furnish a certified copy of your death certificate. In addition, certain other documents (such as a copy of the marriage license, birth certificate, or certificate of guardianship) also may be required.

Situations Affecting Your Plan Benefits

Some situations could cause a delay or loss of your pension benefits.

The Plan is designed to provide you with a continuing income when your active employment ends. However, some situations could affect your plan benefits. Those situations are summarized here.

Generally, if you leave the Company for any reason before you have five years of vesting service, you are not eligible for a benefit and no benefits are payable from the Plan. However, unless otherwise prohibited by the additional requirements set forth in the Supplement at the back of this booklet, you are eligible for a benefit if you leave the employ of the Company after you reach your normal retirement age, even if you do not have five years of vesting service (unless provided otherwise in your Supplement).

Pension payments begin only after your application for benefits is received and approved.

If you do not keep your most current address on file with the Company or the PCA Benefits Center, benefit payments may be delayed.

If benefit payments begin before your normal retirement age, benefits will be reduced as explained in the **"When You Can Retire: Early Retirement"** and **"If You Leave Before Retirement"** sections of this booklet.

If you die and your spouse is eligible for a surviving spouse benefit, your spouse will not begin receiving monthly payments until he or she has filed the appropriate application. Your spouse will be required to provide several types of information, including, but not limited to, a birth certificate, a marriage license, your death certificate, and a completed benefits application.

If the Plan is terminated, you will be notified of the termination. If the funds of the Plan are insufficient to pay the full amount of the benefits you have earned, benefits will be paid in the manner specified by law. For more information, see the **"Changes to the Plan"** section of this booklet.

If You Return to Work for the Company After Plan Payments Begin

If you retire and then return to work *before* your normal retirement age, your benefits will stop during the period of your reemployment. The vesting service and benefit service you had earned at the time of your retirement will be reinstated. *When you retire again, your benefit service both before your first retirement date and your benefit service after you return to work will be added to arrive at your new retirement benefit.* However, your new benefit will be reduced to account for any payments you have received.

If you return to work for 40 or more hours a month *after* your normal retirement age, your benefits will stop during your reemployment. The vesting and benefit service you had earned up to your retirement date will be restored. *When you retire again, your plan benefit will be calculated as if it were your first retirement.* However, your new benefit will be reduced to account for any payments you received before your normal retirement age. Your new plan benefit *before* any reductions for payments you have already received will never be less than your benefit at your previous retirement. The Plan will use the benefit service you had earned both before and after your first retirement.

If you are reemployed *after* your normal retirement age and you work fewer than 40 hours a month, your pension benefits will continue uninterrupted during your reemployment. However, if your hours at any time exceed the 40-hour limit, your plan benefits may be suspended as described above.

When you retire, several payment methods may be available. These methods are described in the **"How You Receive Plan Payments"** section of this booklet.

Overpayment and Non-Duplication of Benefits

If any benefit is overpaid, the Plan reserves the right to recover the overpayment or to reduce any future payment made to you or your beneficiary. Also, if you are eligible for benefits from any other plan to which the Company contributes, your benefits under this Plan will be reduced for any period of time for which you receive benefits from the other Plan.

If a Benefit Is Denied

If your application for a benefit is denied, you will receive an explanation in writing from the Plan Administrator or his or her delegate. This notice will state:

- The reasons for the denial;
- Specific references to the Plan provisions upon which the denial is based;

- A description of any additional material needed to complete the claim and why the information is needed;
- The necessary steps to appeal the denial decision; and
- The right of the claimant to bring a civil action under Section 502(a) of ERISA after an adverse determination on appeal.

You or your beneficiary should receive a notice of denial within 90 days after you file an application for benefits. You will be notified before the expiration of the 90 days if unusual circumstances will require an extension of another 90 days. If you or your beneficiary does not receive a denial or extension notice within 90 days, you may assume that your application for benefits has been denied. In such case, you may proceed directly to the appeal procedures for benefit denials.

To appeal the denial of an application for a benefit, you or your beneficiary should send your request to the Benefits Administration Committee (the "Committee") within 60 days after you receive a notice of denial. When you request an appeal, you must state why you believe the application was improperly denied and submit any data, questions or comments you deem appropriate.

The Committee will examine your information. You or your beneficiary may examine any pertinent documents, and you may have a representative present at any meetings concerning your claim. You or your beneficiary will receive the Committee's decision in writing, usually within 60 days of the request for review. In special cases, you may not receive a decision for 120 days, but you will be notified in writing before the expiration of the 60 days if a decision will be delayed. If an extension is necessary because you or your beneficiary fails to provide necessary information, the period for review will not continue to run from the date the notice is sent to you or your beneficiary until you or your beneficiary responds to the request for additional information.

The initial decision will be reversed if the Committee determines the decision was arbitrary and capricious. The Committee will provide you with a written notice of the decision on review. This notice will set forth:

- The reasons for the denial;
- Specific references to the Plan provisions upon which the denial is based;
- A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all relevant documents;
- A statement describing any voluntary appeal procedures provided under the Plan; and
- A statement of the claimant's right to bring a civil action under Section 502(a) of ERISA after an adverse determination on review.

Notwithstanding the foregoing, if your application for a benefit is based on disability and your application is denied, you will receive an explanation in writing from the Plan Administrator or his or her delegate within 45 days after you file an application for disability benefits. The notice will state:

- The reasons for the denial;
- Specific references to the Plan provisions upon which the denial is based;
- A description of any additional material needed to complete the claim and why the information is needed;

- The necessary steps to appeal the denial decision;
- The right of the claimant to bring a civil action under Section 502(a) of ERISA after an adverse determination on appeal;
- The right of the claimant to obtain a copy, upon request and free of charge, of any internal rule, guideline, protocol or criterion used by the Plan Administrator to decide the claim for disability benefits under the Plan; and
- Your right to obtain, upon request and free of charge, an explanation of any scientific or clinical judgment involved in the denial of the claim for disability benefits under the Plan and the application of the Plan terms to your medical circumstances.

You will be notified before the expiration of the 45-day period if unusual circumstances will require an extension of another 30 days. You will be notified before the expiration of the 30-day extension period if special circumstances will require a further extension of an additional 30 days.

If you do not receive a denial or an extension notice within 45 days, you may assume that your application for benefits has been denied. In such case, you may proceed directly to the appeal procedures for benefit denials.

To appeal the denial of an application for a benefit, you should send your request to the Committee within 180 days after you receive a notice of denial. When you request an appeal, you must state why you believe the application was improperly denied and submit any data, questions or comments you deem appropriate.

The Committee will examine your information. You may examine any pertinent documents, and you may have a representative present at any meetings concerning your claim. You will receive the Committee's decision in writing usually within 45 days of your request for a review. In special cases, you may not receive a decision for 90 days, but you will be notified in writing before the expiration of the 45-day period if a decision will be delayed. If an extension is necessary because you fail to provide necessary information, the period for review will not continue to run from the date the notice of extension is sent to you until you respond to the request for additional information.

The initial decision will be reversed if the Committee determines the decision was arbitrary and capricious. The Committee will provide you with a written notice of the decision on review. This notice will set forth:

- The reasons for the denial;
- Specific references to the Plan provisions upon which the denial is based;
- A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all relevant documents;
- The right of the claimant to bring a civil action under Section 502(a) of ERISA after an adverse determination on review;
- The right of the claimant to obtain, upon request and free of charge, a copy of any internal rule, guideline, protocol or criterion used by the Committee to decide the claim for disability benefits under the Plan; and
- The right of the claimant to obtain, upon request and free of charge, an explanation of any scientific or clinical judgment involved in the denial of the claim for disability benefits under the Plan and the application of the Plan terms to your medical circumstances.

Eligibility for benefits is intended to be determined solely on the basis of information supplied to the Plan Administrator or the Committee. Benefits cannot be granted or denied on the basis of information that has not been submitted in connection with a claim.

Assignment of Benefits

> Your pension benefits belong to you and may not be sold, assigned, transferred, pledged, or garnished under most circumstances.

If you become divorced or separated, certain court orders could require that part of your benefit be paid to someone else, such as your spouse or children, for example. Such court orders are known as Qualified Domestic Relations Orders ("QDROs"). A QDRO could affect benefits paid to you as well as to any beneficiary. In order for a court order to qualify as a QDRO under the Plan, certain procedures must be followed. As soon as you are aware of any court proceedings that may affect your retirement benefit, call the PCA Benefits Center at 1-877-453-0945 and ask for the QDRO team.

Changes to the Plan

If the Plan changes or ends, certain laws apply which protect all or a portion of your Plan benefits.

While the Company expects to continue the Plan indefinitely, it reserves the right to amend, modify, suspend, or terminate the Plan at any time, in its sole discretion (subject to any applicable provisions or limitations of national labor relations laws and existing collective bargaining agreements).

If the Plan Is Terminated

If the Plan is terminated, or if there is a partial termination affecting you, you immediately will be 100% vested in your benefits as of the termination date to the extent the Plan is funded. No money in the Trust can be returned to the Company until all required benefits have been paid.

Distribution of Benefits

If the Plan is terminated, benefits will be paid in the manner prescribed by law and in accordance with the terms and conditions set forth in the Plan document.

Pension Benefit Guaranty Corporation

Your pension benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (the "PBGC"), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their Plan, but some may lose certain benefits.

The PBGC guarantee generally covers normal and early retirement benefits, disability benefits if you become disabled before the Plan terminates, and certain benefits for your survivors. The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates;
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates;
- Benefits that are not vested because you have not worked long enough for the Company;
- Benefits for which you have not met all of the requirements at the time the Plan terminates;

- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if a portion of your benefits is not guaranteed by the PBGC, you still may receive some of those benefits from the PBGC depending on how much money your Plan has and how much the PBGC has collected from the Company.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator, or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000.

Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

Mergers, Consolidations, or Transfers

If the Plan is merged or consolidated, or the Plan assets are transferred to another plan, your current earned benefit will be protected. Your earned benefit under the new plan, if the Plan were to terminate immediately after the change, would at least equal the amount you would have been entitled to receive if the current Plan had been terminated just before the change.

If the Plan is terminated within five years following the date of any Plan merger, consolidation, or transfer of assets, and if the assets are less than the total present value of the accrued benefits (whether or not vested) on a termination basis, special Plan provisions will determine the allocation of the Plan assets to participants.

Plan Administration

The following sets forth details about the Plan and how it is administered.

Plan Name

Packaging Corporation of America Hourly Pension Plan (the "Plan")

Plan Type

This is a defined benefit retirement plan.

Plan Sponsor and Plan Administration

The Plan Sponsor is Packaging Corporation of America (the "Company"). The address of the Company is:

> Packaging Corporation of America
> 1900 West Field Court
> Lake Forest, IL 60045

A complete list of the employers and employee organizations sponsoring the Plan may be obtained by you or your beneficiary upon written request to the PCA Benefits Center or the Plan Administrator, and is available for examination at your work location.

The Plan is administered by the Benefits Administration Committee (the "Committee"), composed of at least three members appointed by the Board of Directors of the Company. The Committee has delegated its day-to-day responsibilities to the Director of Benefits. The address of the PCA Benefits Center, the Committee and the Director of Benefits are as follows:

PCA Benefits Center
100 Half Day Road
P.O. Box 1479
Lincolnshire, IL 60069-1479
877-453-0945

Benefits Administration Committee
Packaging Corporation of America
1900 West Field Court
Lake Forest, IL 60045
847-482-3000

Director of Benefits
Packaging Corporation of America
1900 West Field Court
Lake Forest, IL 60045
847-482-2119

The Committee has full power and authority to interpret the provisions of the Plan. The members of the Committee serve without fee or compensation, and expenses of the Committee, if any, are paid by the Plan unless paid by the Company.

To carry out its responsibility in administering the Plan, the Committee has the following duties: interpreting and construing the Plan; determining any questions concerning an employee's eligibility for participation and benefits under the Plan; appointing Plan Administrators; determining the amounts of Plan benefits; prescribing Plan administrative procedures; requiring any person to furnish information it requests as a condition to receiving benefits under the Plan; preparation of plan reports; and the authority to delegate administrative responsibility in connection with the Plan, including appointing a recordkeeper to keep the records and accounts of participants and beneficiaries of the Plan.

Employer Identification Number

36-4277050

Plan Number

003

Official Plan Document

This booklet describes the main provisions of the Plan, but not every detail is included. Your rights and benefits are governed solely by the official Plan document. **It is important, therefore, to ask questions and get clarification on any matters about which you are uncertain. A copy of the Plan document is available for you upon request and without charge from the PCA Benefits Center.** However, if there is a disagreement between this booklet and the Plan document, the Plan document always governs.

Plan Year

Plan records are maintained on a calendar-year basis, starting each January 1 and ending each December 31.

Plan Trustee and Cost

Benefits are paid from the Trust or from Trust-owned insurance contracts. The Trust is funded by contributions made by Participating Employers. No employee contributions are permitted. The Plan Trustee is:

State Street Corporation
Master Trust Services
P.O. Box 1992
Boston, MA 02105-1992

The Plan Trustee makes benefit payments as authorized by the Plan Administrator.

Agent for Service of Legal Process

Service of legal process may be made upon the Plan Administrator or the Plan Trustee at the respective address of each, as set forth above.

No Guarantee of Employment

Your participation in this Plan, or in any Company benefit program, does not establish a contract of employment between you, the Company or any Participating Employers of this Plan. Your participation in a benefit program also does not guarantee your continued or future employment. The Company retains the right to discharge or terminate an employee without regard to the effect the discharge or termination will have on his or her rights under the Plan.

Collective Bargaining Agreements

Benefits provided under this Plan are one of the subjects covered in periodic negotiations under the terms of collective bargaining agreements between the Company and certain union groups. You or your beneficiary can get a copy of the Collective Bargaining Agreement under which you are covered from your work location or from the Plan Administrator, or you or your beneficiary may review a copy at your work location.

Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that you are entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, copies of all documents filed by the Plan with the U.S. Department of Labor, including a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room for the Pension and Welfare Benefits Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and the updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries", have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, of if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about the Plan, you should contact the PCA Benefits Center or the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

The Plan is not a contract and does not create a contract of any kind. The Company, in its sole discretion, may modify, suspend, or terminate the Plan at any time, with or without notice, except to the extent limited by labor agreements.