
**Notice of Critical Status
for the
U.A. Local Union No. 322 Pension Plan**

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JNSA/PUBLIC AFFAIRS

This is to inform you that on January 29, 2015 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning November 1, 2014. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the funded percentage of the plan is 65% or less, and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the plan year ending October 31, 2016.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the 2nd consecutive year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may apply only to participants and beneficiaries whose benefit commencement date is on or after February 28, 2014. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of February 28, 2014, the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidies, including temporary Social Security Supplements; and
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA); and
- Other similar benefits, rights, or features under the plan.

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The law also allows changes in certain "ancillary" benefits such as lump sum death benefits, and future benefit accruals without regard to critical status.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status. The surcharge is payable like other contributions 30 days after notice and terminates on agreement to a collective bargaining agreement that is consistent with a rehabilitation plan adopted by the Trustees.

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrator, U.A. Local Union No. 322 Pension Plan, 534 S. Route 73, P.O. Box 169, Winslow, NJ 08095, or by phone at 609-567-3322. You have a right to receive a copy of the formal rehabilitation plan from the Plan, once it has been adopted.

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