

## **PRODUCTION WORKERS PENSION FUND**

### **Notice of Endangered Status (Yellow Zone) for the Plan Year Beginning January 1, 2012**

April 30, 2012

To all Participants, Beneficiaries, Contributing Unions, and Contributing Employers:

The Pension Protection Act of 2006 (PPA) has added requirements for measuring the financial stability of multiemployer pension plans.

The Act requires that the actuary annually determine the Fund's status in a certification to the IRS and the Trustees. If the actuary determines that the Fund is in any status other than "non-endangered", the Trustees must notify all plan participants, employers and contributing unions and take corrective action to restore the plan's financial stability.

#### **Endangered Status**

This letter will serve as Notice that, on March 30, 2012, our actuary certified that the Fund is in "endangered" status (Yellow Zone) for the plan year beginning January 1, 2012. Based on the PPA's funding measures, the Fund is projected to incur a funding deficiency in 2018, which is within the next 7 years of the valuation (but not within the next 4 years).

#### **Funding Improvement Plan**

The PPA requires that an "endangered" fund must adopt a "Funding Improvement Plan" (FIP). The FIP is designed to restore the plan to financial stability while avoiding an accumulated funding deficiency. There are several factors beyond our control that require annual monitoring, such as asset volatility and changes in employment levels. These can affect the Plan's status and the Trustees' future recommended corrective actions.

Legally required notices like this one can be confusing and create concerns about the Pension Fund's future. The Board of Trustees remains confident that, with the actions that have already been taken to improve the Plan's funding status, the Fund will continue to provide participants with secure retirement benefits.

#### **Where to Get Additional Information**

For more information about this Notice, you may contact Ms. Kathleen Joseph, Plan Administrator, Production Workers Pension Fund, 124 East 40<sup>th</sup> Street, New York, NY 10016. The telephone number is (212) 284-1108. You have a right to receive a copy of the Funding Improvement Plan from the Fund.