

HOD CARRIERS LOCAL 166 SOUTH BAY PENSION TRUSTS

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Notice of Endangered Status For Hod Carriers Local 166 South Bay Pension Plan

To: Participants, Beneficiaries, and Bargaining Parties Participating in the Hod Carriers Local 166 South Bay Pension Plan

From: Board of Trustees

This is to inform you that on March 29, 2013, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in endangered status, as defined in the Pension Protection Act of 2006, for the plan year beginning January 1, 2013. Federal law requires that you receive this notice.

The plan is considered to be in endangered status because the plan's actuary determined that the Funded Status as of January 1, 2013 is less than 80%.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a "Funding Improvement Plan" aimed at restoring the financial health of the plan.

In an effort to improve the Plan's funding situation, the trustees adopted the following funding improvement plan on September 4, 2012. The terms of the funding improvement plan will continue as long as required to improve the Plan's funding situation.

- Additional contributions of \$1.25 per hour beginning January 1, 2013 with an additional \$0.80 starting in 2014 and 2015. These additional contributions are solely to improve plan funding and do not count for benefit accrual.
- Modify future benefit accruals to eliminate the 25-year and out retirement, increase the normal retirement age to 65, change eligibility for early retirement to age 55 and vested, and change the early retirement reduction factors to 0.5% per month for each month before age 65.
- Revise disability benefits to eliminate the longevity disability benefit, change eligibility for the standard disability to age 50 with 10 years of service, and change the standard disability benefit to the accrued benefit reduced by 0.5% for each month disability retirement precedes normal retirement age but not less than \$100 per month with the full benefit payable at normal retirement age.

You may obtain a copy of the Plan's funding improvement plan and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement by contacting the plan administrator.

Where to Get More Information

For more information about this Notice, you may contact the plan's Administrative office: Allied Fund Administrators, 825 Battery Street, San Francisco, CA 94111, (415) 986-6276.