SEIU
National Industry Pension Fund

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Notice of Critical Status
For
SEIU National Industry Pension Fund

April 30, 2012

EIN: 52-6148540 Plan Number: 001

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

The Pension Protection Act of 2006 requires that the Plan's actuary determine annually the Plan's financial status under specific rules. This Notice is to inform you that on March 31, 2011, the Plan's actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the Plan remains in critical status (the "red zone") for the plan year beginning January 1, 2012. Federal law requires that you receive this notice.

Critical Status

The Plan was first considered to be in critical status (that is, in the "red zone") for the Plan Year beginning January 1, 2009. In order to emerge from critical status, the Plan would need to have no accumulated funding deficiency projected for 10 years. The Plan's actuary has determined that the Plan is projected to have an accumulated funding deficiency within 10 years; therefore, the Plan continues to be certified as critical status for 2012.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The rehabilitation plan may include changes to the benefits you earn in the future. In addition, the law permits pension plans in the red zone to reduce, or even eliminate, certain features of benefits you have already earned – these features are called "adjustable benefits" – as part of a rehabilitation plan. When the Plan first entered the red zone in 2009, the Trustees adopted a number of plan changes and contribution adjustments anticipated to bring the Plan out of the red zone in no more that thirteen years from the start of the Rehabilitation Period, as required under law. You have received separate notifications identifying and explaining the benefit changes on November 25, 2009 and December 30, 2009. Please refer to those notifications for details, or contact the Fund Office.

Please note that, according to the rehabilitation plan, the Plan is expected to remain in the red zone until the end of the rehabilitation period. The fact that the Plan is in the red zone this year is expected and does not mean that further Plan changes are necessary. As you know, certain adjustable benefits have already been reduced or eliminated as part of the rehabilitation plan adopted in 2009; the timing of some of these changes are dependent on adoption of schedules in collective bargaining. There is no indication that the Trustees intend to make any additional changes to adjustable benefits. There is no expectation that any other benefit reductions will be necessary in the future if progress continues to be made under the existing rehabilitation plan. Should any further changes be necessary under the rehabilitation plan, you will receive a separate notice in advance identifying and explaining the effect of any such changes. As always, any reduction in adjustable or other benefits will not reduce the level of a participant's already-earned benefit payable at the Plan's normal retirement age of 65, nor can they affect the benefits of those who were already in pay status on the date of the initial notice of critical status in April 2009.

Employer Surcharges

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. A 5% surcharge was applicable in the initial critical year (2009) and a 10% surcharge was applicable in 2010 and for each succeeding plan year thereafter in which the plan is in critical status, until the bargaining parties agree to a collective bargaining agreement that implements one of the contribution schedules in the Rehabilitation Plan

What's Next

The law requires that the Plan's funding status be reviewed each year and certified annually, so you will receive a notice similar to this each year that the Plan is certified to be in critical or endangered status. You will also receive formal Annual Funding Notices that present additional historical information about the Plan's funding status.

Where to Get More Information

For more information about this Notice, you may contact:

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