NEW ORLEANS EMPLOYERS –
INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO
PENSION, WELFARE, VACATION AND HOLIDAY FUNDS
721 RICHARD STREET, SUITE B
NEW ORLEANS, LOUISIANA 70130-4505

January 28, 2016

Thomas R. Daniel
Administrator

(504) 525-0309
FAX (504) 581-2234

NOTICE OF CRITICAL STATUS

FOR

NEW ORLEANS EMPLOYERS - INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO PENSION PLAN

EIN: 72-6023317 Plan No.: 001

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

The Pension Protection Act of 2006 (PPA) added requirements for measuring the financial health of multiemployer plans such as ours. It requires that the Pension Plan's actuary determine annually the Plan's financial status under these rules and certify that status to the IRS and the Trustees. It is important to note that if the Plan's status for a plan year is either "endangered" (known as the yellow zone) or "critical" (known as the red zone), the Trustees must notify all participants, unions, employers, and other parties in writing of this certification, as well as take corrective action to restore the financial health of the Pension Plan.

Plan's Status – Red Zone

On December 29, 2015, the Plan's actuary determined and certified that the Plan was in "critical" status for the 2015 plan year. This determination was made because the Plan is projected to have a funding deficiency within four years. This is the eighth plan year that the Plan has been in critical status.

Rehabilitation Plan

The Pension Protection Act also requires any pension plan in the red zone to adopt a "rehabilitation plan" that is designed to restore the financial health of the plan. The Board of Trustees adopted a rehabilitation plan on April 22, 2009. As required by the law, a notice describing the Pension Plan's rehabilitation plan was provided to the bargaining parties on May 12, 2009, at which time a Notice of Adjustment to Benefits due to Critical Status was sent, explaining the changes adopted under the Rehabilitation Plan. In addition to revising the Pension Plan's provisions for future benefits, the law permits pension plans in the red zone to reduce, or even eliminate, benefits called "adjustable benefits" as part of the rehabilitation plan.

Pension Plan Changes

On April 22, 2009, the Board of Trustees adopted a rehabilitation plan that proposed various changes to the Pension Plan in order to improve the financial health of the Plan. The Plan's participating Unions and contributing Employers agreed to a schedule of changes as set forth under the preferred schedule of the rehabilitation plan. A notice describing those changes was sent on May 12, 2009. The changes generally apply to participants whose benefit commencement date is after October 1, 2009. The changes include changes to the early retirement reductions for participants below age 62 with 30 or more years of creditable employment, elimination of the 30% and 20% supplemental benefits payable from retirement until age 62, elimination of subsidies in the pre-retirement 50% survivor benefit for terminated vested participants with spouse as beneficiary, elimination of subsidies in the post-retirement 50% joint and survivor benefit for active and terminated vested participants with spouse as beneficiary, and elimination of the pre-retirement lump sum estate death benefit to the extent it exceeds $5,000.

Adjustable Benefits

The Plan offers the following adjustable benefits that may be reduced or eliminated as part of the Rehabilitation Plan:

- Disability benefits (if not yet in pay status),
- Early retirement benefit or retirement-type subsidy (such as the 30-Year Service Pension),
- Subsidized Qualified Pre-Retirement Survivor Annuity (QPSA) for active participants,
- Death Benefits, and
- Optional Forms of Payments.

Where to Get More Information

Since the law requires that the Plan's funding status be reviewed and certified annually, notices like this one will be sent each year if the plan is in critical or endangered status. You will be receiving formal Annual Funding Notices giving other details about the Plan's finances, in addition to other communications about the Plan that the Trustees send out from time to time. If you have any questions about this notice or about the Plan generally, please contact:

Administrator
New Orleans Employers – ILA, AFL-CIO Pension Fund
721 Richard Street, Suite B
New Orleans, Louisiana 70130
(504) 525-0309

We understand that legally required notices like this one can create concern about the Plan's future. The Board of Trustees is working with the unions and the contributing employers toward taking appropriate actions to improve the financial health of the Plan so that retirement benefits for participants and their families are secure into the future.

Sincerely,

Board of Trustees

cc: Department of Labor
Pension Benefit Guaranty Corporation