



**32BJ North Pension Fund**

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**April 18, 2014**

**NOTICE OF CRITICAL STATUS  
FOR  
32BJ NORTH PENSION FUND**

The purpose of this Notice is to inform you that, on March 31, 2014, the actuary of the 32BJ North Pension Fund (“Fund”) certified to the U.S. Department of the Treasury, and also to the Board of Trustees of the Fund, that the Fund is in critical status for the Plan Year beginning January 1, 2014. Federal law requires that you receive this Notice.

The Fund is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Fund’s actuary has determined that since the Fund was in critical status last year and has a projected funding deficiency within 10 years, the plan was again in critical status for the 2014 Plan Year.

**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. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. If the Fund’s Trustees 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 will apply only to those participants and beneficiaries whose benefit commencement date is on or after the date of the initial notice of the Plan’s critical status which was sent on April 30, 2009.

**Adjustable Benefits**

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

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint and survivor annuity (QJSA);
- Recent benefit increases (e.g. occurring in the past 5 years);
- Other similar benefits, rights or features under the Plan

Under the Rehabilitation Plan adopted by the Fund's Board of Trustees, one schedule provides for an increase in contributions only, while the other schedule reduces future benefit accruals to 1% of contributions, eliminates the post retirement death benefit and increases contributions.

## **Employer Surcharge**

The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund'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 Fund under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge was applicable in the initial critical year (2009) and a 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Fund is in critical status until the employer adopts a collective bargaining agreement that includes one of the schedules of the Fund's Rehabilitation Plan.

## **Where to Get More Information**

For more information about this Notice, you may contact the Plan's designated representative at: Regine Breton, Director of Retirement Services, 25 West 18<sup>th</sup> Street, New York, NY 10011, 800-551-3225. You have a right to receive a copy of the Rehabilitation Plan from the Fund.