

BAKERY & SALES DRIVERS LOCAL UNION 33
INDUSTRY WELFARE FUND – INDUSTRY PENSION FUND

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December 27, 2011

Sent Via Certified Mail

US Department of Labor
Employee Benefits Security Administration
Public Disclosure Room – N-1513
200 Constitution Avenue, NW
Washington DC 20210

Notice of Critical Status
For
Bakery & Sales Drivers Local Union No. 33 Industry Pension Fund (“Plan”)

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

This is to inform you that on November 29, 2011, the Plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the Plan is in Critical Status (the “red zone”) for the Plan year beginning September 1, 2011. Federal law requires that you receive this Notice.

Critical Status

The Plan is considered to be in Critical Status (that is, in the “red zone”) because the Plan's actuary determined that the Plan has a funded percentage less than 65% and is projected to have an accumulated funding deficiency for Plan year beginning September 1, 2011.

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. This is different from the Funding Improvement Plan that has been in effect because the Plan had previously been in Seriously Endangered Status. The Rehabilitation Plan may include changes that could reduce, or even eliminate, certain features of benefits you have already earned; these features are called “adjustable benefits” and are detailed below. (The Plan has been “frozen” since January 1, 2007, meaning that no additional pension benefits accrue on or after that date.) You will receive a separate notification identifying and explaining the effect of those reductions when the Trustees adopt the Rehabilitation Plan later this Plan year. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit already earned that is payable at Normal Retirement Age. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after the date of this Notice (December 29, 2011).

Adjustable Benefits

The Plan offers the following adjustable benefits, which the law permits may be reduced or eliminated as part of any Rehabilitation Plan that the Plan may adopt. Again, the particular treatment of adjustable benefits by the Plan will be set out in the Rehabilitation Plan itself which will be communicated to you later this Plan Year.

- Early Retirement Pension
- Disability Pension
- Service 90 Pension
- Service 85 Pension
- Death Benefit (Lump Sum Death Benefit and Thirty-Six Month Payment Benefit)
- The 36-month payment guarantee for the normal benefit form for unmarried participants.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge, which is owed unless and until the bargaining parties adopt one of the Schedules in a Rehabilitation Plan. 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 is applicable in the initial critical Plan year and a 10% surcharge is applicable 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 Schedules called for in the Rehabilitation Plan. The 5% surcharge is payable on contributions due for work performed on and after January 28, 2011, until August 31, 2012, and the 10% surcharge is payable with respect to periods after that, until the Rehabilitation Plan goes into effect.

Where to Get More Information

For more information about this Notice, you may contact:

Bakery & Sales Drivers Local Union No. 33 Industry Pension Fund
c/o Benefit Administration Corporation
9411 Philadelphia Road - Suite S
Baltimore, MD 21237
1(800) 922-0602

The Rehabilitation Plan will be adopted within the near future. Shortly after that, the Plan will send a copy of the Rehabilitation Plan Schedules to contributing employers and IBT Local 639, and a summary to participants and beneficiaries.