Notice of Critical Status
for
Local 945 I.B.T. Pension Plan
EIN: 22-6196388 / PN: 001

This is to inform you that on March 31, 2011, the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Plan is in critical status for the Plan year beginning January 1, 2011. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan has not passed the "Emergence Test", meaning that the Plan was in critical status last year and is projected to have a funding deficiency over the next 9 years. The Plan is projected to have an accumulated funding deficiency for each Plan year in the testing period.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the Plan. This is the 3rd year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. On April 10, 2009, you were notified that the Plan reduced or eliminated adjustable benefits. On April 10, 2009, you were notified that as of January 1, 2009 the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction in 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 may only apply to participants and beneficiaries whose benefit commencement date is on or after April 10, 2009.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any Rehabilitation Plan the pension may adopt:

- Special Early Retirement Provision
- Other Special Early Retirement Provision
- Lump Sum Return of Contributions Death Benefit

As part of the Rehabilitation Plan, the Special Early Pension Benefit for Participants with at least 300 months of Plan contributions and who are at least 60 at the time they begin their Early Retirement Pension will continue to be offered. However, the Other Special Early Pension Benefit available to Participants with at least 120 months of Plan contributions and who are at least age 62 at the time that they begin their Early Retirement Pension will no longer be offered on and after January 1, 2010. There will be limited exceptions to this. Any Participant immediately eligible for this benefit (age 62 with at least 120 months) on or before January 1, 2010 retains rights to this provision.

Additionally, the lump sum return of contributions death benefit has been eliminated.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation until such time as their collective bargaining agreements are updated to reflect the contribution increases required by the 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 under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact:

Catherine Oakes
I.B.T. Local 945 Pension Plan
585 Hamburg Turnpike
Wayne, NJ 07470
Phone: (973) 942-9463

You have a right to receive a copy of the Rehabilitation Plan from the Plan.

DATE SENT: _____