

Notice of Critical Status For CWA/ITU Negotiated Pension Plan

This 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 Board of Trustees 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 is projected to be below the minimum funding level required by law within the next three years.

Rehabilitation Plan

The law requires plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the second year the plan has been in critical status. The law permits plans in critical status to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. Under the rehabilitation plan adopted by the Board of Trustees on March 8, 2010, the following changes were made to the Plan for pensions not yet in pay status (i.e. current pensioners were not affected):

- The Early Pension is only available from age 62, and the Early Pension subsidy is removed by increasing the reduction factors;
- The 60 month guarantee (Life/5 form of pension) is no longer offered for new pensions on or after June 1, 2010;
- Retroactive pension payments are no longer available;
- Participants reaching Normal Retirement Age before a break in service need five years of service credit to vest.

If the Board of Trustees determines that further benefit reductions are necessary, you will receive a separate notice explaining those reductions. The adjustable benefits offered by the Plan have been eliminated as noted above except for the Early Pension, which is now only available at age 62 for future pensioners, unless eliminated as part of a rehabilitation plan.

Employer Surcharge

A permanent increase in contributions is not included in the rehabilitation plan. The law does require a temporary 5% surcharge on contributions in the initial critical year and a 10% surcharge in each succeeding plan year until the bargaining parties agree to be bound by the provisions of the rehabilitation plan.

Where to Get More Information

Additional information can be obtained from the Plan Office at (719)473-3862 or cwaitu@aol.com, or from the Plan's web site at cwaitu.com. You have a right to receive a copy of the Rehabilitation Plan from the Office.