

Notice of Critical Status For Production Workers Pension Fund

This is to inform you that on March 31, 2014 the plan actuary certified to the U.S. Department of Treasury and the plan sponsor that the plan is in critical status for the plan year beginning January 1, 2014. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding problems. More specifically, the plan actuary determined that the plan's normal cost plus the interest on the unfunded liabilities exceed the contributions, the present value of benefits of inactive participants is greater than that of active participants, and the plan is projected to incur an accumulated funding deficiency in 2017.

Rehabilitation Plan

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. The rehabilitation plan must be adopted no later than 240 days following the required date of the actuarial certification.

Adjustable Benefits

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

- 30-year service benefit;
 - 120-month payment guarantees;
 - Disability benefit (if 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 (i.e, occurring in past 5 years);
 - Other similar benefits, rights, or features under the plan {provide identification} Severance benefit.
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Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan'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 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 the Fund Office at (212)-284-1108, 124 East 40th Street, New York, New York 10016. You have a right to receive a copy of the rehabilitation plan from the Plan Administrator after it is adopted.