

NOTICE OF CRITICAL AND DECLINING STATUS
FOR
LOCAL 810 AFFILIATED PENSION FUND

This is to inform you that on March 30, 2016, the plan actuary certified to the U.S. Department of the Treasury, and to the plan sponsor, that the Local 810 Affiliated Pension Fund (hereafter, the “Plan”) is in critical status for the plan year beginning January 1, 2016. Federal law requires that you receive this notice.

Critical and Declining 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 is projected to have an accumulated funding deficiency for the 2016 plan year. Also, as required by the recently enacted Multiemployer Pension Reform Act of 2014, the Plan was certified as being in Critical and Declining Status because the actuary determined that the Plan is projected to become insolvent within 20 years. Such insolvency may result in benefit reductions.

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. In February 2013 you were notified that:

- 1) Effective April 1, 2013, for disability pensions: (a) require a participant to have worked a minimum of twenty years; and (b) reduce the amount of the disability pension by 3% per year for every year such disability pension benefit is received prior to age 65.
- 2) Effective April 1, 2013, eliminate the five-year deferred vested pension payable upon the attainment of age 55.
- 3) Reduce the multiplier (accrual rate) from \$45 to: (a) \$40, effective April 1, 2013; (b) \$35, effective January 1, 2014; and (c) \$30, effective January 1, 2015.
- 4) Effective January 1, 2014, reduce the early retirement benefit by one-half of one percent (½%) per month to reflect the early commencement of the benefit; this represents the actuarially equivalent benefit to the normal retirement benefit.
- 5) Effective January 1, 2014, require individuals seeking a “30-Year Retirement Pension” to have attained age 60.
- 6) Effective April 1, 2013, limit the compensation take into account in calculating pension benefits to no more than \$100,000.

Any reduction of adjustable benefits 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 30 days from the date of the change.

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. Many of the adjustable benefits have already been reduced or eliminated as part of the rehabilitation plan adopted in 2013:

- ✓ 30-year service benefit;
- ✓ 36-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
 - (1) Enhanced accrual upon attainment of age 55 and 15 years of service
 - (2) Subsidized joint-and-survivor benefit

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 Local 810 Affiliated Pension Fund, 24-09 38th Avenue, Long Island City, New York 11101, telephone number 212-691-4100. You have a right to receive a copy of the Rehabilitation Plan from the Plan.

This Notice is dated **April 29, 2016**.

As required by law, this notice is being provided to all required parties including the Pension Benefit Guaranty Corporation (PBGC), the U.S. Department of Labor, each Plan Participant and Beneficiary, the Union and each the Contributing Employer.