

**Notice of Critical Status
For
THE LEGACY PLAN OF THE NATIONAL RETIREMENT FUND**

This is to inform you that on March 31, 2017 the plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the Legacy Plan of the National Retirement Fund (the "Fund") is in critical status for the plan year beginning January 1, 2017. Federal Law requires that you receive this notice.

This notice is being sent to all of the Fund's participants, beneficiaries, the participating employers, associated unions (UNITE HERE, Workers United, SEIU and former Service Workers United), the Pension Benefit Guaranty Corporation and the Department of Labor.

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 was in critical status beginning in 2010, and in 2017 the plan remains in critical status because it is projected to have an accumulated funding deficiency during the next 10 plan years.

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 Fund. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Fund's rehabilitation plan includes a reduction in future benefit accruals and adjustable benefits. Any reductions of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement age. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after June 1, 2010. But you should know that whether or not the Fund reduces adjustable benefits in the future, effective as of April 30, 2010, the Fund is not permitted to pay lump sum benefits in excess of \$5,000 (or any other payment in excess of the monthly amount paid under a single life annuity) while the Fund is critical status.

Adjustable Benefits

The Fund offers the following adjustable benefits which may be eliminated as part of the rehabilitation plan the Fund adopted:

- Disability benefits (if not yet in pay status);
- Pre-retirement guaranteed death benefits; and
- Post-retirement guaranteed death benefits

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the Fund'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 Fund 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 6 Blackstone Valley Place, Suite 302, Lincoln, RI 02865, (800) 452-4155. You have a right to receive a copy of the rehabilitation plan from the Fund.