



**Robert F. Kennedy Medical Plan
Juan de la Cruz Pension Plan
29700 Woodford Tehachapi Road, Keene CA 93531
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April 30, 2010

Dear Pension Plan Participants and Beneficiaries:

Enclosed is the official Notice of Critical Status for the Juan de la Cruz Pension Plan.

This Notice is required to be sent to all Plan Participants and Beneficiaries (as well as all Plan Employers) when the Plan's actuary has determined that the funding status of the Plan is deemed to be in a critical status.

In addition to the Notice itself, we wanted to take this opportunity to give you some extra information on the condition of the Plan, what is transpiring and what you might expect for the future.

History & Background

The Juan de la Cruz Pension Plan (JDLC) is made up of an equal number of voting Trustees (half the voting trustees are Union Trustees and half are Employer Trustees). This structure provides an equal voice for both sides. The exclusive duty of the Trustees is to do what is in the best interest of the Plan, the participants and beneficiaries.

The Pension Protection Act

The Pension Protection Act (PPA) requires all pension plans to be evaluated and classified on their financial standing. Basically, this means comparing a plan's liabilities (how much they will need to pay out over time) against their current assets. Depending on the strength of that relationship, plans are then ranked in one of three zones (Green/Safe, Yellow/Endangered or Red/Critical.)

In 2008, the JDLC plan started the year in the Green zone. However, because of the severe economic downturn over the next year, the values of all types of assets (stock market, bonds, and real estate) were reduced. Consequently, the Plan's financial footing was diminished and the JDLC plan is now in the Red zone.

This is not an uncommon situation and is not unique to JDLC. In 2008, about 75% of plans were in the Green zone and 25% were in Yellow or Red. Today, again because of the economic downturn, those numbers have been reversed. About 75% of plans are now Red or Yellow status and only 25% remain in the Green zone.

What does this mean?

Plans that are in the Red zone are mandated to develop a plan that will strengthen their financial standing so they will have sufficient assets to pay their long term liabilities. This means that the Trustees will develop some changes that will strengthen the plan's financial footing.

There are two things that can be changed to do this. They are:

1. Increasing the amount Employers contribute *into* the plan or
2. Decreasing the benefits *paid out* by the Plan.

Most likely, the final remedy chosen by the Trustees will combine some of both elements.

What this does NOT mean

The plan is not "broke" nor is it "going broke." It is in the process of strengthening itself for the future.

It is important that participants understand what this does not mean for the plan or retirees.

- No changes will be made to the monthly benefits of anyone already retired under the plan. If you are already receiving a monthly check it will not change. Nor will the benefit to your spouse change if you elected such a benefit and were to pass away.
- The monthly benefit at normal retirement date that participants have earned up to now will not change either. The credits you have earned in the past and the monthly benefit these will translate into will not change.

What will likely change are new benefits you may earn for future hours of work. These may be somewhat reduced going forward. Again, nothing you have earned so far will change.

What Happens Next?

The Trustees are required to take certain steps to rehabilitate the Plan and are moving forward in doing so with the least disruption to participants in the Plan. As the notice indicates, the only changes that can be made to the plan are those that are considered “adjustable benefits.” Adjustable benefits are not those benefits you have already accumulated. They represent future benefits.

What you have accumulated up to now will not change. But what you may accumulate in the future may be at a slower rate of accumulation.

Not all “adjustable benefits” would need to be modified, either. Only enough benefits to rehabilitate the Plan would need to be modified. This means that the Trustees have many different options available to them. The Trustees have indicated that their top priorities are to protect benefits of those who have already retired. For those people already receiving retirement benefits from JDLC your benefits will not change. In addition, JDLC retirement benefits are also insured by the Pension Benefit Guaranty Corporation (PBGC).

Possible Legislative and Other Changes

New Legislation – There is talk of new pension rules which may modify the Pension Protection Act to allow for different and better options. If the Pension Plan is in critical status, the Trustees would need to make changes within a fixed timeline. New legislation may or may not change this but it is hoped that Congress may allow more latitude in how to address the situation that will be in everyone’s best interest.

Investment Issues – The worldwide financial crisis, particularly in the United States, has caused the problems we are now discussing. If over the next year things improve, the changes to the plan may be lessened. If we make changes now and things get worse, we may need to make changes again.

Staying on top and keeping you informed

As you can see, because of investment issues and legislative changes, this situation surrounding pension plans is dynamic. It is subject to change.

The JDLC Board, with the help of a strong team of professional advisors, is working diligently to stay on top of all of these issues. Their main goal, as stated at the outset, is to work on your behalf protecting your interests in the Plan.

We will work to keep you up-to-date on any changes that occur and will do our utmost to protect the integrity of your workplace benefits.

Notice of Critical Status For The Juan de la Cruz Pension Plan

This is to inform you that on March 31, 2010, 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 01, 2010. 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 sum of the plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the 2014 plan year.

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 plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. 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 April 30, 2010.

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:

- Post-retirement lump sum death benefits;
- Pre-retirement lump sum death benefits;
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Future voluntary contributions and the benefits associated with voluntary contributions.
- Other similar benefits, rights, or features under the plan

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. It is the Plan's intent to begin the initial surcharge on employer contributions beginning for hours worked on or after June 01, 2010.

Where to Get More Information

For more information about this Notice, you may contact the Plan's Administrative Office at:

Juan de la Cruz Pension Plan Administrative Office
PO Box 47, Keene CA 93531
(800) 321-6607 or (661) 823-6900

You have a right to receive a copy of the rehabilitation plan from the plan.

Aviso de Estatus Crítico en el Plan de Pensión Juan de la Cruz

Este aviso es para informarle que el 31 de marzo de 2010, el actuario del plan certifico al Departamento del Tesoro de los EU. y también el aval del plan, que el plan está en una situación crítica para el año que inicia el primero de enero de 2010. La ley Federal requiere que usted reciba este aviso.

Estatus Crítico

El plan es considerado en estatus crítico porque tiene problemas de fondos o de liquidez, o ambos. Más específicamente, el actuario del plan ha determinado que la suma del costo normal del plan y el interés de los beneficios sin fondos para el actual año plan sobrepasan el valor presente de todas las contribuciones esperadas por el año; el valor presente de los beneficios acreditados de participantes inactivos es mayor que el valor presente de los beneficios acreditados de los participantes activos; y en los siguientes cuatro años del plan, el plan proyecta tener deficiencia de fondos acumulados para el año plan del 2014.

Rehabilitación del Pan y Posibilidad de Reducción de Beneficios

La ley Federal requiere que los planes de pensión en estatus crítico adopten un plan de rehabilitación encaminado a restaurar la salud financiera del plan. La ley permite a los planes de pensión a reducir, o incluso eliminar, los beneficios llamados "beneficios ajustables" como parte del plan de rehabilitación. Si los fiduciarios del el plan determinan que la reducción de beneficios es necesaria, usted recibirá un aviso por separado en el futuro identificando y explicando el efecto de estas reducciones. Cualquier reducción de beneficios ajustables no reduce el nivel de beneficios básicos del participante pagadero al retiro normal. Adicionalmente, las reducciones pueden solo aplicar a los participantes y beneficiarios que comiencen después del 30 de abril de 2010.

Beneficios Ajustables

El plan ofrece los siguientes beneficios ajustables que pudieran ser reducidos o eliminados como parte del plan de rehabilitación que se puede adoptar:

- Monto único de Beneficios de defunción de post-retiro
- Monto único de Beneficios de defunción de pre-retiro
- Beneficios de retiro adelantado o subsidios al tipo de retiro
- Opciones de pagos de beneficios diferentes a la anualidad de sobreviviente conjunto calificado (QJSA);
- Contribuciones voluntarias futuras y beneficios asociados con las contribuciones voluntarias.
- beneficios similares, derechos, o con características similares bajo el plan.

Sobre tasa Patronal

La ley requiere que todos los patrones contribuyentes paguen al plan un sobre cargo para ayudar a corregir la situación del plan financiero. El monto de este sobre cargo es igual al porcentaje del monto que un patrón en otras circunstancias le es requerido contribuir al plan bajo el contrato colectivo de trabajo aplicable. Con algunas excepciones, un 5% de sobre cargo es aplicable en el año crítico inicial y un 10% de sobre cargo es aplicable cada año plan subsiguiente posterior al año en que entró al estatus crítico. Es intención del Plan iniciar el sobre cargo en la contribuciones iniciando con las horas trabajadas a partir del 1º. de junio de 2010.

En dónde Obtener más Información

Para más información sobre este aviso, usted puede contactar a la Oficina Administrativa del Plan:

Juan de la Cruz Pension Plan Administrative Office
PO Box 47, Keene CA 93531
(800) 321-6607 or (661) 823-6900

Usted tiene el derecho a recibir una copia del plan de rehabilitación hecho para el plan.